INTERNATIONAL FRONTIER RESOURCES CORPORATION REVERSE-TAKEOVER TRANSACTION BY WAY OF THREE-CORNERED AMALGAMATION INVOLVING KINJAL CORPORATION

AND 1001550109 ONTARIO INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

OF

INTERNATIONAL FRONTIER RESOURCES CORPORATION

THIS NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF INTERNATIONAL FRONTIER RESOURCES CORPORATION TO BE HELD ON October 23, 2026.

These materials are important and require immediate attention. Shareholders are being asked to make important decisions. If you are in doubt as to how to vote or otherwise deal with the matters described in this Information Circular, you should consult your financial, legal, tax or other professional advisors.

The Board of Directors unanimously recommends that Shareholders vote FOR the Transaction Resolution and FOR the other matters to be considered at the Meeting.

TO BE HELD AT: The Offices of DLA Piper (Canada) LLP, Suite 1000, Livingston Place West, 250 2nd St SW, Calgary AB T2P 0C1

At 10:00 a.m. (Calgary time).

No securities regulatory authority or stock exchange has expressed an opinion about the Transaction or the securities to be issued in connection with the Transaction, and it is an offence to claim otherwise.

Dated: October 1, 2026

TABLE OF CONTENTS

INTRODUCTION 1
INFORMATION FOR U.S. SHAREHOLDERS 1
FORWARD LOOKING STATEMENTS 2
GLOSSARY OF TERMS 3
REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES 12
EXCHANGE RATES 12
CONVERSIONS 12
NON-IFRS MEASURES 13
NOTES ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION 14
SUMMARY 15
- The Meeting 15
- The Amalgamation and the Transaction 15
- Information Concerning IFR 15
- Information Concerning Kinjal 16
- Mexican Asset Transactions 16
- Concurrent Financing 16
- Resulting Issuer Warrants and Supplementary Listing 17
- Debt Facility 19
- Background and Reasons for the Transaction 20
- Support and Voting and Lock-up Agreements 20
- Approval and Recommendation of the Board of Directors 21
- Effect of the Transaction and Post Transaction Structure 21
- Effect on Holders of IFR Shares 21
- Management and the Board of Directors of the Resulting Issuer 21
- Procedure for the Transaction to Become Effective 22
- Shareholder Approval 22
- No Court Approval Required 22
- Dissent Rights 22
- Conditions Precedent 23
- Effective Date 23
- Procedure for Exchange of Share Certificates 23
- Stock Exchange Listing Approval 23
- Termination Provisions 23
- Certain Canadian Federal Income Tax Considerations Applicable to IFR Shareholders 24
- Non-Canadian Income Tax Considerations Applicable to IFR Shareholders 24
- Risk Factors 24

INFORMATION CONCERNING THE MEETING 25
- Solicitation of Proxies 25
- Appointment and Revocation of Proxies 25
- Advice to Beneficial Shareholders 25
- Voting of Proxies 26
- Quorum 27
- Voting Shares and Principal Holders Thereof 27
- Depository/Transfer Agent 27

THE TRANSACTION 28
- General 28

MATTERS RELATED TO THE TRANSACTION 32
THE DEFINITIVE AGREEMENT 34
SECURITIES LAW MATTERS 37
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS 38
NON-CANADIAN INCOME TAX CONSIDERATIONS 40
DISSENTING SHAREHOLDER RIGHTS 40

INFORMATION CONCERNING IFR 41

CORPORATE STRUCTURE 42
GENERAL DEVELOPMENT OF THE BUSINESS 42
SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS 43
DESCRIPTION OF THE IFR SHARES 43
OPTIONS, WARRANTS AND OTHER CONVERTIBLE SECURITIES 43
MARKET FOR SECURITIES 44
PRIOR SALES 44
INTERESTS OF EXPERTS 45

INFORMATION CONCERNING KINJAL 46

CORPORATE STRUCTURE 46
GENERAL DEVELOPMENT OF THE BUSINESS 46
FINANCIAL CAPABILITY SUPPORT ARRANGEMENTS 50
BUSINESS STRATEGY 50
DESCRIPTION OF THE BUSINESS 51
MEXICO'S OIL AND GAS INDUSTRY OVERVIEW 52
OIL AND GAS REGULATORY FRAMEWORK IN MEXICO 54
COMPETITIVE CONDITIONS 57
FOREIGN OPERATIONS 57
FINANCING MATTERS 57
EXPLORATION AND DEVELOPMENT ACTIVITIES 59
STATEMENT OF OIL AND GAS RESERVES 66
SELECTED CONSOLIDATED FINANCIAL INFORMATION 66
MANAGEMENT'S DISCUSSION AND ANALYSIS 67
DESCRIPTION OF THE SECURITIES 68
CONSOLIDATED CAPITALIZATION 68
EXECUTIVE COMPENSATION 69
NON-ARM'S LENGTH PARTY TRANSACTIONS 69
LEGAL PROCEEDINGS 69
MATERIAL CONTRACTS 71

INFORMATION CONCERNING THE RESULTING ISSUER 81

CORPORATE STRUCTURE 81
NARRATIVE DESCRIPTION OF THE BUSINESS 82
DESCRIPTION OF SECURITIES 84
PROFORMA CAPITALIZATION 84
PRO-FORMA FULLY DILUTED SHARE CAPITAL 85
ESTIMATED AVAILABLE FUNDS AND PRINCIPAL PURPOSES 86
PRINCIPAL SECURITYHOLDERS 87
DIRECTORS, OFFICERS AND PROMOTERS 88
EXECUTIVE COMPENSATION 94
DIRECTOR COMPENSATION 95
INDEBTEDNESS OF DIRECTORS AND OFFICERS 95
INVESTOR RELATIONS ARRANGEMENTS 95
OPTION BASED COMPENSATION 95
RESULTING ISSUER OMNIBUS EQUITY COMPENSATION PLAN 96

Escrowed Securities 96
RISK FACTORS 99
Risks Related to the Transaction 99
Risks Related to Oil and Gas Industry 101
Risks Related to the Resulting Issuer 108
Risks Related to the Mexican Economic and Regulatory Environment 110
EFFECT OF THE AMALGAMATION 114
INDEBTEDNESS OF OFFICERS AND DIRECTORS 114
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS 115
INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON 115
LEGAL MATTERS 115
AUDITOR, REGISTRAR, AND TRANSFER AGENT OF IFR 115
PARTICULARS OF MATTERS TO BE ACTED UPON 115
Report and Financial Statements 115
Fixing the Number of Directors 115
Election of Directors 116
Appointment of Auditor 117
Transaction Resolution 117
Share Consolidation and Name Change 118
Fixing the Number of Resulting Issuer Directors 119
Election of Resulting Issuer Directors 119
Approval of Omnibus Equity Incentive Plan 120
Approval of Transaction Bonus / Bonus Shares 126
Approval of the Continuance of the Corporation 127
OTHER MATTERS 133
ADDITIONAL INFORMATION 133
APPROVAL OF THE BOARD OF DIRECTORS 133
APPENDIX "A" DEFINITIVE AGREEMENT A-1
APPENDIX "B" STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION B-16
Misión PSC Area / Servicios Múltiples de Burgos, S.A. de C.V. B-16
Tecolutla Block / Tonalli Energía, S.A.P.I. de C.V. B-26
APPENDIX "C" KINJAL MD&A C-1
APPENDIX "D" KINJAL FINANCIAL STATEMENTS D-1
APPENDIX "E" SMB MD&A E-1
APPENDIX "F" SMB FINANCIAL STATEMENTS F-1
APPENDIX "G" PRO FORMA FINANCIAL STATEMENTS G-1
APPENDIX "H" DISSENT RIGHTS UNDER ABCA H-1
APPENDIX "I" OMNIBUS EQUITY INCENTIVE PLAN I-1
APPENDIX "J" ARTICLES OF CONTINUANCE J-1
APPENDIX "K" AUDIT COMMITTEE CHARTER K-1



October 1, 2026

Dear Shareholders:

The board of directors of International Frontier Resources Corporation (the "**Board of Directors**" or "**IFR Board**") invites you to attend an annual general and special meeting (together with any adjournments and postponements thereof, the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Shares**") of International Frontier Resources Corporation ("**IFR**" or the "**Corporation**"). The Meeting will be held at the offices of DLA Piper (Canada) LLP, Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, on October 23, 2026 at 10:00 a.m. (Calgary time).

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the proposed reverse takeover ("**Reverse Takeover**") of IFR by Kinjal Corporation ("**Kinjal**") to be completed by way of a three-cornered amalgamation under the *Business Corporations Act* (Ontario) (the "**OBCA**") pursuant to an amalgamation agreement dated April 16, 2026 among IFR, 1001550109 Ontario Inc., a wholly-owned subsidiary of IFR incorporated under the OBCA ("**IFR Subco**"), and Kinjal, as may be amended, supplemented or restated from time to time (the "**Definitive Agreement**").

Pursuant to the Definitive Agreement, IFR Subco will amalgamate with Kinjal under the OBCA, and the former holders of common shares of Kinjal will receive post-consolidated IFR Shares in exchange for their Kinjal Shares in accordance with the exchange ratio set out in the Definitive Agreement (the "**Reverse Takeover Transaction**"). The transactions described in the Definitive Agreement form part of the proposed reverse takeover transaction described in the accompanying management information circular of IFR (the "**Information Circular**").

In addition to the special business relating to the Amalgamation, the Reverse Takeover Transaction and related matters, the Meeting will also constitute the annual general meeting of Shareholders. Accordingly, Shareholders will also be asked to consider the annual business of IFR, including receiving the annual financial statements of the Corporation, fixing the number of directors to be elected at the Meeting, electing directors of IFR, appointing MNP LLP as auditor of the Corporation and authorizing the directors to fix the auditor's remuneration. Four directors will be elected at the Meeting to serve until the earlier of completion of the Transaction or the next annual meeting. Upon completion of the Transaction, eight directors will take office as the board of the Resulting Issuer, which is expected to be renamed "Kinjal Gas Ltd." (the "**Resulting Issuer**").

Shareholders will also be asked to consider and, if deemed advisable, approve certain matters related to completion of the Reverse Takeover Transaction, including the proposed consolidation of the IFR Shares ("**Share Consolidation**"), the proposed change of name of IFR to "Kinjal Gas Ltd." or such other name as may be accepted by the TSX Venture Exchange, and the proposed equity incentive plan of the Resulting Issuer, each as more particularly described in the Information Circular.

Following completion of the Transaction and the related transactions described in the Information Circular, IFR, as the Resulting Issuer, will remain the publicly listed corporation and reporting issuer and will carry on the business of Kinjal and its subsidiaries, including the Mexican asset interests described in the Information Circular.

Completion of the Transaction remains subject to the satisfaction or waiver of the conditions set out in the Definitive Agreement, including receipt of required shareholder approvals, acceptance by the TSX Venture Exchange, receipt of required regulatory approvals, including applicable Mexican regulatory approvals, completion of the Concurrent Financing, and completion or satisfaction of the conditions relating to the Mexican Asset Transactions, as more particularly described in the Information Circular.

After consulting with its financial and legal advisors and carefully considering the terms and conditions of the Transaction, the IFR Board has unanimously determined that the Transaction and the related transactions are in the best interests of IFR.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE TRANSACTION RESOLUTION AND FOR THE OTHER MATTERS TO BE ACTED UPON AT THE MEETING.

To be effective, the special Resolution approving the Reverse Takeover (the "**Transaction Resolution**") must be passed at the Meeting by not less than 66⅔% of the votes validly cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. Certain directors and executive officers of IFR, who collectively own or exercise control or direction over approximately 15.48% of the outstanding IFR Shares, have entered into support and voting agreements and/or lock-up agreements with Kinjal, pursuant to which they have agreed, among other things, to support and vote their IFR Shares in favour of the Transaction.

It is important that as many IFR Shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your IFR Shares represented, please complete, date, sign and return the enclosed form of proxy or voting instruction form in accordance with the instructions provided therein. To be valid, proxies must be received by Computershare Trust Company of Canada not later than 48 hours, excluding Saturdays, Sundays and statutory holidays in Alberta, before the time of the Meeting or any adjournment or postponement thereof. The Chair of the Meeting may accept or reject late proxies in his or her discretion.

Included with this letter, in addition to the form of proxy, are the notice of Meeting and the Information Circular. The Information Circular contains a detailed description of the Reverse Takeover Transaction, the annual business to be considered at the Meeting and detailed information concerning IFR and Kinjal. You should carefully consider all of the information in the Information Circular. If you require assistance, you should consult your financial, legal, tax or other professional advisors.

No letter of transmittal is required from IFR Shareholders in connection with the Meeting, the Transaction or the Share Consolidation. Former holders of Kinjal Shares will receive instructions regarding the exchange of their Kinjal Shares for IFR Shares in accordance with the Definitive Agreement.

If you are a holder of IFR Shares and have any questions or require more information with regard to voting your IFR Shares, please contact Tony Kinnon.

On behalf of IFR, I would like to thank all Shareholders for their ongoing support as we prepare to complete this important transaction for IFR.

Yours very truly,

Signed "Tony Kinnon"

Tony Kinnon

President, Chief Executive Officer and Chairman

INTERNATIONAL FRONTIER RESOURCES CORPORATION

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (together with any adjournments and postponements thereof, the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Shares**") of International Frontier Resources Corporation ("**IFR**" or the "**Corporation**") will be held at the offices of DLA Piper (Canada) LLP, Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, on October 23, 2026 at 10:00 a.m. (Calgary time) for the following purposes:

1. **TO FIX** the number of directors of the Corporation to be elected at the Meeting at four (4), such number to remain in effect until completion of the Transaction;

2. **TO ELECT** the following persons as directors of the Corporation, to hold office until the earlier of (i) completion of the Transaction, at which time the election of the Resulting Issuer directors contemplated under Item 7 will become effective, and (ii) the next annual meeting of Shareholders or until their successors are elected or appointed: Tony Kinnon, Margaret Souleles, Henry Bustard and Ignacio Quesada;

3. **TO APPOINT** MNP LLP as auditor of the Corporation for the ensuing year and to authorize the board of directors of the Corporation to fix the auditor's remuneration;

4. **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, a special Resolution approving amendments to the articles of the Corporation to: (i) consolidate all of the issued and outstanding IFR Shares on the basis of thirteen (13) pre-consolidation IFR Shares for one (1) post-consolidation IFR Share, or such lesser consolidation ratio as may be determined by the board of directors of the Corporation and accepted by the TSX Venture Exchange; and (ii) change the name of the Corporation to "Kinjal Gas Ltd.", or such other name as may be accepted by the TSX Venture Exchange and approved by the board of directors of the Corporation, in each case conditional upon and to be effective in connection with completion of the Transaction, all as more particularly described in the accompanying management information circular of IFR (the "**Information Circular**");

5. **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, a special Resolution (the "**Transaction Resolution**") approving the proposed reverse takeover transaction ("**Transaction**") involving IFR and Kinjal Corporation ("**Kinjal**"), by way of three-cornered amalgamation pursuant to which 1001550109 Ontario Inc., a wholly-owned subsidiary of IFR, will amalgamate with Kinjal under the *Business Corporations Act* (Ontario), the issuance of post-consolidation IFR Shares pursuant thereto, and the other matters contemplated thereby, all as more particularly described in the Information Circular;

6. **TO CONSIDER** and, if deemed advisable, to pass an ordinary Resolution fixing the number of directors of the Corporation at eight (8), conditional upon and effective upon completion of the Transaction;

7. **TO ELECT**, conditional upon and effective upon completion of the Transaction, Warren Levy, James Edmiston, Brooks Klimley, Miles Lewis, Tony Kinnon, Arnaud de Limelette, Ignacio Quesada and Guadelupe Rodriguez as directors of the Corporation, who will constitute the board of directors of the Corporation as the Resulting Issuer, to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed;

8. **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, an ordinary Resolution approving the omnibus equity incentive plan of the Resulting Issuer, conditional upon and to become effective upon completion of the Transaction, as more particularly described in the Information Circular;

9. **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, a special Resolution approving the continuance of the Corporation to Ontario under the *Business Corporations Act* (Ontario) from under the *Business Corporations Act* (Alberta), conditional upon completion of the Transaction, as more particularly described in the Information Circular;

10. **TO CONSIDER** and, if thought advisable, to approve, with or without variation, an ordinary Resolution of disinterested Shareholders, approving the transaction completion bonus consideration in the aggregate amount of $190,000, to be satisfied by the issuance from treasury of an aggregate of 3,087,500 common shares of the Corporation at a deemed issue price of $0.06153846 per common share, conditional upon completion of the Transaction and receipt of all required approvals, as more particularly described in the accompanying Information Circular; and

11. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The board of directors of IFR (the "**Board**" or the "**Board of Directors**") has set the close of business on September 10, 2026, as the record date for determining Shareholders who are entitled to receive notice of, and to vote at, the Meeting. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on that date are entitled to receive notice of, and to vote at, the Meeting.

The Transaction is described in the Information Circular, which forms part of this Notice.

The Transaction is being effected as a three-cornered amalgamation pursuant to section 174 of the *OBCA* and does not require approval by any court under the *ABCA* or the *OBCA*. IFR Shareholders are being asked to approve the Transaction Resolution and the other matters described in the Information Circular. Any rights of dissent in connection with the Transaction are expected to arise, if at all, at the Kinjal shareholder level under the *OBCA*, and not for IFR Shareholders.

Shareholders should carefully review the Information Circular and consult their own legal, tax and financial advisors concerning the Meeting and the matters to be considered thereat.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE TRANSACTION RESOLUTION AND THE OTHER MATTERS TO BE ACTED UPON AT THE MEETING.

Whether or not you intend to attend the Meeting, you are requested to complete, sign, date and return the enclosed form of proxy to Computershare Trust Company of Canada ("**Computershare**"): (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6; (ii) by hand delivery to Computershare Trust Company of Canada, 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6; (iii) by facsimile to 1-866-249-7775 (inside North America) or (416) 263-9524 (outside North America); or (iv) by telephone at 1-866-732-8683 (inside North America) or (312) 588-4290 (outside North America). If you wish to vote through the internet, please go to www.investorvote.com and follow the instructions. You will require your control number found on your proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

DATED at Calgary, Alberta, this 1st day of October, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

Signed "Tony Kinnon"

Tony Kinnon

President, Chief Executive Officer, and Chairman

INTRODUCTION

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of IFR for use at the annual general and special meeting of shareholders of IFR (together with any adjournments and postponements thereof, the "**Meeting**"). No person has been authorized to give any information or make any representation in connection with the Transaction or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Transaction and the other transactions contemplated by the amalgamation agreement dated April 16, 2026 among IFR, IFR Subco, and Kinjal Corporation, as may be amended, supplemented or restated from time to time (the "**Definitive Agreement**"), contained in this Information Circular are qualified in their entirety by reference to the complete text of the Definitive Agreement, a copy of which is attached to this Information Circular as Appendix "A". You are urged to carefully read the full text of the Definitive Agreement.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "Glossary of Terms". Information contained in this Information Circular is given as at October 1, 2026 unless otherwise specifically stated. In this Information Circular, dollar amounts are expressed in Canadian dollars unless otherwise specified by indicating that amounts are in United States dollars (**US$**) or Mexican pesos **(MXN$**).

This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities to be issued under or in connection with the Transaction, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. Neither the delivery of this Information Circular nor any distribution of the securities to be issued under or in connection with the Transaction will, under any circumstances, create any implication or be treated as a representation that there has been no change in the information set forth herein since the date of this Information Circular.

The information concerning IFR contained in this Information Circular has been provided by IFR. The information concerning Kinjal and its affiliates contained in this Information Circular and the appendices hereto has been provided by Kinjal. Although IFR has no knowledge that any statement contained herein taken from, or based upon, information provided by Kinjal is untrue or incomplete, IFR assumes no responsibility for the accuracy of such information or for any failure by Kinjal to disclose events which may have occurred or may affect the significance or accuracy of any such information, but which are unknown to IFR.

THE SECURITIES TO BE ISSUED PURSUANT TO THE AMALGAMATION HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY CANADIAN SECURITIES REGULATORY AUTHORITY NOR HAS ANY CANADIAN SECURITIES REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

INFORMATION FOR U.S. SHAREHOLDERS

The IFR Shares to be issued pursuant to the Transaction have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. Such IFR Shares are being issued in reliance upon available exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Information Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities pursuant to the Concurrent Financing in the United States or to, or for the account or benefit of, any U.S. person, as defined in Regulation S under the U.S. Securities Act. Shareholders should consult their own legal, tax and financial advisors concerning the consequences of the Transaction to them under applicable United States federal and state securities laws and tax laws.

This solicitation of proxies is being made with respect to securities of a Canadian issuer in accordance with applicable Canadian corporate and securities laws. This Information Circular has been prepared in accordance with disclosure requirements applicable in Canada, which differ from the disclosure requirements applicable in the United States.

All audited and unaudited financial statements and other financial information included or incorporated by reference in this Information Circular have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, and are subject to Canadian auditing and auditor independence standards, which

differ in certain respects from United States generally accepted accounting principles and United States auditing and auditor independence standards.

In addition, oil and gas reserve estimates and other oil and gas information contained or incorporated by reference in this Information Circular have been prepared in accordance with Canadian disclosure standards, which may differ from the disclosure standards of the United States.

The enforcement by investors of civil liabilities under United States securities laws may be affected adversely by the fact that IFR and Kinjal are incorporated under the laws of Canada, that some or all of their directors and officers are or may be residents of countries other than the United States, that certain experts named in this Information Circular are residents of countries other than the United States, and that all or a substantial portion of the assets of IFR, Kinjal and such persons are or may be located outside the United States. As a result, it may be difficult for U.S. shareholders to effect service of process within the United States upon such persons or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the United States federal securities laws.

THE SECURITIES ISSUABLE PURSUANT TO THE AMALGAMATION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

FORWARD LOOKING STATEMENTS

This Information Circular contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). All statements other than statements of historical fact contained in this Information Circular are forward-looking statements. Forward-looking statements relate to future events or future performance and are based on current expectations, estimates, forecasts, projections and assumptions made by management in light of its experience and perception of historical trends, current conditions and expected future developments.

Forward-looking statements are often, but not always, identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "intend", "plan", "potential", "seek", "could" and similar expressions, or statements that events or conditions "will", "may", "could", "should" or "would" occur or be achieved.

In particular, this Information Circular contains forward-looking statements regarding, among other things: the completion of the Transaction and the related transactions; the timing of the Meeting and the matters to be considered thereat; the satisfaction or waiver of the conditions to closing under the Definitive Agreement; the receipt of shareholder, TSXV, Mexican regulatory, governmental and third-party approvals, including approvals from SENER and other applicable Mexican authorities; the issuance of IFR Shares and Resulting Issuer Warrants pursuant to the Transaction; the supplementary listing of the Resulting Issuer Warrants on the TSXV; the proposed consolidation of the IFR Shares and the proposed name change of IFR; the future structure, business, operations and strategy of IFR following completion of the Transaction; the anticipated composition of the board and management of the Resulting Issuer; the completion, size, terms and use of proceeds of the Concurrent Financing; the availability, terms and completion of the Debt Facility; the completion of the Mexican Asset Transactions; anticipated work programs, development activities and capital expenditures relating to the Mexican assets; future production levels, production growth, operating performance, financial condition, cash flows and financial performance; pro forma production estimates, valuation metrics and other financial outlooks; future financing requirements and the availability of funding on acceptable terms; the treatment of existing IFR options and the approval and implementation of the equity incentive plan intended to become effective upon completion of the Transaction; the expected tax consequences of the Transaction; the anticipated benefits of the Transaction; and the timing of closing and related corporate actions.

Statements relating to reserves, resources, future net revenue, production estimates, production growth, valuation metrics and financial outlooks are also forward-looking statements, as they involve implied assessments, based on estimates and assumptions, that the reserves or resources described exist in the quantities predicted or estimated, that such reserves or resources can be economically produced in the future, and that the assumptions underlying such estimates, projections and metrics will be realized.

Forward-looking statements are based on certain material assumptions, including assumptions regarding: the ability of the parties to satisfy or waive the conditions to closing in a timely manner; the receipt of required shareholder, TSXV, Mexican regulatory, governmental and third-party approvals; the ability to complete the Concurrent Financing on the terms and within the timing currently contemplated; the availability of the Debt Facility or other financing on acceptable terms; future crude oil, natural gas and natural gas liquids prices; future foreign exchange rates; expected costs of exploration, development, drilling, production, transportation and facility construction; expected well performance, decline rates, drilling results and development schedules; the availability of qualified personnel, contractors, services, equipment and infrastructure; the ability of counterparties, joint venture participants, lenders and other third parties to perform their obligations; the regulatory, fiscal and political framework applicable to IFR, Kinjal and the Mexican assets; the ability to complete and integrate the Transaction and the Mexican Asset Transactions as anticipated; and general economic, market, capital markets and industry conditions. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Such factors include, among others: the risk that the Transaction and related transactions may not be completed on the terms or timing currently contemplated, or at all; the risk that required shareholder, TSXV, Mexican regulatory, governmental or third-party approvals may not be obtained in a timely manner or at all; the risk that the conditions to completion of the Transaction, the Concurrent Financing, the Debt Facility or the Mexican Asset Transactions may not be satisfied or waived; risks relating to the early stage of development of the Mexican assets; risks inherent in oil and gas exploration, development and production; volatility of commodity prices; foreign exchange fluctuations; regulatory, political, fiscal, social and security risks in Mexico; environmental risks and liabilities; operational hazards; geological, technical, drilling and processing risks; uncertainty of reserves, resources, production estimates, decline rates, future net revenue and related assumptions; competition for capital, services, equipment and personnel; capital markets risks and the ability to obtain financing on acceptable terms; tax risks; risks relating to the integration of Kinjal's business and the Mexican assets into IFR following completion of the Transaction; risks relating to the market price and liquidity of the IFR Shares following completion of the Transaction; and the other risks described under "Risk Factors" in this Information Circular.

Readers are cautioned that the foregoing lists of forward-looking statements, assumptions and risk factors are not exhaustive. The forward-looking statements contained in this Information Circular are made as of the date hereof and are expressly qualified by these cautionary statements. Although IFR and Kinjal believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct, and actual results may differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. Neither IFR nor Kinjal undertakes any obligation to update or revise any forward-looking statements, except as required by applicable securities laws.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Information Circular the following terms shall have the meanings set forth below. Further, capitalized terms used herein that are not defined in this Information Circular have the meanings given to them in the Definitive Agreement, a copy of which is attached hereto as Appendix "A".

"**A10.CS Block**" means the license contract area located in the Macuspana Basin in Tabasco, Mexico, governed by License Contract No. CNH-R02-L02-A10.CS/2017. See "*Information Concerning Kinjal – CS.06 Block and A10.CS Block*".

"**A10.CS Contract**" means License Contract No. CNH-R02-L02-A10.CS/2017 for the A10.CS Block located in the Macuspana Basin in Tabasco.

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended from time to time.

"**Agents**" means Research Capital Corporation, as lead agent and sole bookrunner, on behalf of a syndicate of agents including Canaccord Genuity Corp. and ATB Cormark Capital Markets, in connection with the Concurrent Financing.

"**Alberta Registrar**" means the Registrar under the ABCA.

"**Amalco**" means the corporation resulting from the amalgamation of IFR Subco and Kinjal under the OBCA.

"**Amalgamation**" means the three-cornered amalgamation under section 174 of the OBCA pursuant to which IFR Subco will amalgamate with Kinjal in accordance with the Definitive Agreement.

"**Arm's Length Transaction**" has the meaning assigned to such term in TSXV Policy 1.1 – *Interpretation* and, generally, means a transaction that is not a Related Party Transaction (as defined in TSXV Policy 1.1 – *Interpretation*).

"**Articles of Continuance**" means the OBCA articles of continuance substantially in the form of the draft articles of continuance attached as Appendix "J" to this Information Circular.

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence, certificate, grant, agreement, classification, restriction, registration or similar authorization of, from or required by any Governmental Authority having jurisdiction over the Person or any Law applicable to the Person.

"**Beneficial Shareholders**" means Shareholders who hold their IFR Shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their IFR Shares in their own name.

"**Black-Out Period**" means that period during which a trading black-out period is imposed by the Corporation to restrict trades in the Corporation's securities by a Participant.

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

"**Bonus Shares**" means the 3,087,500 pre-consolidated IFR Shares proposed to be issued from treasury in satisfaction of the Transaction Bonus, subject to receipt of all required approvals, including TSXV approval and, if applicable, Shareholder approval.

"**Broadridge**" means Broadridge Financial Solutions, Inc.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario or Calgary, Alberta, as the context requires.

"**CNE**" means the *Comisión Nacional de Energía* (National Energy Commission) of Mexico, a body of SENER established under the *Ley de la Comisión Nacional de Energía* published in the Mexican Federal Official Gazette on March 18, 2025, which assumed certain of the regulatory functions of the former CNH and CRE.

"**CNH**" means the Comisión Nacional de Hidrocarburos of Mexico (now administered by SENER following the 2025 constitutional reform).

"**Concurrent Financing**" means the best-efforts brokered private placement of Kinjal Subscription Receipts and IFR Subscription Receipts at a price of $0.80 per subscription receipt, completed by Kinjal and IFR for aggregate gross proceeds of $37,381,505, inclusive of the contribution of the Kinjal SAFEs.

"**Continuance**" means the continuance of the Corporation from under the ABCA to the OBCA.

"**Continuance Resolution**" means the special resolution approving the Continuance to be considered at the Meeting.

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

"**CS.06 Block**" means the license contract area located in the Macuspana Basin in Tabasco, Mexico, governed by License Contract No. CNH-R02-L03-CS-06/2017. See "*Information Concerning Kinjal – CS.06 Block and A10.CS Block*".

"**CS.06 Contract**" means License Contract No. CNH-R02-L03-CS-06/2017 for the CS.06 Block located in the Macuspana Basin in Tabasco.

"**Debt Facility**" means the senior secured debt facility for up to US$30,000,000 contemplated by the binding credit agreement dated September 25, 2026, entered into with Summit Ridge Capital Partners, through Summit Ridge Capital Partners Fund I LP, as lender. The senior secured facility is intended principally to finance the acquisition of the Misión asset and the associated initial work program in the field. The facility has an initial maturity of 18 months, with no scheduled principal repayments during the first 12 months. Kinjal and Summit Ridge have entered into a letter of intent which provides for the maturity of US$17 million of the principal amount of the loan to be extended to a term of up to 5 years, subject to mutual consent.

"**Definitive Agreement**" means the amalgamation agreement dated April 16, 2026, as amended September 29, 2026, among IFR, IFR Subco and Kinjal, as may be amended, supplemented or restated from time to time, a copy of which is attached as Appendix "A" to this Information Circular.

"**Discounted Market Price**" has the meaning assigned to such term in TSXV Policy 1.1 – *Interpretation* and generally means: (i) if the Market Price is $0.05 or less, the Market Price; and (ii) if the Market Price is greater than $0.05, the Market Price less a maximum discount of 25% where the closing price is up to $0.50, 20% where the closing price is from $0.51 to $2.00 and 15% where the closing price is above $2.00, subject to a minimum price per security of $0.05, where "**Market Price**" has the meaning assigned to such term in TSXV Policy 1.1 – *Interpretation*.

"**Dissenting Shareholder**" means a registered Shareholder of the Corporation who exercises rights of dissent with respect to the Continuance Resolution in accordance with section 191 of the ABCA.

"**Effective Date**" means the date on which the Amalgamation becomes effective under the OBCA.

"**Effective Time**" means the time on the Effective Date at which the Amalgamation becomes effective, as shown on the certificate of amalgamation issued under the OBCA.

"**Exchange Ratio**" means one post-consolidation IFR Share for each one Kinjal Share, subject to adjustment in accordance with the Definitive Agreement.

"**Exchange Requirements**" has the meaning assigned to such term in TSXV Policy 1.1 – *Interpretation* and includes the TSXV Corporate Finance Manual, TSXV bulletins and notices, any listing agreement, undertaking or other agreement with the TSXV, the TSX Venture Exchange Rule Book and Policies, any conditions imposed by the TSXV and applicable Securities Laws, and "**Exchange Requirement**" means any one of them.

"**EXMAR**" means EXMAR NV, a company incorporated under the laws of Belgium and publicly listed on Euronext Brussels.

"**Farm In Agreements**" means the farm-in agreements entered into between Kinjal, Jaguar 2.3 and Pantera 2.2 pursuant to which Kinjal will acquire the right to earn 80% of Jaguar 2.3's working interest in the CS.06 Contract and 80% of Pantera 2.2's working interest in the A10.CS Contract.

"**Final Exchange Bulletin**" means the bulletin to be issued by the TSXV following completion of the Transaction and the filing of all required final documentation, evidencing the TSXV's final acceptance of the Transaction, the date of which is used to calculate the release of securities subject to escrow and seed share resale restrictions as described under "*Information Concerning the Resulting Issuer – Escrowed Securities*".

"**Financial Capability Support Arrangement**" means the financial capability support arrangements entered into between Kinjal and EXMAR NV in connection with the Mexican Asset Transactions, pursuant to which EXMAR has agreed to provide corporate-level financial backing in its capacity as a shareholder and investor of Kinjal for the benefit of Kinjal and its Mexican subsidiaries.

"**FMP**" means the *Fondo Mexicano del Petróleo para la Estabilización y el Desarrollo*, which acts as fiscal agent of the Mexican State.

"**GLJ Report**" means the independent reserves assessment and evaluation prepared by GLJ Ltd. dated April 28, 2026, effective December 31, 2025, in respect of the Tecolutla Block.

"**GPSA**" means the gas processing and swap agreement (*Contrato de Prestación de Servicios de Gas y Permuta*) between SMB and Pemex governing the processing and redelivery of SMB's wet gas production.

"**Governmental Authority**" means any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, including any stock exchange or securities regulatory authority.

"**IFR**" means International Frontier Resources Corporation.

"**IFR Board**" means the board of directors of IFR, as constituted from time to time.

"**IFR Board Recommendation**" means the unanimous recommendation of the IFR Board that Shareholders vote in favour of the Transaction Resolution and the other matters to be acted upon at the Meeting.

"**IFR Financial Statements**" means the audited financial statements of IFR for the financial year ended December 31, 2025, together with the comparative financial information for the financial year ended December 31, 2024 and the report of the auditor thereon.

"**IFR Management**" means the senior officers of IFR.

"**IFR Option**" means an outstanding stock option, whether or not vested, to acquire Shares granted pursuant to the IFR Option Plan.

"**IFR Option Plan**" means the stock option plan of IFR as amended, restated and/or supplemented from time to time.

"**IFR Shares**" means the common shares in the capital of IFR and, where the context requires, the common shares in the capital of IFR after giving effect to the Share Consolidation.

"**IFR Subco**" means 1001550109 Ontario Inc., a wholly-owned subsidiary of IFR incorporated under the OBCA.

"**IFR Subscription Receipts**" means the subscription receipts of IFR issued in connection with the Concurrent Financing.

"**IFR Unit**" means one (1) unit of IFR comprised of one (1) post-consolidated IFR Share and one-half of one (0.5) IFR Warrant, issuable upon conversion of the IFR Subscription Receipts.

"**IFR Warrants**" means the warrants to purchase IFR Shares that are issuable upon the conversion of the IFR Subscription Receipts, each entitling the holder to acquire one (1) post-consolidated IFR Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms.

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, applicable as at the date on which the calculation is made or required to be made, applied on a consistent basis.

"**Information Circular**" means this management information circular, together with all appendices hereto and the accompanying Notice of Meeting.

"**Insider**" means any insider as such term is defined in the *Securities Act* (Alberta), as amended from time to time.

"**Instrument of Proxy**" means the enclosed instrument of proxy accompanying the Information Circular.

"**Jaguar**" means Jaguar Exploración y Producción de Hidrocarburos, S.A.P.I. de C.V.

"**Jaguar 2.3**" means Jaguar Exploración y Producción 2.3, S.A.P.I. de C.V.

"**Jaguar Tonalli Share Purchase Agreement**" means the definitive share purchase agreement to be entered into between Petro Frontera and Jaguar 2.3 pursuant to which Petro Frontera will acquire Jaguar's 57.37% interest in Tonalli. At closing of the

Transaction, Petro Frontera's rights and obligations under the agreement will be assigned to Kinjal, and Kinjal will complete the acquisition as assignee.

"**Kinjal**" means Kinjal Corporation, a corporation existing under the laws of Ontario.

"**Kinjal Board**" means the board of directors of Kinjal as constituted from time to time.

"**Kinjal Broker Warrants**" means the 2,924,071 broker warrants issued by Kinjal to the Agents in connection with the Concurrent Financing, each entitling the holder to acquire one (1) Kinjal Share at an exercise price of $0.80 for a period of 36 months following completion of the Transaction, which will be exchanged for broker warrants of the Resulting Issuer on a one for one basis.

"**Kinjal SAFE Financing**" means the non-brokered financing completed by Kinjal between March 2026 and June 2026 through the issuance of the Kinjal SAFEs for aggregate gross proceeds of the equivalent of $3,106,405.16, as more particularly described under "*Information Concerning Kinjal – Financing Matters – Kinjal SAFE Financing*".

"**Kinjal SAFEs**" means the non-brokered financing completed between March 2026 and June 2026 through the issuance of simple agreements for future equity for aggregate gross proceeds of the equivalent of $3,106,405.16.

"**Kinjal Shares**" means the Class A Common Shares in the authorized share structure of Kinjal.

"**Kinjal Subscription Receipts**" means the subscription receipts of Kinjal issued in connection with the Concurrent Financing.

"**Kinjal Unit**" means one (1) unit of Kinjal comprised of one (1) Kinjal Share and one-half of one (0.5) Kinjal Warrant, issuable upon conversion of the Kinjal Subscription Receipts.

"**Kinjal Warrants**" means the warrants to purchase Kinjal Shares that are issuable upon the conversion of the Kinjal Subscription Receipts, each entitling the holder to acquire one (1) Kinjal Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms, which Kinjal Warrants will be exchanged on a one for one basis for Resulting Issuer Warrants.

"**Letter of Transmittal**" means any letter of transmittal or other transmittal materials to be delivered to former holders of Kinjal Shares in connection with the exchange of Kinjal Shares for IFR Shares pursuant to the Amalgamation.

"**Lock-up Agreements**" means the lock-up agreements entered into by certain directors, officers and shareholders in connection with the Transaction, pursuant to which such persons have agreed to restrictions on the transfer or disposition of certain IFR Shares or Resulting Issuer Shares, in each case on the terms and subject to the conditions set forth therein.

"**Management**" means the executive officers and senior officers of IFR or Kinjal, as applicable.

"**Management Designees**" means the persons named in the enclosed Instrument of Proxy who have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them.

"**Material Adverse Effect**" has the meaning assigned to such term in the Definitive Agreement.

"**MD&A**" means management's discussion and analysis.

"**Meeting**" means the annual general and special meeting of Shareholders to be held on October 23, 2026, together with any adjournments and postponements thereof.

"**Mexican Asset Transactions**" means the transactions pursuant to which Kinjal intends to acquire, directly or indirectly, interests in certain oil and gas assets in Mexico, including interests relating to the Misión Field, Tonalli, the CS.06 Block and the A10.CS Block, as more particularly described in this Information Circular.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Securities Authorities.

"**MI 62-104**" means Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids* of the Securities Authorities.

"**Misión Field**" means the natural gas and condensate field located in the Burgos Basin in northeastern Mexico, governed by Production Sharing Contract No. CNH-M3-MISIÓN/2018. See "*Information Concerning Kinjal - Misión Field*".

"**Misión Joint Operating Agreement**" means the joint operating agreement dated March 2, 2018 between PEP and SMB in respect of the Misión Field.

"**Misión PSC**" means Production Sharing Contract No. CNH-M3-MISIÓN/2018, a hydrocarbon exploration and extraction contract executed on March 2, 2018 between the Comisión Nacional de Hidrocarburos (now administered by SENER), Pemex Exploración y Producción and Servicios Múltiples de Burgos, S.A. de C.V., pursuant to which the contractor group holds the right to explore for and extract hydrocarbons from the Misión Field contractual area located in the Burgos Basin in northeastern Mexico, with a primary term expiring on March 2, 2043 and potential extensions to March 2, 2053. See "*Information Concerning Kinjal – Misión Field*".

"**misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

"**Named Executive Officers**" means the chief executive officer, the chief financial officer and each of the four (4) most highly compensated executive officers of Kinjal or the four (4) most highly compensated individuals acting in a similar capacity, other than the chief executive officer, at the end of the most recently completed financial year.

"**Net Exercise**" means the exercise of an Option without payment of the aggregate exercise price of the Common Shares to be purchased pursuant to the exercise of the Option.

"**Non-Resident Shareholders**" has the meaning set out under the heading "Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada".

"**Notice of Dissent**" means the written notice of dissent delivered by a Dissenting Shareholder to the Corporation in accordance with section 191 of the ABCA.

"**Notice of Meeting**" means the notice to the Shareholders of the Meeting, which notice accompanies this Information Circular.

"**Notice Shares**" means the common shares with respect to which a Notice of Dissent is delivered by a Dissenting Shareholder.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended from time to time.

"**Officer**" has the meaning assigned to such term in the *Securities Act* (Alberta).

"**Omnibus Plan**" means the equity incentive plan of the Resulting Issuer to be considered by Shareholders at the Meeting and intended to become effective upon completion of the Transaction.

"**Ordinary Course**" means, with respect to an action taken by a Party or any Subsidiary, that such action is consistent with the past practices of such Party or such Subsidiary and is taken in the ordinary course of the normal day-to-day operations of the business of such Party or such Subsidiary, or as commercially reasonable in light of changed circumstances of such Party or such Subsidiary but excludes non-arm's length transactions.

"**Outside Date**" means the outside date under the Definitive Agreement, being December 31, 2026.

"**Pantera 2.2**" means Pantera Exploración y Producción 2.2, S.A.P.I. de C.V.

"**Parties**" means IFR, IFR Subco and Kinjal, and "**Party**" means any one of them.

"**Pemex**" means Petróleos Mexicanos.

"**PEP**" means Pemex Exploración y Producción, a subsidiary of Pemex.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government, Governmental Authority, syndicate or other entity, whether or not having legal status.

"**Petro Frontera**" means Petro Frontera de S.A.P.I. de C.V., a 99.80% owned subsidiary of IFR incorporated under the laws of Mexico.

"**Plan Administrator**" means the Board or, to the extent that the administration of the Omnibus Plan has been delegated by the Board to a committee of the Board, such committee.

"**Principal**" has the meaning assigned to such term in TSXV Policy 1.1 – *Interpretation*.

"**Principal Escrow Agreement**" means the escrow agreement to be entered into on or before the Effective Date among the Resulting Issuer, Computershare Trust Company of Canada, as escrow agent, and the holders of Principal Securities, substantially in the form of TSXV Form 5D – *Escrow Agreement*, pursuant to which the Principal Securities will be held in escrow and released in accordance with TSXV Policy 5.4 – *Capital Structure, Escrow and Resale Restrictions*.

"**Record Date**" means September 10, 2026.

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under section 263 of the ABCA.

"**Regulatory Approval**" means any consent, waiver, permit, exemption, review, order, decision, approval, registration, filing, notice or acceptance of, from or with any Governmental Authority required in connection with the Transaction, including TSXV acceptance and any required Mexican regulatory approvals.

"**Representative**" means, in respect of a Person, an officer, director, employee, representative (including any financial or other advisor), or an agent of such Person.

"**Resident Shareholder**" has the meaning set out under the heading "Canadian Federal Income Tax Considerations – Shareholders Resident in Canada".

"**Resulting Issuer**" means IFR following completion of the Transaction, the Share Consolidation and the name change to "Kinjal Gas Ltd.", or such other name as may be accepted by the TSXV and approved by the Board.

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer, being the post-consolidation IFR Shares following completion of the Transaction, the Share Consolidation and the name change.

"**Resulting Issuer Warrants**" means the warrants to purchase Resulting Issuer Shares, each entitling the holder to acquire one (1) Resulting Issuer Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms.

"**Reverse Takeover Transaction**" means the transactions described in the Definitive Agreement pursuant to which IFR Subco will amalgamate with Kinjal under the OBCA, and the former holders of common shares of Kinjal will receive post-consolidated IFR Shares in exchange for their Kinjal Shares in accordance with the exchange ratio set out in the Definitive Agreement.

"**Ryder Scott**" means Ryder Scott Company L.P., petroleum consultants.

"**Ryder Scott Report**" means the independent reserves evaluation prepared by Ryder Scott dated May 12, 2026, effective December 31, 2025, in respect of the Misión PSC Area.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Authorities**" means the TSXV, the Alberta Securities Commission and the applicable securities commission or securities regulatory authority of each of the other provinces and territories of Canada, as applicable.

"**Securities Laws**" means (a) the *Securities Act* (Alberta) and any other applicable provincial securities laws, (b) the U.S. Securities Act, *Securities Exchange Act of 1934*, to the extent applicable, and (c) the policies, rules and regulations of the TSXV.

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval+.

"**SENER**" means the Ministry of Energy of Mexico.

"**Share Consolidation**" means the proposed consolidation of the issued and outstanding IFR Shares on the basis of thirteen (13) pre-consolidation IFR Shares for one (1) post-consolidation IFR Share.

"**Shareholders**" means the holders from time to time of IFR Shares.

"**Shares**" means the common shares in the capital of IFR.

"**SMB**" means Servicios Múltiples de Burgos, S.A. de C.V.

"**SMB Purchase Agreement**" means the share purchase agreement among Kinjal, Tecpetrol and Industrial Perforadora de Campeche S.A. de C.V. pursuant to which Kinjal will acquire 100% of the issued and outstanding shares of SMB.

"**Summit Ridge**" means Summit Ridge Capital Partners, through Summit Ridge Capital Partners Fund I LP.

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

"**Tecolutla Block**" means the license contract area located in the Tampico-Misantla Basin in Veracruz, Mexico, governed by the Tecolutla Contract. See "*Information Concerning Kinjal – Tonalli*".

"**Tecolutla Contract**" means License Contract No. CNH-R01-L03-A24/2016, also known as the A24.TM / R01-L03-TM.24 license contract, covering the Tecolutla Block in the Tampico-Misantla Basin in the State of Veracruz, Mexico.

"**Tecpetrol**" means Tecpetrol de Mexico S.A. de C.V.

"**Tonalli**" means Tonalli Energía, S.A.P.I. de C.V., a corporation incorporated under the laws of Mexico.

"**Transaction**" means the proposed reverse takeover transaction involving IFR and Kinjal, including the Amalgamation and the related transactions described in this Information Circular.

"**Transaction Bonus**" means the transaction completion bonus consideration in the aggregate amount of $190,000 approved by the Board in respect of services provided in connection with the Transaction, to be satisfied by the issuance of the Bonus Shares.

"**Transaction Price**" means the greater of: (i) the Discounted Market Price, and (ii) the price of the financing completed in connection with the Transaction, or if there is no such price or more than one financing, then such price as the Exchange determines; and in each case, adjusted as appropriate to reflect any share exchange ratio and/or any other changes being made to the capital structure (including a security consolidation or a security split) in connection with or prior to the completion of the Transaction.

"**Transaction Resolution**" means the special Resolution approving the Transaction, including the issuance of IFR Shares pursuant thereto and the other matters contemplated thereby, in the form described in "*Particulars of Matters to be Acted Upon – Transaction Resolution*".

"**Transfer Agent**" means Computershare Trust Company of Canada, or such other transfer agent as IFR may appoint.

"**TSXV**" or "**Exchange**" means the TSX Venture Exchange.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules, regulations and orders promulgated thereunder.

"**U.S. Securities Laws**" means the U.S. Securities Act and all other applicable U.S. federal and state securities laws, rules, regulationsand published policies thereunder.

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

"**VWAP**" means volume weighted average price.

"**Warrant Agent**" means Computershare Trust Company of Canada, in its capacity as warrant agent under the Warrant Indenture.

"**Warrant Indenture**" means the warrant indenture dated the Effective Date between IFR and the Warrant Agent governing the Resulting Issuer Warrants.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The pro forma financial statements of, and the summaries of pro forma financial information concerning Kinjal, contained in this Information Circular are reported in United States dollars, unless otherwise specified, and have been prepared in accordance with IFRS.

EXCHANGE RATES

In this Information Circular, dollar amounts are expressed in Canadian dollars unless otherwise specified by indicating that amounts are in United States dollars (US$) or Mexican pesos (MXN$).

The following table sets forth, for each period indicated, the high and low exchange rates for one U.S. dollar (US$1.00) expressed in Canadian dollars, the average of such exchange rates during such periods, and the exchange rate at the end of the period, in each case, based upon the Bank of Canada daily average exchange rates.

	Six Months Ended	Year Ended December 31	
	June 30, 2026	**2025**	**2024**
High	1.4234	1.4603	1.4416
Low	1.3515	1.3558	1.3316
Average[(1)]	1.3734	1.4044	1.3653
Period End	1.4210	1.3706	1.4389

Note:
(1) Determined by averaging the rates on the first business day of each month during the respective period, using the Bank of Canada daily average exchange rate data.

On September 29, 2026, the daily exchange rate for one U.S. dollar (US$1.00) expressed in Canadian dollars was $1.4188, as published by the Bank of Canada.

The following table sets forth, for each period indicated, the high and low exchange rates for one U.S. dollar (US$1.00) expressed in Mexican pesos, the average of such exchange rates during such periods, and the exchange rate at the end of the period, in each case, based upon the FIX exchange rate published by Banco de México.

	Six Months Ended	Year Ended December 31	
	June 30, 2026	**2025**	**2024**
High	18.1033	20.8333	20.7039
Low	17.1392	17.8891	16.3399
Average[(1)]	17.4642	19.2308	18.7970
Period End	17.4693	17.9533	20.2840

Note:
(1) Determined by averaging the FIX exchange rates published by Banco de México for the applicable period.

CONVERSIONS

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

To Convert From	To	Multiply By
Mcf	cubic metres	28.317
cubic metres	Mcf	0.0353
Bbl	cubic metres	0.159
cubic metres	Bbl	6.289
Feet	metres	0.305
Metres	feet	3.281

To Convert From	To	Multiply By
Miles	kilometres	1.609
Kilometres	miles	0.621
Acres	hectares	0.405
Hectares	acres	2.471

NON-IFRS MEASURES

This Information Circular may refer to certain financial measures, financial ratios, capital management measures, supplementary financial measures and non-standard oil and gas metrics that do not have standardized meanings under International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board or applicable Canadian securities laws. Accordingly, such measures may not be comparable to similar measures presented by other issuers.

The measures and metrics referred to in this Information Circular may include funds flow from operations, operating netback, operating netback per BOE, enterprise value, pro forma enterprise value, pre-money valuation, production-based valuation metrics, reserve-based valuation metrics and other per BOE or per BOE/d metrics.

The non-IFRS measures referred to herein include:

Funds Flow from Operations

Funds flow from operations represents cash flow from operating activities before changes in non-cash working capital and settlement of decommissioning obligations. Management believes that funds flow from operations may assist investors in assessing the Resulting Issuer's ability to generate cash flow from operating activities before the impact of changes in non-cash working capital and certain other items.

Operating Margin Before G&A and Depletion

Operating margin before G&A and depletion is calculated as revenue less operating costs and excludes general and administrative expenses, depletion and depreciation.

Operating Netback

Operating netback represents petroleum and natural gas revenue, less royalties and operating expenses, and may be presented on an aggregate basis or on a per BOE basis. Management believes that operating netback may assist investors in evaluating operating performance and profitability at the field or asset level.

Enterprise Value, Pre-Money Valuation and Per Unit Metrics

This Information Circular may also refer to enterprise value, pro forma enterprise value, pre-money valuation and related production-based or reserve-based metrics, including amounts expressed on a per BOE, per BOE/d or similar basis. These metrics are provided for contextual and comparative purposes only and are derived from internal estimates, transaction assumptions and other information described in this Information Circular. These metrics do not have standardized meanings under IFRS or applicable Securities Laws and should not be used to make comparisons with other issuers.

Pro Forma Production Estimates

Any pro forma production estimates included in this Information Circular are forward-looking information and represent modelled estimates based on internal engineering and economic analysis, including assumptions regarding capital expenditures, drilling and development plans, well performance, decline rates, facility construction, commodity prices, exchange rates, timing of completion of the Transaction and the Mexican Asset Transactions, regulatory approvals and other factors. Such estimates are not reserves or resources as defined under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

These measures and metrics are commonly used in the oil and gas industry to provide an indication of operating performance, profitability, valuation and the ability to generate cash flow. Management believes that, in addition to measures determined in accordance with IFRS, such measures may assist investors in evaluating Kinjal's anticipated operating performance and the business of the Resulting Issuer following completion of the Transaction.

Readers are cautioned that these measures should not be considered as alternatives to net income, cash flow from operating activities or other measures determined in accordance with IFRS, nor should they be considered in isolation. These measures do not have standardized meanings prescribed under IFRS or applicable Securities Laws and may not be comparable to similar measures presented by other issuers. Actual results may differ materially from the estimates, projections and metrics described in this Information Circular, and there can be no assurance that any pro forma production estimates, valuation metrics or other forward-looking financial information will be achieved.

NOTES ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The statement of reserves data and other oil and gas information in respect of the Misión Field, together with Form 51-101F2 – *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* and Form 51-101F3 – *Report of Management and Directors on Oil and Gas Disclosure*, is included in Appendix "B" to this Information Circular. Readers should review Appendix "B" in its entirety.

Certain terms used in this Information Circular in describing reserves and other oil and natural gas information are defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") and, unless the context otherwise requires, have the meanings ascribed thereto in NI 51-101 or the COGE Handbook.

The reserves information summarized in this Information Circular is based on estimates. The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of reserves does not represent the fair market value of the reserves.

In this Information Circular unless otherwise indicated, "**BOE**" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

SUMMARY

The following is a summary of information relating to IFR, Kinjal, and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Information Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, contained elsewhere in this Information Circular and the attached appendices, all of which are important and should be reviewed carefully. Capitalized terms used in this summary without definition have the meanings ascribed to them elsewhere in this Information Circular.

The Meeting

The Meeting will be held at the offices of DLA Piper (Canada) LLP, Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, on October 23, 2026 at 10:00 a.m. (Calgary time).

The Meeting will also constitute the annual meeting of Shareholders. Accordingly, Shareholders will be asked to fix the number of directors to be elected at the Meeting at four, elect four directors of the Corporation to serve until the earlier of completion of the Transaction or the next annual meeting, and appoint the auditor of the Corporation and authorize the directors to fix the auditor's remuneration. Shareholders will also be asked to approve, conditional upon completion of the Transaction, fixing the Resulting Issuer board at eight directors and electing the eight Resulting Issuer directors.

Shareholders will also be asked to consider and, if deemed advisable, approve the equity incentive plan of the Resulting Issuer, to become effective upon completion of the Transaction, and to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The record date for determining the registered Shareholders entitled to receive notice of, and to vote at, the Meeting is September 10, 2026.

The Amalgamation and the Transaction

The Amalgamation forms part of the proposed reverse takeover transaction involving IFR and Kinjal. The Amalgamation will be implemented pursuant to the Definitive Agreement, as may be amended, supplemented or restated from time to time.

Pursuant to the Definitive Agreement, IFR Subco will amalgamate with Kinjal under section 174 of the OBCA. In connection with the Amalgamation, each issued and outstanding Kinjal Share will be exchanged for one post-consolidation IFR Share. IFR will remain the publicly listed corporation and reporting issuer following completion of the Transaction. Following completion of the Transaction, IFR is expected to change its name to "Kinjal Gas Ltd." and carry on the business of Kinjal and its subsidiaries as the Resulting Issuer.

IFR Shareholders will remain shareholders of IFR following completion of the Amalgamation, subject to the Share Consolidation and dilution resulting from the issuance of IFR Shares to former holders of Kinjal Shares and any securities issued in connection with the Concurrent Financing and related transactions.

The Transaction is an Arm's Length Transaction under the policies of the Exchange. See "*The Transaction — Background to the Transaction*" and "*Interests of Certain Persons in the Transaction*".

Information Concerning IFR

IFR was incorporated on November 24, 1997 under the ABCA as "761523 Alberta Ltd." On March 20, 1998, the Corporation changed its name to "International Frontier Resources Corporation".

The Corporation has a 99.80% owned subsidiary, Petro Frontera de S.A.P.I. de C.V. ("**Petro Frontera**"), incorporated under the laws of Mexico. Petro Frontera owns 42.63% of the outstanding shares of Tonalli Energía, S.A.P.I. de C.V., incorporated under the laws of Mexico. The Corporation also owns 100% of the outstanding shares of Energía Mex Can, incorporated under the laws of Mexico.

The Corporation's head office is located at Suite 2150, 736 Sixth Avenue SW, Calgary, Alberta, T2P 0T7, and its registered office is located at 10, 628 - 12 Avenue SW, Calgary, AB T2R 0H6. The Corporation is a reporting issuer in British Columbia and Alberta. The IFR Shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "IFR".

The last closing price of the IFR Shares before announcement of the Transaction was $0.035 per share. Trading in the IFR Shares was halted on April 16, 2026 and remains halted as of the date of this Information Circular. The last traded price before the halt was $0.035 per share.

Information Concerning Kinjal

Kinjal is an Ontario corporation incorporated under the OBCA. Kinjal was incorporated on December 5, 2025 for the purpose of participating in the Transaction and pursuing the Mexican upstream oil and gas opportunities described in this Information Circular. As of the date of this Information Circular, Kinjal has not carried on any active business other than in connection with the Transaction, the Kinjal SAFE Financing, the Concurrent Financing, the Mexican Asset Transactions and related matters.

Kinjal is not a reporting issuer under the securities laws of any jurisdiction and none of its securities are listed or posted for trading on any stock exchange. As a result, Kinjal is not subject to the continuous disclosure requirements of any securities regulatory authority in Canada. The registered office of Kinjal is located at 151 Yonge Street, Suite 1500, Toronto, ON M5C 2W7.

Mexican Asset Transactions

In connection with the Transaction, Kinjal intends to complete the Mexican Asset Transactions, which include, directly or indirectly, the acquisition of interests in certain oil and gas assets in Mexico, including interests relating to the Misión Field, Tonalli, the CS.06 Block and the A10.CS Block, all as more particularly described in this Information Circular.

Concurrent Financing

In connection with the Transaction, Kinjal and IFR have completed a brokered private placement of Kinjal Subscription Receipts and IFR Subscription Receipts, at a price of $0.80 per subscription receipt for aggregate gross proceeds of $37,381,505 (inclusive of the contribution of the conversion of Kinjal SAFEs). In connection with the Concurrent Financing, Kinjal and IFR paid aggregate commissions, advisory fees and expenses of $2,563,347 (inclusive of taxes) to the Agents and Kinjal issued an aggregate of 2,924,071 Kinjal Broker Warrants to the Agents. Each Kinjal Broker Warrant entitles the holder to acquire one (1) post-consolidated Resulting Issuer Share at an exercise price of $0.80 per share for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms. See "*Information Concerning Kinjal – Concurrent Financing*" and "*Information Concerning Kinjal – Kinjal Broker Warrants*".

Each Kinjal Subscription Receipt entitles the holder thereof, without payment of any additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) unit of Kinjal ("**Kinjal Unit**"). Each Kinjal Unit is comprised of one (1) Kinjal Share and one-half of one (0.5) Kinjal Warrant, with each whole Kinjal Warrant entitling the holder to acquire one (1) Kinjal Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms. In connection with the Amalgamation, the Kinjal Shares and Kinjal Warrants issued pursuant to the Concurrent Financing will be exchanged on a one for one basis for shares and warrants of the Resulting Issuer.

Each IFR Subscription Receipt entitles the holder thereof, without payment of any additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) unit of IFR ("**IFR Unit**"). Each IFR Unit is comprised of one (1) post-consolidated IFR Share and one-half of one (0.5) IFR Warrant, with each whole IFR Warrant entitling the holder to acquire one (1) post-consolidated IFR Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms.

The net proceeds of the Concurrent Financing are expected to be used to fund the business and growth plans of the Resulting Issuer, transaction expenses, working capital, capital expenditures and such other purposes as are described in this Information Circular. See "*Information Concerning the Resulting Issuer – Estimated Available Funds and Principal Purposes*".

In connection with the Concurrent Financing and the Transaction, on conversion of the Kinjal and IFR Subscription Receipts, IFR and Kinjal will issue up to 23,848,817 warrants, which will be exchanged for Resulting Issuer Warrants on completion of the Transaction. Each Resulting Issuer Warrant entitles the holder to acquire one (1) Resulting Issuer Share at an exercise price of $1.05 per share for a period of 36 months following the Effective Date, subject to adjustment in accordance with the Warrant Indenture. The Resulting Issuer Warrants will be governed by the Warrant Indenture to be entered into on the Effective Date between IFR (as the Resulting Issuer) and the Warrant Agent.

Resulting Issuer Warrants and Supplementary Listing

IFR is applying for a supplementary listing of up to 28,910,852 Resulting Issuer Warrants on the TSXV in accordance with TSXV Policy 2.8 – *Supplemental Listings*. A supplementary listing is a listing of securities other than common shares by an issuer whose common shares are already listed on the TSXV. The supplementary listing of the Resulting Issuer Warrants is subject to final acceptance by the TSXV and compliance with all applicable listing conditions and continued listing requirements. IFR is not in default of any Exchange Requirement.

The Resulting Issuer Warrants issued in connection with the Concurrent Financing will include: (a) warrants issuable upon conversion of the Kinjal Subscription Receipts, which will be exchanged for Resulting Issuer Warrants in connection with the Amalgamation; and (b) warrants issuable upon conversion of the IFR Subscription Receipts. The Resulting Issuer Warrants are expected to be listed on the TSXV under the symbol "KNJL.WT", subject to final acceptance by the TSXV.

Material Terms of the Warrant Indenture

The Resulting Issuer Warrants will be governed by the Warrant Indenture to be dated on or about the Effective Date between IFR (as the Resulting Issuer) and Computershare Trust Company of Canada, as Warrant Agent (the "**Warrant Indenture**"). The Warrant Indenture provides for the issuance of up to a maximum of 28,910,852 Warrants (subject to adjustment as provided therein). Each whole Warrant entitles the holder to acquire one (1) Resulting Issuer Share upon payment of the Exercise Price at any time after the Issue Date and prior to the Expiry Time. The following is a summary of the material terms of the Warrant Indenture and is qualified in its entirety by the full text of the Warrant Indenture, a copy of which will be available under the Resulting Issuer's profile on SEDAR+ at www.sedarplus.ca.

The exercise price per Resulting Issuer Share is initially $1.05, payable in immediately available Canadian funds, subject to adjustment as described below. The Warrants are exercisable at any time after the Issue Date and prior to 4:30 p.m. (Toronto time) on the date that is 36 months following the Effective Date (the "Expiry Time"), after which time any unexercised Warrants will be void and of no further force or effect. No fractional Warrants may be exercised and Warrants may only be exercised in a sufficient number to acquire whole numbers of Resulting Issuer Shares. Any fractional shares will be rounded down to the nearest whole number and no compensation will be paid in respect of any fractional share.

The exercise price and the number of Resulting Issuer Shares issuable upon exercise of each Warrant are subject to adjustment from time to time during the period from the Effective Date up to and including the Expiry Time upon the occurrence of certain events, including: (a) any subdivision, re-division, consolidation or other change of the outstanding Resulting Issuer Shares into a greater or lesser number of shares; (b) any issuance of Resulting Issuer Shares or securities exchangeable for or convertible into Resulting Issuer Shares to all or substantially all holders of Resulting Issuer Shares by way of stock dividend or other distribution (other than a distribution upon the exercise of Warrants or outstanding options); (c) any issuance of rights, options or warrants to all or substantially all holders of Resulting Issuer Shares entitling them to subscribe for or purchase Resulting Issuer Shares (or convertible or exchangeable securities) at a price per share less than 95% of the then-current market price; (d) any distribution to all or substantially all holders of Resulting Issuer Shares of securities of any class (other than Resulting Issuer Shares), rights, options, warrants, evidences of indebtedness or any property or other assets; and (e) any reclassification of the Resulting Issuer Shares or capital reorganization, consolidation, amalgamation, arrangement, merger, or sale or conveyance of the property and assets of the Resulting Issuer as an entirety or substantially as an entirety, in which case the holders will be entitled to receive, in lieu of Resulting Issuer Shares, the number of shares or other securities or property that they would have received had they exercised their Warrants immediately prior to such event. No adjustment will be made for ordinary course cash dividends or for the issuance of Resulting Issuer Shares pursuant to equity compensation plans or the satisfaction of existing instruments issued as at the date of the Warrant Indenture. The adjustments are cumulative and computed to the nearest whole cent, provided that no adjustment is required unless it would result in an increase or decrease of at least 1% in the then-current exercise price.

Rights of Warrant Holders

The Warrants do not confer upon the holders thereof any voting rights or any other rights or interest as shareholders of the Resulting Issuer, including the right to vote at, receive notice of, or attend meetings of shareholders, or the right to receive dividends or other distributions, until the Warrants have been validly exercised and Resulting Issuer Shares have been issued. All Warrants rank equally and without preference over each other regardless of the date of issue. Upon the valid exercise of a Warrant and payment of the applicable exercise price, the holder will be entitled to receive one (1) fully paid and non-assessable Resulting Issuer Share for each Warrant exercised, with Resulting Issuer Shares to be issued within five (5) Business Days of the exercise date.

The Warrants may be issued in both certificated and uncertificated form. Warrants held through CDS Clearing and Depository Services Inc. ("**CDS**") will be registered in the name of CDS or its nominee and held through the book-entry registration system. Beneficial owners of Warrants held through CDS will hold their interests through participants in the CDS depository system and will not receive physical certificates unless the book-entry system is terminated or the Warrant holder is entitled to receive a certificate in accordance with the Warrant Indenture (including in the case of U.S. Warrantholders, whose Warrants must be evidenced in certificated form). Exercise of Warrants held through CDS must be effected through the applicable CDS participant in accordance with CDS procedures.

The Warrants are transferable on the register maintained by the Warrant Agent, subject to compliance with the conditions set forth in the Warrant Indenture, applicable securities legislation and requirements of regulatory authorities. Warrants held through CDS are transferable through the book-entry registration system in accordance with the procedures prescribed by CDS. Warrants originally issued for the benefit of U.S. persons bear restrictive legends under the U.S. Securities Act and are subject to additional transfer restrictions as described in the Warrant Indenture.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, the Resulting Issuer may from time to time purchase outstanding Warrants by private contract or otherwise at the lowest price at which, in the opinion of its directors, such Warrants are then obtainable, plus reasonable costs of purchase.

The Warrant Indenture may be supplemented from time to time for certain purposes without the consent of the Warrant holders, including to give effect to adjustments, add covenants for the protection of holders, make non-prejudicial modifications, provide for the issuance of additional warrants, or correct ambiguities or errors, provided that such supplements are not, in the opinion of the Warrant Agent, prejudicial to the interests of the Warrant holders. The Warrant Indenture also contains provisions making binding on all holders of outstanding Warrants resolutions passed at meetings of holders in accordance with the Warrant Indenture, including Extraordinary Resolutions requiring the affirmative vote of holders of not less than 66⅔% of the Warrant Shares acquirable on exercise of the outstanding Warrants voted on the resolution, or instruments in writing signed by holders of at least 66⅔% of the then-outstanding Warrants. Any consolidation, amalgamation, arrangement, merger or sale of substantially all of the assets of the Resulting Issuer requires the successor entity to assume all obligations under the Warrant Indenture by way of supplemental indenture.

Computershare Trust Company of Canada acts as Warrant Agent under the Warrant Indenture. The Warrant Agent maintains the register of Warrant holders, authenticates and delivers Warrants, processes exercises, and performs such other duties as are specified in the Warrant Indenture. The Resulting Issuer has agreed to pay the Warrant Agent reasonable remuneration for its services and to reimburse it for reasonable expenses incurred in connection with its duties. The Resulting Issuer has also agreed to indemnify the Warrant Agent against certain liabilities arising in connection with the performance of its duties, other than liabilities arising from the Warrant Agent's own gross negligence, wilful misconduct, bad faith or fraud. The Warrant Agent may be replaced in accordance with the provisions of the Warrant Indenture. The Warrant Indenture is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The Resulting Issuer Warrants are expected to be issued in certificated and uncertificated (book-entry) form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. Beneficial owners of Resulting Issuer Warrants held through CDS will hold their interests through participants in the CDS depository system and will not receive physical certificates representing their Warrants. Exercise of Warrants held through CDS must be effected through the applicable CDS participant in accordance with CDS procedures.

Transfer Restrictions

The Resulting Issuer Warrants and the Resulting Issuer Shares issuable upon exercise thereof may be subject to statutory hold periods under applicable Canadian securities laws, including the four-month hold period under National Instrument 45-102 – *Resale of Securities*, as well as resale restrictions under applicable United States securities laws, including Regulation S under the U.S. Securities Act. Certificates or direct registration statements representing the Resulting Issuer Warrants and the underlying Resulting Issuer Shares may bear legends reflecting any applicable transfer restrictions.

Debt Facility

Petro Frontera has entered into a binding credit agreement with Summit Ridge Capital Partners, through Summit Ridge Capital Partners Fund I LP ("**Summit Ridge**"), for a senior secured debt facility of up to US$30,000,000. The binding credit agreement provides Petro Frontera with access to up to US$30 million, with US$25 million immediately available upon satisfaction of the conditions precedent and provision for a further US$5 million. The Debt Facility is intended principally to finance the acquisition of the Misión asset and the associated initial work program in the field.

The Debt Facility has an initial maturity of 18 months, with no scheduled principal repayments during the first 12 months. Further, Kinjal and Summit Ridge have entered into a letter of intent which provides for the maturity of US$17 million of the principal amount of the loan to be extended to a term of up to 5 years, subject to mutual consent. In connection with the Debt Facility, and subject to TSX Venture Exchange acceptance, the Resulting Issuer will issue to the lenders up to 3,600,000 warrants, each exercisable to acquire one Resulting Issuer Share at a price of $1.05 per share for three years from the date of issue, subject to adjustment.

The initial US$25 million advance remains subject to the satisfaction or waiver of the conditions precedent set out in the binding credit agreement. These include, but are not limited to, the shareholders of Kinjal having approved the Transaction, all regulatory approvals required to complete the Transaction having been obtained, the conditional acceptance of the Transaction by the TSXV, the continued listing of the common shares of the Resulting Issuer on the TSXV, receipt of all required approvals from Pemex and SENER, and a technical swap agreement with Pemex.

The Debt Facility is not a separate matter being submitted to Shareholders for approval at the Meeting. Rather, it is described in this Information Circular as part of the financing arrangements currently contemplated in connection with the Transaction and the Mexican Asset Transactions.

Estimated Available Funds and Principal Purposes

Upon completion of the Transaction, the Resulting Issuer is expected to have estimated available funds of approximately $25,741,842. The estimated available funds, together with anticipated cash flows from operations, are expected to be used principally for development and optimization activities at the Misión Field, earn-in obligations and development activities relating to the CS.06 Block and A10.CS Block, and the Resulting Issuer's general corporate and administrative expenses during the 18-month period following completion of the Transaction. See "*Information Concerning the Resulting Issuer — Estimated Available Funds and Principal Purposes*" and "*Working Capital and Financial Resources*".

Selected Unaudited Pro Forma Consolidated Financial Information

The following selected unaudited pro forma consolidated financial information gives effect to the Transaction, the Mexican Asset Transactions, the Concurrent Financing and the Debt Facility on the basis described in the unaudited pro forma consolidated financial statements attached as Appendix "G" to this Information Circular.

As at June 30, 2026 (US$000s)	**Pro Forma**
Total assets	$82,174
Total liabilities	$61,187
Total shareholders' equity	$20,987
Six months ended June 30, 2026 (US$000s, except per-share amounts)	

As at June 30, 2026 (US$000s)	Pro Forma
Revenue	$10,899
Net loss and comprehensive loss	-$1,458
Basic and diluted loss per share	-$0.02
Year ended December 31, 2025 (US$000s, except per-share amounts)	
Revenue	$8,481
Net loss and comprehensive loss	-$15,486
Basic and diluted loss per share	-$0.20

The unaudited pro forma consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have occurred had the transactions been completed on the dates assumed, or of the Resulting Issuer's future financial position or results of operations. See Appendix "G" — "*Unaudited Pro Forma Consolidated Financial Statements*".

Background and Reasons for the Transaction

The terms of the Amalgamation are the result of arm's length negotiations between representatives of IFR and Kinjal and their respective legal and financial advisors. See "*The Transaction – Background to the Transaction*".

In reaching its decision to approve the Definitive Agreement and unanimously recommend that Shareholders vote in favour of the Transaction Resolution, the Board considered a number of factors, including the following:

(a) the Definitive Agreement was the result of a focused negotiation process with respect to the key elements of the Transaction, undertaken at arm's length with the oversight and participation of IFR's legal advisors, and resulted in terms and conditions that the Board considered reasonable in the circumstances;

(b) the Transaction provides IFR Shareholders with the opportunity to participate in the Resulting Issuer following completion of the Transaction and the related transactions;

(c) the Board considered the current state of IFR's business, the oil and natural gas industry and the financial markets generally;

(d) the Board considered IFR's prospects as a stand-alone issuer and the short- and long-term risks associated with maintaining IFR's current strategic direction;

(e) completion of the Transaction remains subject to a number of conditions, including Shareholder approval, TSXV acceptance, Mexican regulatory approvals and other regulatory and third-party approvals, which the Board viewed as appropriate in the circumstances;

(f) the Transaction Resolution must be approved by a special Resolution passed by not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and

(g) the Definitive Agreement provides for the rights and interests of the parties, including applicable termination rights, closing conditions and other protections.

See "*The Transaction – Reasons for the Transaction*".

Support and Voting and Lock-up Agreements

Certain directors and executive officers of IFR have entered into support and voting agreements and lock-up agreements with Kinjal or the Resulting Issuer pursuant to which they have agreed, among other things, to support the Transaction and vote their IFR Shares in favour of the Transaction Resolution and to be subject to restrictions on disposition of certain IFR Shares

held by them or issued to them in connection with the Transaction, in each case on the terms set out in such agreements. As of the date hereof, such directors and executive officers, together with their associates and affiliates, collectively own or exercise control or direction over an aggregate of 5,895,229 IFR Shares, representing approximately 15.48% of the outstanding IFR Shares. See "*The Transaction – Support Agreements*" and "*The Transaction – Lock-Up Agreements*".

Approval and Recommendation of the Board of Directors

The Board has unanimously determined that the Transaction and the related transactions are in the best interests of IFR and has approved the Transaction. Accordingly, the Board unanimously recommends that Shareholders vote **FOR** the Transaction Resolution and **FOR** the other matters to be acted upon at the Meeting.

Effect of the Transaction and Post Transaction Structure

Pursuant to the Definitive Agreement, IFR Subco will amalgamate with Kinjal under the *OBCA*, and former holders of Kinjal Shares will receive post-consolidation IFR Shares in exchange for their Kinjal Shares in accordance with the Definitive Agreement. IFR will remain the publicly listed corporation and reporting issuer and, upon completion of the Transaction, intends to change its name to "Kinjal Gas Ltd.", subject to Shareholder and regulatory approval.

Immediately following completion of the Transaction, IFR is expected to have approximately 78,563,788 IFR Shares issued and outstanding on a non-diluted basis and approximately 116,946,380 IFR Shares issued and outstanding on a fully diluted basis, after giving effect to the Share Consolidation, the issuance of IFR Shares to former holders of Kinjal Shares, the Concurrent Financing and any other related transactions completed at or prior to closing.

Following completion of the Transaction, no IFR Options are expected to remain outstanding. Any outstanding security-based compensation arrangements of the Resulting Issuer are expected to be as described in this Information Circular.

Effect on Holders of IFR Shares

IFR Shareholders will continue to hold IFR Shares following completion of the Transaction, subject to the Share Consolidation and the name change, and will not be required to surrender their IFR Shares in exchange for consideration under the Transaction. Existing IFR share certificates and DRS statements will continue to represent IFR Shares, subject to the Share Consolidation, the name change and any customary procedures of the transfer agent.

The proportional interest of IFR Shareholders in IFR will be diluted by the issuance of IFR Shares to former holders of Kinjal Shares and by IFR Shares issued or issuable in connection with the Kinjal SAFE Financing, the Concurrent Financing and any other related transactions completed at or prior to closing. See "*The Transaction*", "*Risk Factors*" and "*Certain Canadian Federal Income Tax Considerations*".

Management and the Board of Directors of the Resulting Issuer

At the Meeting, Shareholders will be asked to elect four directors of IFR to serve until the earlier of completion of the Transaction or the next annual meeting. Shareholders will also be asked to elect, conditional upon and effective upon completion of the Transaction, eight directors who will constitute the board of directors of the Resulting Issuer. If the Transaction is not completed, the four IFR directors elected at the Meeting will continue to serve and the composition of the board of directors of IFR may be addressed in accordance with applicable law, the constating documents of IFR and the requirements of the TSXV, including through resignations, appointments or the calling of a further meeting of Shareholders, as applicable.

Following completion of the Transaction, the management of the Resulting Issuer is expected to consist of Warren Levy as Chief Executive Officer, Margaret Souleles as Chief Financial Officer, Alvaro Ranero as Chief Operating Officer and James Leech as Corporate Secretary.

The proposed directors and officers of the Resulting Issuer are expected to be Warren Levy, James Edmiston (Chairman), Brooks Klimley, Miles Lewis, Tony Kinnon, Arnaud de Limelette, Ignacio Quesada, and Guadelupe Rodriguez.

Procedure for the Transaction to Become Effective

The following principal steps must occur in order for the Transaction to become effective:

(a) the Transaction Resolution and the other required matters to be considered at the Meeting in connection with the Transaction, including the Share Consolidation, name change and equity incentive plan approvals, must be approved by Shareholders in accordance with applicable law, TSXV requirements and the constating documents of IFR;

(b) Kinjal must obtain the requisite approval of the holders of Kinjal Shares under the OBCA and its constating documents, which approval may be obtained by written Resolution;

(c) the TSXV must grant conditional acceptance of the Transaction and the issuance of IFR Shares pursuant thereto, and the applicable conditions of the TSXV must be satisfied or waived as permitted;

(d) all other required regulatory approvals and third-party consents, including Mexican regulatory approvals from SENER and other applicable Mexican authorities, where required, must be obtained or waived as permitted;

(e) the conditions precedent set out in the Definitive Agreement, including completion or satisfaction of the applicable conditions relating to the Mexican Asset Transactions and completion, or the ability to complete contemporaneously with closing, of the Concurrent Financing, must be satisfied or waived by the applicable party in accordance with the Definitive Agreement;

(f) any escrow agreements, lock-up agreements, support agreements and other ancillary agreements required pursuant to the Definitive Agreement or by the TSXV must be executed and delivered;

(g) articles of amalgamation in respect of the amalgamation of IFR Subco and Kinjal must be filed under the OBCA; and

(h) the Amalgamation will become effective at the time shown on the certificate of amalgamation issued under the OBCA.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the Transaction Resolution. Approval of the Transaction Resolution requires approval by not less than 66⅔% of the votes validly cast on the Transaction Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. See "*The Transaction – Shareholder Approval*" and "*Securities Law Matters*".

The Resolution approving the amendment to the articles of IFR to effect the Share Consolidation and name change, conditional upon completion of the Transaction, is also expected to require approval by special Resolution. The Resolution approving the equity incentive plan of the Resulting Issuer, conditional upon completion of the Transaction, is expected to require approval by ordinary Resolution. Shareholders will also be asked to fix the number of IFR directors at four and elect four IFR directors to serve until completion, and to fix the Resulting Issuer board at eight and elect eight Resulting Issuer directors conditional upon completion. The annual meeting matters will be approved in accordance with applicable law, the constating documents of IFR and TSXV requirements.

No Court Approval Required

The Transaction is being effected as a three-cornered amalgamation pursuant to section 174 of the OBCA and does not require approval by any court under the ABCA or the OBCA.

Dissent Rights

IFR Shareholders are not expected to have dissent rights in respect of the Amalgamation itself, as IFR is not an amalgamating corporation under the OBCA. Any dissent rights in connection with the Amalgamation are expected to arise, if at all, at the Kinjal shareholder level under the OBCA.

IFR Shareholders should note, however, that dissent rights are available under the ABCA in respect of the special Resolution approving the continuance of IFR to Ontario. An IFR Shareholder wishing to exercise such right of dissent must strictly comply with the provisions of section 191 of the ABCA. The full text of section 191 of the ABCA is attached as Schedule 1 to Appendix "H" to this Information Circular.

Conditions Precedent

The Definitive Agreement provides that completion of the Amalgamation is subject to a number of conditions being satisfied or waived by one or more of IFR, IFR Subco and Kinjal on or before closing. These conditions include, among other things, receipt of IFR Shareholder approval, Kinjal shareholder approval, conditional acceptance of the Transaction and the issuance of IFR Shares by the TSXV, receipt of other required regulatory approvals, including Mexican regulatory approvals from SENER and other applicable Mexican authorities where required, and satisfaction or waiver of the other conditions set out in the Definitive Agreement.

Completion of the Transaction is also expected to be conditional upon completion, or the ability to complete contemporaneously with closing, of the Concurrent Financing, completion or satisfaction of the applicable conditions relating to the Mexican Asset Transactions, and satisfaction of applicable escrow, lock-up, support and ancillary agreement requirements. See "*The Definitive Agreement – Conditions Precedent*".

Effective Date

Provided that the required IFR Shareholder approval, Kinjal shareholder approval, TSXV acceptance and other required regulatory approvals have been obtained and the other conditions to closing set out in the Definitive Agreement have been satisfied or waived, it is anticipated that the Amalgamation will become effective on or before December 31, 2026. The Amalgamation will become effective at the time shown on the certificate of amalgamation issued under the OBCA.

Procedure for Exchange of Share Certificates

IFR Shareholders will not be required to exchange their existing IFR share certificates or DRS statements in order to receive consideration in connection with the Transaction, as IFR Shareholders are not receiving consideration under the Transaction. Existing IFR share certificates and DRS statements will continue to represent IFR Shares, subject to the Share Consolidation, the name change and any customary procedures of the transfer agent.

Former holders of Kinjal Shares will receive post-consolidation IFR Shares in exchange for their Kinjal Shares in accordance with the Definitive Agreement and the procedures described under "The Transaction – Procedure for Exchange of Share Certificates". Beneficial holders of IFR Shares should continue to hold their IFR Shares through their existing intermediary arrangements.

Stock Exchange Listing Approval

IFR is a reporting issuer and the IFR Shares are currently listed for trading on the TSXV under the symbol "IFR". The Transaction and the issuance of IFR Shares pursuant thereto are subject to the conditional and final acceptance of the TSXV. IFR will remain the publicly listed issuer following completion of the Transaction and, subject to Shareholder and regulatory approval, intends to change its name to "Kinjal Gas Ltd.", with the Resulting Issuer Shares expected to trade on the TSXV under the symbol "KNJL".

In connection with the Transaction, IFR is required to prepare and file the necessary documentation with the TSXV and use commercially reasonable efforts to obtain conditional acceptance of the Transaction and related transactions prior to closing, and final acceptance following satisfaction of all TSXV conditions. Securities issued in connection with the Transaction and related financings may be subject to escrow, hold periods and resale restrictions in accordance with TSXV policies and applicable securities laws. See "*Summary – Stock Exchange Listing Approval*".

Termination Provisions

The Definitive Agreement may be terminated at any time prior to the Effective Time in certain circumstances, including: (i) by mutual written agreement of IFR and Kinjal; (ii) by either IFR or Kinjal if the Effective Time has not occurred on or before the

Outside Date, subject to customary limitations where the terminating party's material breach was the principal cause of, or resulted in, the failure of the Effective Time to occur by such date; (iii) by IFR or Kinjal in the event of certain uncured or incurable breaches by the other party that would result in the failure of applicable closing conditions; (iv) by IFR if the IFR Shareholder Approval or the Kinjal Shareholder Approval is not obtained; (v) by either party if TSXV Acceptance is not obtained prior to the Outside Date; (vi) by IFR if the Kinjal Board or Kinjal shareholders approve, recommend or enter into an agreement with respect to a competing transaction; and (vii) by Kinjal if the IFR Board withdraws or modifies the IFR Board Recommendation in a manner adverse to the Transaction, except as permitted under the Definitive Agreement.

See "*The Definitive Agreement – Termination*".

Certain Canadian Federal Income Tax Considerations Applicable to IFR Shareholders

Shareholders should carefully read the information under "Certain Canadian Federal Income Tax Considerations" elsewhere in this Information Circular. The tax consequences of the Transaction to any particular Shareholder will depend on that Shareholder's particular circumstances, and Shareholders should consult their own tax advisors regarding the consequences of the Transaction, including the Amalgamation, the Share Consolidation, the name change and any related transactions. Neither IFR nor Kinjal makes any representation to any holder regarding the tax consequences of the Transaction.

Non-Canadian Income Tax Considerations Applicable to IFR Shareholders

This Information Circular does not describe all tax consequences of the Transaction to Shareholders. Shareholders who are resident in, or subject to tax in, jurisdictions other than Canada should consult their own tax advisors regarding the tax consequences of the Transaction, including the Amalgamation, the Share Consolidation, the name change and the holding of IFR Shares following completion of the Transaction.

Risk Factors

Shareholders should carefully consider all of the information contained in this Information Circular, including the risk factors described under the heading "Risk Factors" in this Information Circular. If the Transaction is completed, IFR will remain the publicly listed corporation and reporting issuer, former holders of Kinjal Shares will receive Resulting Issuer Shares, and the business of the Resulting Issuer following completion of the Transaction will be focused on the business of Kinjal. Accordingly, holders of IFR Shares following completion of the Transaction will be subject to the risks associated with the business, operations and industry of the Resulting Issuer. See "*Risk Factors*".

There are also risks relating to the Transaction and the Definitive Agreement, including the risk that the Transaction may not be completed on the terms or within the timelines currently contemplated, or at all; that the completion of the Transaction remains subject to Shareholder approval, TSXV acceptance and other regulatory and third-party approvals, including required Mexican regulatory approvals relating to the Mexican Asset Transactions; and that, even if completed, the market price and liquidity of the IFR Shares may be adversely affected by market conditions, commodity prices, operating results and other factors beyond the control of IFR.

An investment in the Resulting Issuer involves certain risks, including risks relating to the completion of the Transaction, commodity price volatility, the regulatory and political environment in Mexico, the early stage of development of the Mexican assets, dilution of existing IFR Shareholders, financing risks, operational hazards inherent in oil and gas exploration and production, security conditions in Mexico, foreign exchange fluctuations, environmental risks and liabilities, and the integration of Kinjal's business following completion of the Transaction. See "*Risk Factors*" in this Information Circular for a detailed discussion of the risks associated with the Transaction and the Resulting Issuer.

Shareholders are encouraged to consult their own legal, tax and investment advisors with respect to the Information Circular, the matters to be considered at the Meeting and the consequences of continuing to hold IFR Shares following completion of the Transaction.

INFORMATION CONCERNING THE MEETING

Solicitation of Proxies

THIS MANAGEMENT INFORMATION CIRCULAR ("**Information Circular**") IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT, OR ITS AGENTS, ADVISORS OR REPRESENTATIVES, OF INTERNATIONAL FRONTIER RESOURCES CORPORATION ("**IFR**" or the "**Corporation**") of proxies from the holders of IFR Shares for the annual general and special meeting of the shareholders of the Corporation (the "**Meeting**") to be held on October 23, 2026 at 10:00 am Calgary time, at the offices of DLA Piper (Canada) LLP, Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta or at any adjournment thereof for the purposes set out in the accompanying notice of meeting ("**Notice of Meeting**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the IFR Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

Appointment and Revocation of Proxies

The persons named (the "**Management Designees**") in the enclosed instrument of proxy ("**Instrument of Proxy**") have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (who need not be a shareholder) other than the Management Designees to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting their shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chair of the Meeting in their discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by their authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at (i) the registered office of the Corporation or (ii) with Computershare Trust Company of Canada, 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chair of such Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting their shares.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold IFR Shares in their own name. Shareholders who hold their IFR Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their IFR Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of IFR Shares will be recognized

and acted upon at the Meeting. If IFR Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those IFR Shares will, in all likelihood, not be registered in the shareholder's name. Such IFR Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). IFR Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against Resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their IFR Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote IFR Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of IFR Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the IFR Shares voted. If you have any questions respecting the voting of IFR Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance**.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting IFR Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the IFR Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their IFR Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker**.

All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

This Information Circular, the accompanying Instrument of Proxy and Notice of Meeting may have been sent directly by the Corporation (including through the services of its transfer agent), rather than through an intermediary, to non-objecting beneficial owners under National Instrument 54-101. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Voting of Proxies

Each shareholder may instruct their proxy how to vote their IFR Shares by completing the blanks on the Instrument of Proxy. All IFR Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the IFR Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the IFR Shares represented by such form of proxy will be voted in favour of the matters set out therein**.

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of the management of the Corporation.

Quorum

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if a holder or holders of not less than five percent (5%) of the outstanding shares of the Corporation entitled to vote at the Meeting are present in person or by proxy.

Voting Shares and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of IFR Shares, an unlimited number of preferred shares, issuable in series, and up to 4,999,000 restricted shares. As at October 1, 2026, being the date of this Information Circular, 38,085,397 IFR Shares were issued and outstanding as fully paid and non-assessable. No preferred shares, restricted shares or other shares of any other class were issued and outstanding.

The IFR Shares are the only shares entitled to be voted at the Meeting, and holders of IFR Shares are entitled to one vote for each IFR Share held.

Holders of IFR Shares of record at the close of business on September 10, 2026 (the "**Record Date**") are entitled to vote such IFR Shares at the Meeting on the basis of one vote for each IFR Share held, except to the extent that: (a) the holder has transferred the ownership of any of his or her IFR Shares after the Record Date; and (b) the transferee of those IFR Shares produces properly endorsed share certificates or otherwise establishes ownership of such IFR Shares and demands, not later than ten (10) days before the day of the Meeting, that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote such IFR Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at September 10, 2026, no person or company beneficially owns, directly or indirectly, or controls or directs, IFR Shares carrying 10% or more of the voting rights attached to the outstanding IFR Shares.

Depository/Transfer Agent

Computershare Trust Company of Canada will act as transfer agent and, if applicable, Computershare Investor Services Inc. will act as depositary in connection with the Amalgamation. IFR Shareholders will not be required to exchange their existing IFR share certificates or DRS statements in order to receive consideration in connection with the Amalgamation, as IFR Shareholders are not receiving consideration under the Amalgamation. Former holders of Kinjal Shares will receive post-consolidation IFR Shares in exchange for their Kinjal Shares in accordance with the Definitive Agreement and the procedures established by IFR and its transfer agent. The transfer agent or depositary, as applicable, will receive customary compensation and expense reimbursement in connection with its services.

THE TRANSACTION

General

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass the Transaction Resolution. The Transaction Resolution approves the proposed reverse takeover transaction involving IFR and Kinjal Corporation ("**Kinjal**"), including the Amalgamation and the issuance of IFR Shares and other securities of IFR contemplated by the Definitive Agreement, all as more particularly described in this Information Circular (collectively, the "**Transaction**").

Pursuant to the amalgamation agreement dated April 16, 2026 among IFR, 1001550109 Ontario Inc., a wholly-owned subsidiary of IFR incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") ("**IFR Subco**"), and Kinjal, as amended, supplemented or restated from time to time (the "**Definitive Agreement**"), IFR Subco and Kinjal will amalgamate under section 174 of the OBCA to form one corporation ("**Amalco**"). Immediately following the Amalgamation, Amalco will be a wholly-owned subsidiary of IFR.

Prior to completion of the Amalgamation, IFR is expected to complete the Share Consolidation and the name change approved by Shareholders at the Meeting. In connection with the Amalgamation, each issued and outstanding Kinjal Share will be exchanged for one (1) post-consolidation IFR Share, and each whole Kinjal Warrant outstanding immediately prior to the Effective Time will be exchanged for one (1) post-consolidation warrant of IFR on the terms contemplated by the Definitive Agreement. IFR will remain the publicly listed corporation and reporting issuer following completion of the Transaction and, subject to Shareholder approval and TSXV acceptance, intends to change its name to "Kinjal Gas Ltd."

A copy of the Definitive Agreement is attached as Appendix "A" to this Information Circular. The following summary is qualified in its entirety by reference to the full text of the Definitive Agreement.

Background to the Transaction

The terms of the Transaction are the result of arm's length negotiations between representatives of IFR and Kinjal and their respective legal advisors.

The Board of Directors of IFR, with the assistance of management, continually reviews strategic alternatives and opportunities available to IFR with a view to enhancing shareholder value. In connection with the Transaction, representatives of IFR and Kinjal negotiated the principal terms of the Transaction and the related transactions, culminating in the execution of the Definitive Agreement on April 16, 2026.

On April 15, 2026, the Board of Directors met to consider the Transaction and the Definitive Agreement. After considering the terms and conditions of the Transaction and receiving advice from its legal advisors, the Board of Directors unanimously: (i) approved the Transaction and the entering into of the Definitive Agreement; (ii) determined that the Transaction and the related transactions are in the best interests of IFR; and (iii) resolved to recommend that Shareholders vote in favour of the Transaction Resolution.

On October 1, 2026, the Board of Directors approved this Information Circular and unanimously reconfirmed its approval of the Transaction and its recommendation that Shareholders vote in favour of the Transaction Resolution.

Reasons for the Transaction

In reaching its decision to approve the Definitive Agreement and unanimously recommend that Shareholders vote in favour of the Transaction Resolution, the Board of Directors considered a number of factors, including the following:

(a) the Definitive Agreement was the result of an arm's length negotiation process with respect to the key elements of the Transaction, undertaken with the oversight and participation of IFR's management and legal advisors;

(b) the Transaction provides IFR Shareholders with the opportunity to participate in the Resulting Issuer following completion of the Transaction, the release of proceeds of the Concurrent Financing, the Financial Capability Support Arrangement and the Mexican Asset Transactions;

(c) the Transaction is expected to result in IFR, as the Resulting Issuer, carrying on the business of Kinjal and its subsidiaries, including the acquisition, development and production of natural gas and oil assets in Mexico;

(d) the Board of Directors considered the current state of IFR's business, the oil and natural gas industry, commodity prices, capital markets and financial markets generally;

(e) the Board of Directors considered IFR's prospects as a stand-alone issuer and the short- and long-term risks associated with maintaining IFR's current strategic direction;

(f) completion of the Transaction remains subject to a number of conditions, including Shareholder approval, Kinjal shareholder approval, TSXV acceptance, Mexican regulatory approvals, completion or satisfaction of the applicable conditions relating to the Mexican Asset Transactions, completion of the Concurrent Financing and satisfaction or waiver of the other conditions set out in the Definitive Agreement;

(g) the Transaction Resolution must be approved by a special Resolution passed by not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and

(h) the Definitive Agreement contains closing conditions, termination rights, covenants and other protections that the Board of Directors considered appropriate in the circumstances.

Lock-Up Agreements

Certain directors, officers and other securityholders of IFR or Kinjal are expected to enter into lock-up agreements in connection with the Transaction. Pursuant to the form of lock-up agreement, the applicable locked-up securities will be subject to transfer restrictions for a period commencing on the date of the lock-up agreement and expiring on the twelve-month anniversary of the Effective Time, subject to monthly releases and certain customary exceptions.

Under the form of lock-up agreement, one-twelfth of the locked-up securities will be released from the lock-up restrictions on the first-month anniversary of the Effective Time and one-twelfth of the locked-up securities will be released on each monthly anniversary thereafter until the expiry of the lock-up period. The lock-up restrictions are subject to customary exceptions, including certain transfers in connection with a take-over bid or other change of control transaction, transfers to nominees or custodians where there is no change in beneficial ownership, pledges to financial institutions in connection with bona fide debt arrangements and certain transfers by corporate securityholders to affiliates or shareholders, in each case subject to the terms of the applicable lock-up agreement.

Approval and Recommendation of the Board of Directors

The Board of Directors has unanimously determined that the Transaction is in the best interests of IFR and has approved the Transaction. Accordingly, the Board of Directors unanimously recommends that Shareholders vote in favour of the Transaction Resolution.

Effect of the Transaction and Post-Closing Structure

Pursuant to the Transaction, IFR Subco and Kinjal will amalgamate under the OBCA and Amalco will become a wholly owned subsidiary of IFR. Immediately prior to the Effective Time, each Kinjal Subscription Receipt is expected to be automatically exchanged for one (1) Kinjal Share and one-half of one (0.5) Kinjal Warrant.

At the Effective Time, each Kinjal Share outstanding immediately prior to the Effective Time will be cancelled and the holder thereof will be issued one (1) post-consolidation IFR Share. Each whole Kinjal Warrant outstanding immediately prior to the Effective Time will be cancelled and the holder thereof will be issued one (1) post-consolidation warrant of IFR entitling the holder to acquire one (1) post-consolidation IFR Share in accordance with its terms. Each issued and outstanding share of IFR Subco will be converted into one common share of Amalco, all of which will be held by IFR.

For greater certainty, the Transaction will not result in any direct or indirect transfer of ownership of Petro Frontera, Tonalli or Energía Mexicana at the Effective Time. The Transaction is a share exchange transaction at the IFR level and does not effect a transfer of any assets or subsidiaries of IFR.

Immediately following completion of the Transaction, IFR is expected to have approximately 78,563,788 IFR Shares issued and outstanding on a non-diluted basis and approximately 116,946,380 IFR Shares issued and outstanding on a fully diluted basis, after giving effect to the Share Consolidation, the issuance of IFR Shares to former holders of Kinjal Shares, the conversion of the Kinjal Subscription Receipts, the issuance of warrants of IFR in exchange for the warrants of Kinjal, the Concurrent Financing and any other related transactions completed at or prior to closing. See "*Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital*".

Following completion of the Transaction, no IFR Options are expected to remain outstanding. The Resulting Issuer is expected to have up to 23,848,817 Resulting Issuer Warrants outstanding, including warrants issued or issuable in connection with the Concurrent Financing and any existing IFR warrants. The Resulting Issuer Warrants are expected to be listed on the TSXV pursuant to the supplementary listing application described in this Information Circular. The Resulting Issuer Warrants will be governed by the Warrant Indenture entered into between the Resulting Issuer and the Warrant Agent. The equity incentive plan of the Resulting Issuer, if approved by Shareholders and accepted by the TSXV, is expected to become effective upon completion of the Transaction. See "*Summary – Resulting Issuer Warrants and Supplementary Listing*".

Effect on Holders of IFR Shares

IFR Shareholders will continue to hold IFR Shares following completion of the Transaction, subject to the Share Consolidation and the name change, and will not be required to surrender their IFR Shares in exchange for consideration under the Transaction. Existing IFR share certificates and DRS statements will continue to represent IFR Shares, subject to the Share Consolidation, the name change and any customary procedures of the transfer agent.

The proportional interest of IFR Shareholders in IFR will be diluted by the issuance of IFR Shares to former holders of Kinjal Shares and by IFR Shares issued or issuable in connection with the Concurrent Financing and other related transactions completed at or prior to closing. See "*The Transaction*", "*Risk Factors*" and "*Certain Canadian Federal Income Tax Considerations*".

Management and Board of the Resulting Issuer

At the Meeting, Shareholders will be asked to elect four directors of IFR to serve until the earlier of completion of the Transaction or the next annual meeting. Shareholders will also be asked to elect, conditional upon and effective upon completion of the Transaction, eight directors who will constitute the board of directors of the Resulting Issuer. If the Transaction is not completed, the four IFR directors elected at the Meeting will continue to serve and the composition of the board of directors of IFR may be addressed in accordance with applicable law, the constating documents of IFR and the requirements of the TSXV, including through resignations, appointments or the calling of a further meeting of Shareholders, as applicable.

Following completion of the Transaction, the management of the Resulting Issuer is expected to consist of Warren Levy as Chief Executive Officer and Director, Margaret Souleles as Chief Financial Officer, Alvaro Ranero as Chief Operating Officer and James Leech as Corporate Secretary.

The proposed directors of the Resulting Issuer are expected to be Warren Levy, James Edmiston (Chairman), Brooks Klimley, Miles Lewis, Tony Kinnon, Arnaud de Limelette, Ignacio Quesada, and Guadelupe Rodriguez, subject to confirmation of the final election slate and disclosure elsewhere in this Information Circular.

Procedure for the Transaction to Become Effective

The following principal steps must be completed in order for the Transaction to become effective:

(a) the Transaction Resolution and the other required matters to be considered at the Meeting in connection with the Transaction, including the Share Consolidation, name change, election of directors and equity incentive plan approvals, must be approved by Shareholders in accordance with applicable law, TSXV requirements and the constating documents of IFR;

(b) Kinjal must obtain the requisite approval of the holders of Kinjal Shares under the OBCA and its constating documents, which approval may be obtained by written Resolution;

(c) the TSXV must grant conditional acceptance of the Transaction, the issuance of IFR Shares and warrants pursuant thereto, the reconstitution of the board of directors of IFR and the other matters contemplated by the Definitive Agreement, and the applicable conditions of the TSXV must be satisfied or waived as permitted;

(d) all Regulatory Approvals required in connection with the Transaction, the Amalgamation and the Mexican Asset Transactions, including approvals from SENER in respect of the change of control resulting from the Transaction and any other applicable Mexican regulatory approvals, must be obtained on terms acceptable to IFR and Kinjal, acting reasonably;

(e) the Mexican Asset Transactions must be completed in accordance with their respective terms immediately prior to or concurrently with closing, or otherwise be capable of being completed contemporaneously with closing to the extent permitted by the Definitive Agreement;

(f) the Concurrent Financing must be completed prior to or concurrently with closing, or be capable of being completed contemporaneously with closing, in the minimum amount required under the Definitive Agreement and the applicable financing documents;

(g) the Financial Capability Support Arrangement, to the extent required in connection with the Mexican Asset Transactions and applicable Mexican financial capability requirements, must become effective or be capable of becoming effective concurrently with closing;

(h) all outstanding IFR Options must be exercised prior to closing or otherwise terminate in accordance with their terms so that no IFR Options remain outstanding following completion of the Transaction;

(i) any escrow agreements, lock-up agreements, support agreements and other ancillary agreements required pursuant to the Definitive Agreement or by the TSXV must be executed and delivered;

(j) IFR must file articles of amendment to complete the Share Consolidation and change its name to "Kinjal Gas Ltd." or such other name as may be accepted by the TSXV and approved by the Board; and

(k) articles of amalgamation in respect of the amalgamation of IFR Subco and Kinjal must be filed under the OBCA, whereupon the Amalgamation will become effective at the time shown on the certificate of amalgamation issued under the OBCA.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the Transaction Resolution in the form set out in "Particulars of Matters to be Acted Upon – Transaction Resolution". Approval of the Transaction Resolution requires approval by not less than 66⅔% of the votes validly cast on the Transaction Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. The approval threshold required by the TSXV will be satisfied if the Transaction Resolution is approved by 66⅔% of the votes validly cast. Shareholders will also be asked to approve the special Resolution approving the amendments to the articles of IFR to effect the Share Consolidation and name change, conditional upon and to be effective in connection with completion of the Transaction, the continuance of the Corporation to Ontario, and the ordinary Resolution approving the equity incentive plan of the Resulting Issuer, conditional upon and to become effective upon completion of the Transaction, in each case as more particularly described in this Information Circular.

Regulatory Matters

Each party is required to use commercially reasonable efforts to obtain all Regulatory Approvals required in connection with the transactions contemplated by the Definitive Agreement, including required securities regulatory approvals and Mexican governmental approvals relating to the Mexican Asset Transactions. The Definitive Agreement defines Regulatory Approvals to include all governmental consents, approvals, Authorizations and filings required in connection with the Transaction, the Amalgamation and the Mexican Asset Transactions, including approval from SENER in respect of the change of control resulting from the Transaction.

Conditions Precedent

In addition to the approvals described above, completion of the Transaction is subject to a number of conditions being satisfied or waived by one or more of IFR, IFR Subco and Kinjal on or before closing.

The mutual conditions precedent include, among other things: (i) approval by IFR Shareholders of the Transaction and the issuance of IFR Shares pursuant thereto, together with such other matters as are required under applicable law and TSXV policies; (ii) conditional approval by the TSXV of the Transaction, the issuance of IFR Shares pursuant thereto, the reconstitution of the board of directors of IFR and the other transactions contemplated by the Definitive Agreement; (iii) completion of the Mexican Asset Transactions in accordance with their respective terms immediately prior to or concurrently with closing; (iv) no applicable law or order prohibiting completion of the Transaction; and (v) receipt of all Regulatory Approvals required in connection with the Mexican Asset Transactions and the change of control resulting from the Transaction on terms reasonably satisfactory to IFR and Kinjal.

The conditions precedent in favour of IFR and IFR Subco include, among other things: (i) the representations and warranties of Kinjal being true and correct as provided in the Definitive Agreement; (ii) no Kinjal Material Adverse Effect having occurred and continuing; (iii) Kinjal having performed and complied in all material respects with its covenants and agreements under the Definitive Agreement; (iv) completion, or the ability to complete contemporaneously with closing, of the Mexican Asset Transactions, including the Farm In Agreements, the Servicios Múltiples de Burgos, S.A. de C.V. ("**SMB**") transactions and the Jaguar Tonalli Share Purchase Agreement, on terms consistent with the Definitive Agreement; (v) delivery of all escrow agreements, lock-up agreements, support agreements and ancillary agreements required pursuant to the Definitive Agreement or by the TSXV; and (vi) delivery by Kinjal of the officer's certificate contemplated by the Definitive Agreement.

The conditions precedent in favour of Kinjal include, among other things: (i) the representations and warranties of IFR being true and correct as provided in the Definitive Agreement; (ii) no IFR Material Adverse Effect having occurred and continuing; (iii) IFR and IFR Subco having performed and complied in all material respects with their covenants and agreements under the Definitive Agreement; (iv) completion, or the ability to complete contemporaneously with closing, of the Concurrent Financing in an amount not less than the minimum amount specified in the Definitive Agreement; (v) conditional approval for listing on the TSXV of the IFR Shares issuable pursuant to the Transaction; (vi) receipt by Kinjal of lock-up agreements from Tony Kinnon, Margaret Souleles, Henry Bustard and Steve Hanson in the form attached to the Definitive Agreement; (vii) IFR having obtained all required Shareholder approvals contemplated by the Definitive Agreement; and (viii) delivery by IFR of the officer's certificate contemplated by the Definitive Agreement.

Effective Date

Provided that the required IFR Shareholder approval, Kinjal shareholder approval, TSXV acceptance and other required Regulatory Approvals have been obtained and all other conditions to closing set out in the Definitive Agreement have been satisfied or waived, it is anticipated that the Transaction will become effective on or before December 31, 2026. The Amalgamation will become effective at the time shown on the certificate of amalgamation issued under the OBCA. The Definitive Agreement provides for an Outside Date of December 31, 2026, subject to extension in accordance with the terms of the Definitive Agreement, including an extension to January 31, 2027, in the circumstances described therein.

Matters Related to the Transaction

Concurrent Financing

In connection with the Transaction, Kinjal and IFR have completed a brokered private placement of Kinjal Subscription Receipts and IFR Subscription Receipts, at a price of $0.80 per subscription receipt for aggregate gross proceeds of $37,381,505 (inclusive of the contribution of the conversion of the Kinjal SAFEs).

Each Kinjal Subscription Receipt entitles the holder thereof, without payment of any additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) unit of Kinjal ("**Kinjal Unit**"). Each Kinjal Unit is comprised of one (1) Kinjal Share and one-half of one (0.5) Kinjal Warrant, with each whole Kinjal Warrant entitling the holder to acquire one (1) Kinjal Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms. In connection with the Amalgamation, the Kinjal Shares and

Kinjal Warrants issued pursuant to the Concurrent Financing will be exchanged on a one for one basis for shares and warrants of the Resulting Issuer.

Each IFR Subscription Receipt entitles the holder thereof, without payment of any additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) unit of IFR ("**IFR Unit**"). Each IFR Unit is comprised of one (1) post-consolidated IFR Share and one-half of one (0.5) IFR Warrant, with each whole IFR Warrant entitling the holder to acquire one (1) post-consolidated IFR Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms.

The net proceeds of the Concurrent Financing are expected to be used to fund the business and growth plans of the Resulting Issuer, transaction expenses, working capital, capital expenditures and such other purposes as are described in this Information Circular. See "*Information Concerning the Resulting Issuer – Estimated Available Funds and Principal Purposes*".

Interests of Certain Persons in the Transaction

Certain directors and officers of IFR have interests in the Transaction that may be different from, or in addition to, the interests of IFR Shareholders generally.

In addition, the Board has approved transaction completion bonus consideration in the aggregate amount of $190,000 in respect of services provided in connection with the Transaction (the "**Transaction Bonus**"), to be satisfied by the issuance from treasury of an aggregate of 3,087,500 IFR Shares at a deemed issue price of $0.06153846 per IFR Share (the "**Bonus Shares**"). The Transaction Bonus is payable only if the Transaction is completed, and no Bonus Shares will be issued and no entitlement to the Transaction Bonus will arise unless and until the Transaction is completed. The issuance of the Bonus Shares is subject to receipt of all required approvals, including TSXV approval and, if applicable, Shareholder approval.

The Bonus Shares are expected to be issued as follows: 1,852,500 Bonus Shares to Tony Kinnon, Chief Executive Officer of IFR, representing $114,000 of the Transaction Bonus, and 1,235,000 Bonus Shares to Margaret Souleles, Chief Financial Officer of IFR, representing $76,000 of the Transaction Bonus. Tony Kinnon and Margaret Souleles are also directors of IFR and declared their interests in the Transaction Bonus in connection with the approval of the Transaction Bonus by the Board.

As of October 1, 2026, the directors and officers of IFR beneficially owned or exercised control or direction over an aggregate of 5,895,229 IFR Shares representing approximately 15.48% of the issued and outstanding shares of IFR. Such persons will continue to hold IFR Shares following completion of the Transaction on the same basis as other IFR Shareholders, subject to the Share Consolidation and dilution resulting from the issuance of IFR Shares to former holders of Kinjal Shares, the issuance of the Bonus Shares and the issuance of IFR Shares in connection with the Concurrent Financing and related transactions.

As of October 1, 2026, the directors and officers of IFR held, in the aggregate, 3,700,000 IFR Options, all of which must be exercised prior to closing or will otherwise terminate in accordance with their terms.

Procedure for Exchange of Share Certificates by Shareholders

IFR Shareholders will not be required to exchange their existing IFR share certificates or DRS statements in order to receive consideration in connection with the Transaction, as IFR Shareholders are not receiving consideration under the Transaction. Beneficial holders of IFR Shares should continue to hold their IFR Shares through their existing intermediary arrangements. Existing IFR share certificates and DRS statements will continue to represent IFR Shares following the Effective Time, subject to the Share Consolidation, the name change and any customary procedures of the transfer agent.

At the Effective Time, the register of transfers of the Kinjal Shares will be closed and, subject to the rights of Dissenting Shareholders, former holders of Kinjal Shares will cease to be holders of Kinjal Shares and will be deemed to be the registered holders of the IFR Shares to which they are entitled under the Definitive Agreement. Certificates or direct registration statements representing IFR Shares issuable to each former Kinjal shareholder pursuant to the Transaction are expected to be issued on the closing date and mailed to former Kinjal shareholders as soon as practicable, and in any event no later than three (3) Business Days following the closing date, in accordance with the Definitive Agreement and the procedures established by IFR and its transfer agent.

No fractional IFR Shares will be issued pursuant to the Transaction. Where the aggregate number of IFR Shares to be issued to a former holder of Kinjal Shares would otherwise result in a fraction of an IFR Share, the number of IFR Shares issuable to such holder will be rounded down to the nearest whole IFR Share, and no cash payment will be made in lieu of any fractional IFR Share.

IFR, IFR Subco, Amalco and the transfer agent of IFR will be entitled to deduct and withhold from any consideration payable or otherwise deliverable under the Transaction such amounts as are required under applicable tax law, as more particularly described in the Definitive Agreement.

The Definitive Agreement

The following is a summary of certain material terms of the Definitive Agreement and is subject to, and qualified in its entirety by, the full text of the Definitive Agreement, which is attached to this Information Circular as Appendix "A". Shareholders are urged to read the Definitive Agreement in its entirety.

Covenants

Covenants of IFR

IFR has agreed to customary covenants for a transaction of this nature, including covenants relating to the conduct of its business pending closing, the calling and holding of the Meeting, the preparation, filing and mailing of this Information Circular, the solicitation of proxies in favour of the required Shareholder approvals, the preparation and filing of required TSXV documentation, and cooperation with Kinjal in connection with the Transaction and the satisfaction of the conditions precedent. IFR has also agreed to consult with Kinjal regarding the timing of the Meeting, to provide Kinjal with proxy tallies and shareholder information as contemplated by the Definitive Agreement, and to refrain from adjourning, postponing or cancelling the Meeting except in the circumstances permitted by the Definitive Agreement.

Covenants of Kinjal

Kinjal has agreed to customary covenants for a transaction of this nature, including covenants relating to the conduct of its business pending closing, the provision of Kinjal disclosure for inclusion in this Information Circular, the obtaining of Kinjal shareholder approval, cooperation with IFR in connection with TSXV filings and regulatory approvals, the completion of the Concurrent Financing, and the completion of the Mexican Asset Transactions and related approvals in accordance with the Definitive Agreement. Kinjal is also required to deliver the closing documents and ancillary agreements contemplated by the Definitive Agreement.

Mutual Covenants

IFR, IFR Subco and Kinjal have each agreed to use commercially reasonable efforts to complete the Transaction and satisfy the applicable conditions precedent, to obtain the required TSXV and other regulatory approvals, to coordinate public disclosure relating to the Transaction, to provide notice of matters affecting closing conditions, to afford each other reasonable access to information for due diligence, disclosure and regulatory purposes, and to take such further steps as may be reasonably necessary to complete the Amalgamation and the related transactions. The parties have also agreed that the Amalgamation is being effected as a three-cornered amalgamation under section 174 of the OBCA and does not require court approval.

Concurrent Financing, Financial Capability Support Arrangement and Ancillary Agreements

The Definitive Agreement contains covenants relating to the Concurrent Financing, the Mexican Asset Transactions, escrow arrangements, lock-up arrangements, support agreements and other ancillary agreements required by the Definitive Agreement or by the TSXV. The Transaction is also expected to involve the Financial Capability Support Arrangement, as described under "*Information Concerning Kinjal - Financial Capability Support Arrangements*".

Non-Solicitation

The Definitive Agreement contains a non-solicitation covenant applicable to Kinjal, pursuant to which Kinjal has agreed not to solicit, initiate, encourage or otherwise facilitate certain competing transactions, except as permitted by the Definitive

Agreement. The termination provisions of the Definitive Agreement include a termination right in favour of IFR if the Kinjal board or Kinjal shareholders approve, recommend or enter into an agreement with respect to a competing transaction.

Post-Closing Governance

The Definitive Agreement contains covenants relating to the post-closing governance of IFR, including the anticipated directors and officers of the Resulting Issuer, as reflected in the schedules to the Definitive Agreement and the disclosure included in this Information Circular.

Representations and Warranties

The Definitive Agreement contains representations and warranties of both Kinjal and IFR that are customary for a transaction of this nature.

Representations and Warranties of Kinjal

Kinjal has made representations and warranties relating to, among other things: (i) its organization, existence and corporate authority; (ii) the enforceability of the Definitive Agreement; (iii) its capitalization and subsidiaries; (iv) the absence of conflicts and required consents; (v) reporting status and securities law matters; (vi) financial statements and the absence of undisclosed liabilities or certain material changes; (vii) material contracts; (viii) the Mexican Asset Transactions; (ix) compliance with laws; (x) the Concurrent Financing; (xi) litigation; (xii) tax matters; (xiii) employment matters; (xiv) brokers' fees; (xv) disclosure provided by Kinjal; (xvi) TSXV and securities law compliance; (xvii) anti-corruption, sanctions and environmental matters; (xviii) books and records; (xix) collateral benefits; and (xx) U.S. Securities Laws.

Representations and Warranties of IFR

IFR has made representations and warranties relating to, among other things: (i) board approval of the Transaction and the IFR Board recommendation; (ii) the organization, existence and good standing of IFR and IFR Subco; (iii) IFR's authority to enter into and perform the Definitive Agreement; (iv) the absence of conflicts or violations and the obtaining of required governmental approvals; (v) the capitalization of IFR and ownership of its subsidiaries; (vi) reporting issuer and securities law matters; (vii) IFR's public filings, forward-looking information and financial statements; (viii) the independence of its auditors and the maintenance of minute books; (ix) the absence of undisclosed liabilities or material adverse changes; (x) litigation and tax matters; (xi) privacy, property and sufficiency of assets; (xii) rights of other persons and IFR material contracts; (xiii) Authorizations, environmental matters and compliance with laws; (xiv) U.S. Securities Laws; (xv) employment and labour matters; (xvi) intellectual property; (xvii) related party transactions; (xviii) brokers' fees and insurance; (xix) the absence of a shareholder rights plan, collateral benefits or undisclosed arrangements with shareholders; and (xx) competition law matters.

Reliance, Survival and Qualifications

The parties acknowledge in the Definitive Agreement that they are relying on the representations and warranties of the other parties in entering into the Definitive Agreement. The Definitive Agreement also contains survival and indemnification provisions, including survival periods for certain representations and warranties following closing and customary limitations on indemnification, subject to the terms of the Definitive Agreement.

Conditions Precedent

Completion of the Transaction is subject to a number of conditions precedent, some of which are mutual and some of which are for the benefit of IFR and IFR Subco or Kinjal, as applicable. The following is a summary of certain material conditions precedent and is qualified in its entirety by the full text of the Definitive Agreement.

Mutual Conditions Precedent

The mutual conditions precedent include, among other things: (i) no Governmental Authority having issued any order, decree or ruling restraining, enjoining or otherwise prohibiting completion of the Transaction; (ii) all required regulatory approvals, including Mexican regulatory approvals required in connection with the Mexican Asset Transactions and the change of control resulting from the Transaction, including approvals from SENER and other applicable Mexican governmental authorities,

having been obtained on terms reasonably satisfactory to IFR and Kinjal; and (iii) if the Concurrent Financing and the Financial Capability Support Arrangement with EXMAR are intended or required to close concurrently with the closing, such transactions having been completed or being capable of being completed contemporaneously with closing. The mutual conditions may be waived only by the mutual written agreement of IFR and Kinjal.

Conditions Precedent in Favour of IFR and IFR Subco

The obligation of IFR and IFR Subco to complete the Transaction is subject to the fulfillment or waiver of a number of conditions precedent in favour of IFR and IFR Subco, including: (i) the representations and warranties of Kinjal being true and correct as provided in the Definitive Agreement; (ii) no Kinjal Material Adverse Effect having occurred and be continuing; (iii) Kinjal having performed and complied in all material respects with its covenants and agreements under the Definitive Agreement; (iv) the Mexican Asset Transactions to be completed by Kinjal having been completed in accordance with their definitive agreements or being capable of being completed contemporaneously with closing on terms satisfactory to IFR, acting reasonably; (v) Kinjal having entered into and completed, or being capable of completing contemporaneously with closing, the Jaguar Tonalli Share Purchase Agreement on terms consistent with the Definitive Agreement; (vi) all escrow agreements, lock-up agreements, support agreements and other ancillary agreements required under the Definitive Agreement or by the TSXV having been duly executed and delivered; (vii) Kinjal having delivered an officer's certificate confirming satisfaction of the applicable conditions; and (viii) the number of Kinjal Shares in respect of which dissent rights have been validly exercised and not withdrawn not exceeding the threshold specified in the Definitive Agreement.

Conditions Precedent in Favour of Kinjal

The obligation of Kinjal to complete the Transaction is subject to the fulfillment or waiver of a number of conditions precedent in favour of Kinjal, including: (i) the representations and warranties of IFR and IFR Subco being true and correct as provided in the Definitive Agreement; (ii) no IFR Material Adverse Effect having occurred and be continuing; (iii) IFR and IFR Subco having performed and complied in all material respects with their covenants and agreements under the Definitive Agreement; (iv) the Concurrent Financing having been completed, or being capable of being completed contemporaneously with closing, in at least the minimum amount specified in the Definitive Agreement; (v) the Financial Capability Support Arrangement with EXMAR, to the extent required, having become effective or being capable of becoming effective contemporaneously with closing; (vi) the IFR Shares issuable pursuant to the Transaction having been conditionally approved for listing on the TSXV, subject only to customary conditions of closing; (vii) IFR having obtained all required Shareholder approvals contemplated by the Definitive Agreement, including the approvals required in respect of the Transaction Resolution, the Share Consolidation, the name change and any other Transaction-related matters; (viii) IFR having delivered an officer's certificate confirming satisfaction of the applicable conditions; and (ix) IFR having delivered the governance documents contemplated by the Definitive Agreement.

Satisfaction and Waiver of Conditions

Each party is required to use commercially reasonable efforts to cause the conditions precedent to be satisfied as soon as reasonably practicable. No waiver of any condition is effective unless made in writing by the party entitled to the benefit of that condition. The Definitive Agreement also contains notice and cure provisions in respect of matters that may result in the failure of a condition precedent, including a termination notice process and cure period prior to the exercise of certain termination rights.

Termination of Definitive Agreement

The Definitive Agreement may be terminated at any time prior to the Effective Time in certain circumstances, including: (i) by mutual written agreement of IFR and Kinjal; (ii) by either IFR or Kinjal if the Effective Time has not occurred on or before the Outside Date, subject to the limitations set out in the Definitive Agreement; (iii) by IFR if Kinjal breaches any representation, warranty, covenant or agreement in a manner that would cause a condition in favour of IFR and IFR Subco to fail and the breach is incapable of being cured prior to the Outside Date or is not cured within the applicable cure period; (iv) by Kinjal if IFR breaches any representation, warranty, covenant or agreement in a manner that would cause a condition in favour of Kinjal to fail and the breach is incapable of being cured prior to the Outside Date or is not cured within the applicable cure period; (v) by IFR if the IFR Shareholder Approval is not obtained at the Meeting; (vi) by IFR if Kinjal shareholder approval is not obtained; (vii) by either party if TSXV Acceptance is not obtained prior to the Outside Date; (viii) by IFR if the Kinjal board or Kinjal shareholders approve, recommend or enter into an agreement with respect to a competing transaction;

and (ix) by Kinjal if the IFR Board withdraws or modifies the IFR Board recommendation in a manner adverse to the Transaction, except as permitted by the Definitive Agreement.

Effect of Termination

Upon termination of the Definitive Agreement in accordance with its terms, the Definitive Agreement will become null and void and of no further force or effect, except that the provisions relating to confidentiality, any obligations to pay a termination fee, Article 11 (Survival and Indemnification), and any other provisions which by their express terms survive termination will remain in full force and effect in accordance with their respective terms. No termination of the Definitive Agreement will relieve any party from liability for any wilful breach of the Definitive Agreement occurring prior to such termination.

No termination of the Definitive Agreement will relieve any party from liability for any wilful breach of the Definitive Agreement occurring prior to such termination, and the aggrieved party will be entitled to pursue any and all remedies available at law or in equity in respect of such breach.

Amendments to the Definitive Agreement

The Definitive Agreement may be amended, supplemented or otherwise modified from time to time in accordance with its terms and by written agreement of the parties.

Securities Law Matters

Canada

The IFR Shares and any IFR warrants issuable pursuant to the Transaction and the related transactions will be issued in accordance with applicable Canadian securities laws and the policies of the TSXV. The issuance of such securities pursuant to the Transaction is expected to be made in reliance on exemptions from the prospectus requirements of applicable Canadian securities laws.

Securities issued in connection with the Transaction, the Kinjal SAFE Financing, the Concurrent Financing, and other related transactions may be subject to statutory hold periods, escrow, pooling, resale restrictions and other transfer restrictions under applicable securities laws and the policies of the TSXV, including TSXV Policy 5.4 – *Capital Structure, Escrow and Resale Restrictions*. Certificates or direct registration statements representing such securities may bear legends or notations reflecting any applicable restrictions.

IFR will remain the publicly listed corporation and reporting issuer following completion of the Transaction. IFR Shares are currently listed on the TSXV under the symbol "IFR", and it is expected that the IFR Shares will continue to be listed on the TSXV following completion of the Transaction under the name "Kinjal Gas Ltd." and the trading symbol "KNJL" has been reserved for the Resulting Issuer, subject to final acceptance of the TSXV.

In connection with the Transaction, IFR is applying for a supplementary listing of up to 28,310,852 Resulting Issuer Warrants, which includes 23,848,817 warrants issuable upon conversion of IFR and Kinjal Subscription Receipts, 1,462,035 warrants issuable upon the exercise of Kinjal Broker Warrants, and 3,000,000 warrants issuable in connection with the Debt Facility, on the TSXV in accordance with TSXV Policy 2.8 – *Supplemental Listings*. IFR is not in default of any Exchange Requirement and meets the continued listing requirements of the TSXV. Upon completion of the Transaction, each Resulting Issuer Warrant will entitle the holder to acquire one (1) Resulting Issuer Share at an exercise price of $1.05 per share for a period of 36 months following the Effective Date, subject to adjustment in accordance with the Warrant Indenture. The Resulting Issuer Warrants are expected to be listed on the TSXV under the symbol "KNJL.WT", subject to final acceptance of the TSXV.

Application of MI 61-101

Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") provides for, among other things, enhanced disclosure, formal valuation and minority approval requirements for certain transactions involving related parties of an issuer, including certain business combinations and related party transactions.

IFR has considered the application of MI 61-101 to the Transaction. IFR is of the view that the Amalgamation is not a "business combination" for purposes of MI 61-101 because IFR Shareholders will not receive consideration for, or be required to surrender, their IFR Shares pursuant to the Amalgamation, and IFR will remain the publicly listed corporation following completion of the Transaction. IFR Shareholders will continue to hold IFR Shares, subject to the Share Consolidation, the name change and dilution resulting from the issuance of IFR Shares and other securities in connection with the Transaction.

Certain directors and officers of IFR have interests in the Transaction that may be different from, or in addition to, the interests of IFR Shareholders generally, including the Transaction Bonus and any consulting, service, lock-up or other arrangements described under "*The Transaction - Interests of Certain Persons in the Transaction*". IFR is of the view that such interests do not, in and of themselves, result in the Transaction being subject to the formal valuation or minority approval requirements of MI 61-101.

United States

The securities to be issued pursuant to the Amalgamation and related transactions have not been and will not be registered under the U.S. Securities Act or any state securities laws. Such securities are expected to be issued in reliance upon available exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws, including, where applicable, exemptions for offshore transactions and other available exemptions. The Amalgamation is not being effected pursuant to a court-approved plan of arrangement and the parties are not relying on the exemption from registration under section 3(a)(10) of the U.S. Securities Act.

The securities issued pursuant to the Amalgamation and related transactions may be subject to restrictions on resale under applicable United States federal and state securities laws. Persons who are, or who become, affiliates of IFR or the Resulting Issuer may be subject to additional resale restrictions, including restrictions under Rule 144 under the U.S. Securities Act, unless another exemption from registration is available. U.S. Shareholders and other U.S. persons are urged to consult their own legal advisors concerning the United States securities law consequences of the Transaction and the resale of any securities received or held by them following completion of the Transaction.

Timing

Provided that the required IFR Shareholder approvals, Kinjal shareholder approval, TSXV acceptance, Mexican regulatory approvals and other required approvals have been obtained and the other conditions to completion of the Transaction have been satisfied or waived, it is anticipated that the Amalgamation will become effective on or before December 31, 2026. The Amalgamation will become effective at the time shown on the certificate of amalgamation issued under the OBCA.

The timing of completion of the Transaction remains subject to a number of conditions, including the timing of TSXV acceptance, required Mexican regulatory approvals, completion or satisfaction of the applicable conditions relating to the Mexican Asset Transactions, the Concurrent Financing, the Debt Facility, the Financial Capability Support Arrangement with EXMAR and any other conditions described in this Information Circular and the Definitive Agreement. There can be no assurance that the Transaction will be completed on the anticipated timeline or at all.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder generally applicable to IFR Shareholders who, for purposes of the Tax Act and at all relevant times: (a) deal at arm's length with IFR and Kinjal; (b) are not affiliated with IFR or Kinjal; (c) hold their IFR Shares, and will hold their Resulting Issuer Shares, as capital property; and (d) are, or are deemed to be, resident in Canada (each, a "**Resident Shareholder**"). This summary also briefly addresses certain considerations applicable to IFR Shareholders who are not resident in Canada ("**Non-Resident Shareholders**").

IFR Shares will generally be considered capital property to a holder unless the holder holds such shares in the course of carrying on a business of trading or dealing in securities or has acquired the shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof

(the "**Proposed Amendments**"), and the Canada Revenue Agency's ("**CRA**") current publicly available administrative policies and assessing practices. This summary assumes that all Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those described herein.

This summary is of a general nature only and is not intended to be, and should not be construed as, legal or tax advice to any particular Shareholder. This summary does not address all Canadian federal income tax considerations that may be relevant to a particular Shareholder. Shareholders should consult their own tax advisors regarding the Canadian federal, provincial, territorial and foreign tax consequences of the Transaction having regard to their own particular circumstances.

Effect of the Amalgamation on IFR Shareholders

The Amalgamation is structured as a three-cornered amalgamation under section 174 of the *Business Corporations Act* (Ontario), pursuant to which IFR Subco and Kinjal will amalgamate to form Amalco, a wholly owned subsidiary of IFR. The Amalgamation is not an amalgamation to which section 87 of the Tax Act applies, as section 87 applies only to amalgamations of two or more taxable Canadian corporations where the shareholders of the predecessor corporations receive shares of the new corporation formed on amalgamation. IFR Shareholders will not receive any shares of Amalco and will not exchange or dispose of their IFR Shares as a consequence of the Amalgamation.

Accordingly, the Amalgamation should not result in any disposition, deemed disposition or other taxable event for IFR Shareholders. IFR Shareholders will continue to hold their IFR Shares following the Amalgamation (subject to the Share Consolidation described below), and the adjusted cost base of each IFR Shareholder's IFR Shares immediately after the Amalgamation will be equal to the adjusted cost base of such IFR Shares immediately before the Amalgamation. The Amalgamation should not, in and of itself, give rise to any capital gain or capital loss for IFR Shareholders.

Effect of the Share Consolidation on Resident Shareholders

In connection with the Transaction, IFR will consolidate its issued and outstanding IFR Shares on the basis of thirteen (13) pre-consolidation IFR Shares for one (1) post-consolidation IFR Share (the "**Share Consolidation**").

In general, a share consolidation (or "reverse stock split") does not give rise to a disposition or deemed disposition of shares for purposes of the Tax Act. Accordingly, the Share Consolidation should not, in and of itself, result in a capital gain or capital loss for Resident Shareholders. The aggregate adjusted cost base of a Resident Shareholder's IFR Shares immediately after the Share Consolidation will be equal to the aggregate adjusted cost base of such Resident Shareholder's IFR Shares immediately before the Share Consolidation. However, because the number of IFR Shares held by each Resident Shareholder will be reduced as a result of the Share Consolidation, the adjusted cost base per post-consolidation IFR Share will increase proportionately.

For example, if a Resident Shareholder holds 1,300 IFR Shares with an aggregate adjusted cost base of $1,300 (i.e., $1.00 per share) immediately prior to the Share Consolidation, after the Share Consolidation that Resident Shareholder would hold 100 post-consolidation IFR Shares with an aggregate adjusted cost base of $1,300 (i.e., $13.00 per share). The total adjusted cost base remains the same, but it is spread across fewer shares.

No fractional IFR Shares will be issued as a result of the Share Consolidation. Where the aggregate number of post-consolidation IFR Shares to which a Resident Shareholder would otherwise be entitled results in a fraction of an IFR Share, such fraction will be rounded down to the nearest whole number and such fractional entitlement will be cancelled without compensation. Resident Shareholders should consult their own tax advisors regarding the treatment of any fractional share entitlements that are cancelled without compensation.

Holding and Disposing of Resulting Issuer Shares

A Resident Shareholder who disposes of, or is deemed to dispose of, a Resulting Issuer Share (other than to IFR or a person that does not deal at arm's length with IFR) will realize a capital gain (or capital loss) equal to the amount by which the proceeds

of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Resulting Issuer Share to the Resident Shareholder immediately before the disposition.

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

Capital gains realized by a Resident Shareholder who is an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act.

Shareholders Not Resident in Canada

The following portion of the summary is generally applicable to a holder of IFR Shares who, for purposes of the Tax Act and at all relevant times: (a) is not, and is not deemed to be, resident in Canada; and (b) does not use or hold, and is not deemed to use or hold, IFR Shares in connection with carrying on a business in Canada (a "**Non-Resident Shareholder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Shareholder that is an insurer carrying on business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act).

As discussed above, the Amalgamation and the Share Consolidation should not, in and of themselves, result in any disposition, deemed disposition or other taxable event for Non-Resident Shareholders under the Tax Act.

A Non-Resident Shareholder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of Resulting Issuer Shares unless, at the time of disposition, the Resulting Issuer Shares constitute "taxable Canadian property" of the Non-Resident Shareholder and the Non-Resident Shareholder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Shareholder is resident.

Generally, Resulting Issuer Shares will not constitute taxable Canadian property of a Non-Resident Shareholder at a particular time provided that: (a) the Resulting Issuer Shares are listed on a "designated stock exchange" (which includes the TSXV) at that time; (b) at no time during the 60-month period immediately preceding that time did the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length, partnerships in which the Non-Resident Shareholder or such non-arm's length persons held a membership interest directly or indirectly through one or more partnerships, or any combination thereof, own 25% or more of the issued shares of any class or series of shares of IFR; and (c) the Resulting Issuer Shares are not otherwise deemed to be taxable Canadian property. Non-Resident Shareholders whose Resulting Issuer Shares may constitute taxable Canadian property should consult their own tax advisors.

Non-Canadian Income Tax Considerations

This Information Circular does not describe the tax consequences of the Transaction under the laws of any jurisdiction other than Canada. Shareholders who are resident in, or otherwise subject to tax in, a jurisdiction other than Canada should consult their own tax advisors regarding the tax consequences of the Transaction, including the Amalgamation, the Share Consolidation, the name change and the holding or disposition of IFR Shares following completion of the Transaction.

Dissenting Shareholder Rights

IFR Shareholders are not expected to have dissent rights in respect of the Amalgamation itself, as IFR is not an amalgamating corporation under the OBCA. Any dissent rights in connection with the Amalgamation are expected to arise, if at all, at the Kinjal shareholder level under the OBCA.

IFR Shareholders should note, however, that dissent rights are available under the ABCA in respect of the special Resolution approving the continuance of IFR to Ontario. An IFR Shareholder wishing to exercise such right of dissent must strictly comply with the provisions of section 191 of the ABCA. The full text of section 191 of the ABCA is attached as Schedule 1 to Appendix "H" to this Information Circular.

INFORMATION CONCERNING IFR

Although Kinjal has no knowledge that would indicate that any such information is untrue or incomplete, Kinjal assumes no responsibility for the accuracy or completeness of such information or for any failure by IFR to disclose events which may have occurred or may affect the significance or accuracy of such information, but which are unknown to Kinjal.

Documents Incorporated by Reference

Information in respect of IFR and its material subsidiaries has been incorporated by reference in this Information Circular from documents filed with applicable securities regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation by e-mail at msouleles@internationalfrontier.com, or by accessing the Corporation's disclosure documents available on SEDAR+ at www.sedarplus.ca.

The following documents of IFR, filed with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Information Circular:

(a) the annual information form of IFR for the financial year ended December 31, 2025, dated April 30, 2026;

(b) the audited consolidated financial statements of IFR as at and for the financial years ended December 31, 2025 and December 31, 2024, together with the notes thereto and the report of the auditor thereon, dated April 15, 2026;

(c) management's discussion and analysis of the financial condition and results of operations of IFR for the financial year ended December 31, 2025;

(d) the unaudited condensed interim consolidated financial statements of IFR as at and for the six (6) months ended June 30, 2026, together with the notes thereto;

(e) management's discussion and analysis of the financial condition and results of operations of IFR for the six (6) months ended June 30, 2026;

(f) the material change report of IFR, dated May 5, 2026, in respect of the Amalgamation and the Transaction.

(g) the material change report of IFR, dated May 25, 2026, providing an update on the Transaction.

(h) The material change report of IFR dated June 9, 2026 in respect of an update on the Concurrent Financing.

(i) The material change report of IFR dated July 10, 2026 in respect of the closing of the first tranche of the Concurrent Financing.

(j) The material change report of IFR dated July 30, 2026 in respect of the closing of the second tranche of the Concurrent Financing.

(k) The material change report of IFR dated September 3, 2026, in respect of the announcement of the execution of definitive sale and purchase agreements relating to the acquisition of the Misión Field asset in Mexico, and the execution of definitive agreements relating to the acquisition and farm-in of certain oil and gas assets in Mexico.

(l) The material change report of IFR dated July 28, 2026, in respect of the announcement of the entering entered into a binding senior secured credit agreement with Summit Ridge Capital Partners providing access to up to US$30 million.

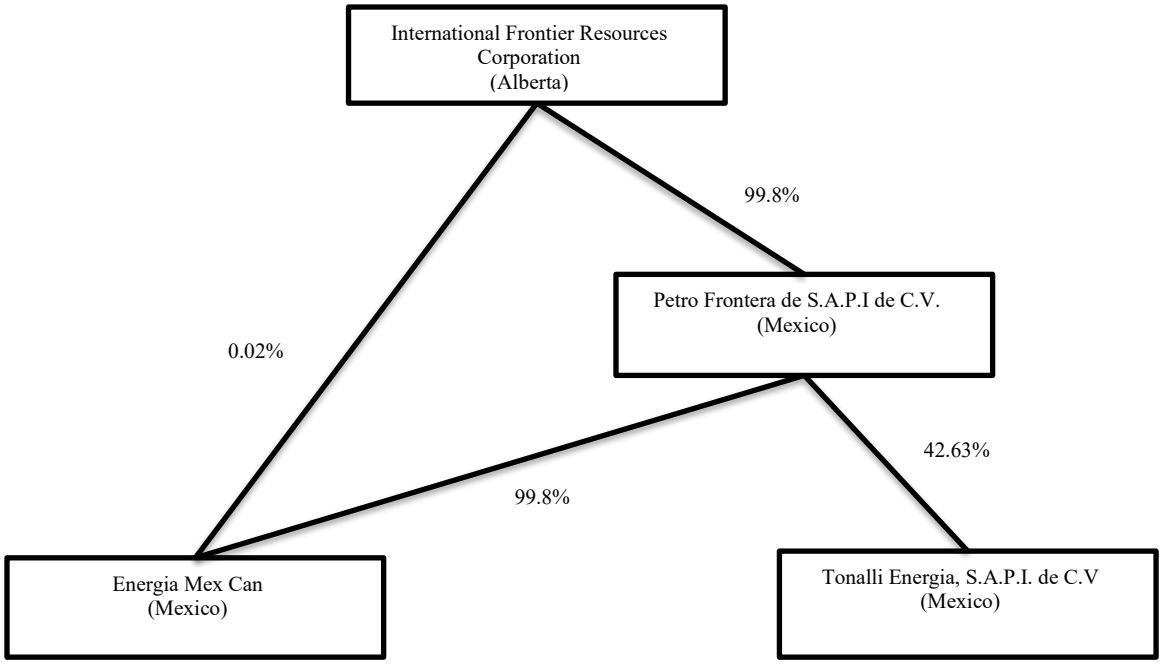
Any documents of the type referred to in the preceding paragraph, including any material change reports, excluding confidential material change reports, comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, management's discussion and analysis of financial condition, results of operations, information circulars, annual information forms and business acquisition reports filed by IFR with applicable securities regulatory authorities in Canada subsequent to the date of this Information Circular and prior to the completion of the Transaction shall be deemed to be incorporated by reference in this Information Circular.

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

Corporate Structure

IFR was incorporated on November 24, 1997 under the ABCA as "761523 Alberta Ltd." On March 20, 1998, the Corporation changed its name to "International Frontier Resources Corporation". Its head office address is located at Suite 2150, 736 Sixth Avenue SW, Calgary, Alberta, T2P0T7, Canada.

The Corporation has a 99.80% owned subsidiary, Petro Frontera de S.A.P.I. de C.V., incorporated under the laws of Mexico. Petro Frontera owns 42.63% of the outstanding shares of Tonalli Energía, S.A.P.I. de C.V., incorporated under the laws of Mexico. The Corporation also owns 100% of the outstanding shares of Energía Mex Can, incorporated under the laws of Mexico.



The Corporation's registered office is located at 10, 628 - 12 Avenue SW, Calgary, AB T2R 0H6.

The Corporation is a reporting issuer in British Columbia and Alberta. The IFR Shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "IFR".

General Development of the Business

Prior to entering into the Definitive Agreement, IFR's business consisted primarily of the evaluation, participation in and holding of oil and gas interests, including interests held directly or indirectly through its subsidiaries. IFR has historically held or pursued oil and gas interests in Mexico, Canada and the United States.

On April 16, 2026, IFR entered into the Definitive Agreement with Kinjal and IFR Subco in respect of the Transaction. The Transaction is intended to constitute a reverse takeover of IFR by Kinjal under the policies of the TSXV. Upon completion of the Transaction, IFR will remain the publicly listed parent corporation and reporting issuer and, subject to Shareholder approval and TSXV acceptance, intends to change its name to "Kinjal Gas Ltd." or such other name as may be agreed by the Parties and accepted by the TSXV.

Following completion of the Transaction, IFR's business will be the business of the Resulting Issuer, as described in this Information Circular. See "*Information Concerning the Resulting Issuer*".

The following disclosure is incorporated by reference in this section: (i) IFR's annual information form for the year ended December 31, 2025 under the heading "General Development of the Business"; (ii) IFR's management's discussion and analysis for the year ended December 31, 2025; and (iii) IFR's management's discussion and analysis for the six months ended June 30, 2026.

Selected Consolidated Financial Information and Management's Discussion and Analysis

IFR's selected consolidated financial information is incorporated by reference from IFR's audited consolidated financial statements for the years ended December 31, 2025 and 2024 and IFR's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026.

IFR's management's discussion and analysis is incorporated by reference from IFR's management's discussion and analysis for the year ended December 31, 2025 and for the three and six months ended June 30, 2026.

Description of the IFR Shares

The authorized share capital of IFR consists of an unlimited number of common shares.

As at October 1, 2026, there were 38,085,397 IFR Shares issued and outstanding. In connection with the Transaction, IFR intends to complete the Share Consolidation on the basis of thirteen (13) pre-consolidation IFR Shares for one (1) post-consolidation IFR Share, subject to shareholder approval and TSXV acceptance.

Immediately following completion of the Transaction and assuming completion of the Share Consolidation, the Amalgamation, the Concurrent Financing and the Mexican Asset Transactions, IFR is expected to have approximately 78,563,788 Resulting Issuer Shares issued and outstanding on a non-diluted basis and approximately 116,946,380 Resulting Issuer Shares issued and outstanding on a fully diluted basis. See "*Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital*".

Additional information concerning IFR's share capital is incorporated by reference from IFR's annual information form for the year ended December 31, 2025 under the heading "Capital Structure of IFR."

Options, Warrants and Other Convertible Securities

As at October 1, 2026, IFR had the following securities outstanding that are convertible into, or exercisable or exchangeable for, IFR Shares:

Security	Number Outstanding	Exercise / Conversion Price ($)	Expiry Date	Notes
Options	1,450,000	0.06	April 15, 2029	To be exercised immediately prior to or concurrently with closing. No IFR Options are expected to remain outstanding following closing.
Options	2,250,000	0.05	July 31, 2029	To be exercised immediately prior to or concurrently with closing. No IFR Options are expected to remain outstanding following closing.

Security	Number Outstanding	Exercise / Conversion Price ($)	Expiry Date	Notes
Warrants	8,165,000	0.10	April 24, 2029	To remain outstanding following closing, subject to adjustment in accordance with their terms, including as a result of the Share Consolidation.
Broker warrants	1,633,000	0.05	April 24, 2029	To remain outstanding following closing, subject to adjustment in accordance with their terms, including as a result of the Share Consolidation.
IFR Subscription Receipts		N/A		

Market For Securities

Trading Price and Volume

The IFR Shares are listed and posted for trading on the TSXV under the symbol "IFR." The following table sets forth the price range (high and low closing prices) in Canadian dollars of IFR Shares and volume traded on the TSXV for the financial year ended December 31, 2025.

Month	High	Low	Volume
January	$0.04	$0.04	334,200
February	$0.04	$0.04	81,239
March	$0.04	$0.04	198,000
April	$0.04	$0.03	282,251
May	$0.04	$0.03	83,935
June	$0.04	$0.03	63,433
July	$0.05	$0.04	31,991
August	$0.04	$0.04	36,513
September	$0.04	$0.04	108,613
October	$0.06	$0.04	100,285
November	$0.05	$0.04	117,678
December	$0.04	$0.04	101,235

Prior Sales

The Corporation has not issued any Common Shares, stock options, warrants or other securities convertible into Common Shares during the financial year ended December 31, 2025.

Interests of Experts

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

INFORMATION CONCERNING KINJAL

The information concerning Kinjal and its affiliates contained in this Information Circular has been provided by Kinjal. Although IFR has no knowledge that would indicate that any such information is untrue or incomplete, IFR assumes no responsibility for the accuracy or completeness of such information or for any failure by Kinjal to disclose events which may have occurred or may affect the significance or accuracy of such information, but which are unknown to IFR.

Corporate Structure

Name and Incorporation

Kinjal was incorporated by articles of incorporation under the OBCA on December 5, 2025. The articles were amended on April 16, 2026, to subdivide the existing issued and outstanding Class A Common Shares on a one (1) for 274,143.94 basis, such that following such subdivision there were 27,414,394 Class A Common Shares issued and outstanding.

The registered and head office of Kinjal is located at 151 Yonge Street, Suite 1500, Toronto, Ontario M5C 2W7.

Intercorporate Relationships

Kinjal does not currently have any direct or indirect subsidiaries.

General Development of the Business

As the combined business of Kinjal will include the acquisition of Servicios Múltiples de Burgos, S.A. de C.V. ("**SMB**") and Tonalli Energía, S.A.P.I. de C.V. ("**Tonalli**") as part of the Mexican Asset Transactions, a narrative description of the business and operations of each of SMB and Tonalli has been included in this Information Circular.

History

Kinjal

Kinjal is an oil and gas company currently engaged in the business of acquiring, developing and producing oil and natural gas assets in Mexico, with an initial focus on natural gas opportunities. Since incorporation, the only business carried on by Kinjal has been to pursue the completion of the Mexican Asset Transactions and the completion of the Transaction. See "*Information Concerning Kinjal – Mexican Asset Transactions*".

SMB

Servicios Múltiples de Burgos, S.A. de C.V. ("**SMB**") operated the Misión Field in the Burgos Basin in northern Mexico under the Production Sharing Contract No. CNH-M3-MISIÓN/2018 (the "**Misión PSC**") made between SMB and the Comisión Nacional de Hidrocarburos ("**CNH**") and Petróleos Mexicanos Exploración y Producción ("**PEP**"), a subsidiary of Petróleos Mexicanos ("**Pemex**"). Under the Misión PSC, SMB holds a 49% working interest in, and acts as operator of, the Misión Field, and PEP holds the remaining 51% working interest. SMB has operated the block since 1998 first under a services contract, before migrating to the current Misión PSC in 2018.

During the period, SMB's operations were focused on operating and maintaining the Misión Field, producing natural gas and condensate, and carrying out field activities required under the Misión PSC. The Misión Field is a mature producing asset and production during the period was affected by natural field decline, field operating conditions and the level of operating activity.

In 2023 and 2024, SMB continued to operate the Misión Field as a producing natural gas and condensate asset. Operational activity was focused on maintaining production from existing wells and related gathering and field infrastructure. Production decreased from 2023 levels, reflecting the mature nature of the asset and field operating and a lower than historic level of maintenance capital expenditure investment.

In 2025, production decreased significantly as compared with 2024. Natural gas production on SMB's working-interest basis decreased to 4,650 MMcf from 11,350 MMcf in 2024, while condensate production decreased to 2,868 bbl from 32,115 bbl in

2024. The decrease in production reflected reduced production from the Misión Field during 2025, including the temporary shut-in of certain wells and gathering stations following SMB's request to apply the force majeure provisions under the Misión PSC due to the inability of Pemex to receive condensate production. The wells and gathering stations that had been temporarily shut in were reopened in December 2025 once SMB received approval from SENER to commercialize condensate at installed truck loading stations.

Tonalli

Tonalli Energía, S.A.P.I. de C.V. ("**Tonalli**") holds the A24.TM / R01-L03-TM.24 license contract ("**Tecolutla Contract**"), covering the Tecolutla block in the Tampico-Misantla Basin in the State of Veracruz, Mexico, covering approximately 7.2 km². It is a mature oil asset with production from the El Abra formation (the "**Tecolutla Block**").

The Tecolutla Block is governed by the Tecolutla Contract made between Tonalli and CNH in August 2016. The Tecolutla Contract has a 25-year term, with two possible five (5)-year extensions, and permits Tonalli to explore for, produce and market hydrocarbons from the Tecolutla Block. Tonalli completed its evaluation-period work obligations, including a workover of TEC-2 and the drilling of TEC-10 and TEC-11.

In 2023, Tonalli continued to hold and maintain the Tecolutla Block. On July 4, 2023, CNH approved an extension to Tonalli's Transition Plan until July 6, 2025. Production during 2023 was limited, totaling approximately 530 bbl for the year. Operational activity included field maintenance, repairs and remediation work. In 2024, production decreased to approximately 112 bbl from 530 bbl in 2023, primarily due to shut-in wells and a reduced level of field activity.

In 2025, there were no operations in the Tecolutla Block. Tonalli continued to maintain the asset while advancing the regulatory process for development. On February 26, 2026, the Secretaría de Energía ("**SENER**") approved Tonalli's development plan application. Future activities at Tecolutla will be determined in accordance with the approved Development Plan.

Mexican Asset Transactions

Kinjal has not, since incorporation, completed any significant acquisitions or dispositions for the purposes of National Instrument 41-101 – *General Prospectus Requirements*.

In connection with the completion of the proposed Transaction, Kinjal has entered into definitive agreements and related transaction documents relating to the acquisition of oil and gas interests, and the right to earn interests in certain oil and gas license contracts for properties located in Mexico, as more particularly described below (collectively, the "**Mexican Asset Transactions**"). The Mexican Asset Transactions include:

SMB Acquisition - The acquisition of up to a 100% interest in SMB, which holds the Misión Field, upon and pursuant to a share purchase agreement made among Petro Frontera (on behalf of Kinjal), Tecpetrol de Mexico S.A. de C.V. ("**Tecpetrol**") and Industrial Perforadora de Campeche S.A. de C.V. pursuant to which Kinjal, through Petro Frontera, will acquire the right to earn 100% of the issued and outstanding shares of SMB (the "**SMB Purchase Agreement**"). SMB holds a 49% working interest in, and is the operator of, the Misión Field upon and pursuant to the Misión PSC.

Jaguar/Pantera Farm In - Farm-in agreements entered into between Kinjal, Jaguar Exploración y Producción 2.3, S.A.P.I. de C.V. ("**Jaguar 2.3**") and Pantera Exploración y Producción 2.2, S.A.P.I. de C.V. ("**Pantera 2.2**") pursuant to which Kinjal will acquire the right to earn 80% of Jaguar 2.3's working interest in the CNH-R02-L03-CS-06/2017 License Contract and 80% of Pantera 2.2's working interest in the CNH-R02-L02-A10.CS/2017 License Contract (the "**Farm In Agreements**").

Tonalli Acquisition – The acquisition of 100% of the issued and outstanding shares of Tonalli, pursuant to a definitive share purchase agreement entered into between Petro Frontera and Jaguar 2.3 pursuant to which Petro Frontera will acquire Jaguar's 57.37% of Tonalli ("**Jaguar Tonalli Share Purchase Agreement**"). At closing of the Transaction, Petro Frontera's rights and obligations under the agreement will be assigned to Kinjal, and Kinjal will complete the acquisition as assignee.

The Mexican Asset Transactions are expected to be conditional upon, among other things, completion of the Transaction, receipt of required regulatory approvals, including approvals from applicable Mexican governmental authorities, and satisfaction or waiver of the closing conditions contained in the applicable definitive agreements and related transaction documents.

Each of the SMB Acquisition and the farm-in agreements with Jaguar and Pantera in respect of the CS.06 Block and A10.CS Block constitutes an arm's length transaction for the purposes of the policies of the Exchange. None of the vendors, Jaguar, Pantera or their respective principals is a Non-Arm's Length Party of IFR, Kinjal or any of their respective directors, officers or significant shareholders.

Closing of the Mexican Asset Transactions is expected to occur concurrently with, or immediately prior to or following, completion of the Transaction, as applicable, subject to satisfaction or waiver of all applicable closing conditions.

Description of the Mexican Assets

Pursuant to definitive agreements entered into in connection with the Mexican Asset Transactions, and subject to completion of the Transaction, receipt of required Regulatory Approvals, including approvals from applicable Mexican governmental authorities, and satisfaction or waiver of the conditions contained in such agreements, Kinjal will acquire, directly or indirectly, interests in, or rights to earn interests in, certain oil and gas assets located in Mexico.

The Mexican Assets are expected to consist of:

- A 49% interest in the Misión Field, pursuant to the Misión PSC, located in the Burgos Basin in northern Mexico
- A 40-80% working interest in the CS.06 Block upon and pursuant to the CNH-R02-L03-CS-06/2017 License Contract ("**CS.06 Contract**") located in the Macuspana Basin in Tabasco
- A 40-80% working interest in the A10.CS Block upon and pursuant to the CNH-R02-L02-A10.CS/2017 License Contract ("**A10.CS Contract**") located in the Macuspana Basin in Tabasco
- The Tecolutla Block upon and pursuant to the CNH-R01-L03-A24/2016 Licence Contract ("**Tecolutla Contract**") located in the Tampico-Misantla Basin in Veracruz.

Misión Field – SMB Acquisition

Pursuant to the SMB Purchase Agreement, Petro Frontera (on behalf of Kinjal) will acquire 100% of the issued and outstanding shares of SMB. Kinjal has agreed to pay US$30 million upon closing the acquisition and a further US$7 million to be paid in 24 equal monthly installments commencing in the month following closing, subject to certain cash flow limitations under the SMB Purchase Agreement. SMB is being purchased with a US$2.5 million positive working capital balance at the time of closing. The operating personnel, all assets and inventory are included as part of the purchase.

Closing of the transaction of purchase and sale contemplated in the SMB Purchase Agreement is subject to the completion of the Transaction, receipt of required Regulatory Approvals, including approvals from applicable Mexican governmental authorities, including SENER, and satisfaction or waiver of the conditions contained in the definitive agreement.

SMB holds a 49% working interest in, and is the operator of, the Misión Field with Pemex holding the remaining 51% interest upon and pursuant to the Misión PSC.

The Misión Field is located in the Burgos Basin in northern Mexico, a well-established gas-producing region with extensive legacy infrastructure including processing equipment capable of handling up to 140 mmscfpd. The Misión Field is a mature, non-associated tight natural gas field that has been in continuous production since 1938. The Misión Field contract has a term to 2043, with a potential 10-year extension, and covers approximately 1,307 km².

Current production from the Misión Field is approximately 60 MMcf/d gross, plus approximately 200 bbl/d of condensate, equating to approximately 29 MMcf/d and 98 bbl/d net to Kinjal. Historical peak production reached approximately 140 MMcf/d gross. Management believes production from the Misión Field can increase to approximately 120 MMcf/d gross, or approximately 59 MMcf/d net to Kinjal, by early 2028 through a focused infill drilling program, recompletions and field optimization.

The Misión Field is integrated into the broader Burgos Basin gas system, including gathering pipelines and downstream processing and transportation infrastructure. The field has installed capacity to handle up to approximately 140 MMcf/d of

produced gas. Management believes the development profile of the Misión Field is primarily development-led rather than exploratory in nature.

The Misión Field is expected to be the Resulting Issuer's principal oil and gas asset. The reserves information in respect of the Misión Field is set out in Appendix "B" to this Information Circular.

CS.06 and A10.CS Farm in Arrangements

Pursuant to the Farm In Agreements, Kinjal will acquire the right to earn up to 80% of Jaguar 2.3's working interest in the CS.06 Block and up to 80% of Pantera 2.2's working interest in the A10.CS Block.

The CS.06 Block and A10.CS Block are located in the Macuspana Basin in Tabasco, a gas-producing region with nearby producing fields and established infrastructure. The Kinkan discovery, located within the CS.06 Block, is expected to be the anchor asset within the earn-in. The discovery well tested at 5.1 MMcf/d from a gas-bearing zone located at approximately 1,700 metres depth and encountered four gas-bearing objectives, although only one zone was tested due to mechanical issues encountered while Jaguar drilled the well.

Pursuant to the Farm In Agreements, Kinjal will pay 90% of the costs of the first four (4) wells to earn an initial 40% interest in each block. Thereafter, Kinjal has the option to be responsible for 90% of the costs of wells five through eight to earn an additional 40% interest, bringing Kinjal's total earned interest to 80%, and to assume operatorship of the blocks. Following the first eight wells, Kinjal's capital obligations are expected to revert to its pro rata 80% working interest.

The proposed development plan for the Kinkan discovery, located on the CS.06 Block, includes drilling 19 wells, constructing a 40 MMcf/d gas processing facility and constructing approximately seven (7) km of pipeline to interconnect with the Mayakan pipeline system. Peak production is expected to reach approximately 40 MMcf/d gross, equivalent to approximately 32 MMcf/d net to Kinjal at the full 80% working interest.

The rights under the Farm In Agreements are subject to satisfaction of the applicable drilling and funding commitments, completion of the Transaction, receipt of required Regulatory Approvals and satisfaction or waiver of the conditions contained in the Farm In Agreements. There is no certainty that any unbooked drilling locations will be drilled or, if drilled, will result in additional reserves, resources or production.

Tecolutla Block

Petro Frontera, IFR's Mexican subsidiary, entered into the Jaguar Tonalli Share Purchase Agreement with Jaguar in respect of Jaguar's 57.37% interest in Tonalli. At closing of the Transaction, Petro Frontera's rights and obligations under the agreement will be assigned to Kinjal, and Kinjal will complete the acquisition as assignee. Petro Frontera currently owns the remaining 42.63% interest in Tonalli. Accordingly, following completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer will indirectly own 100% of Tonalli.

Tonalli holds interests in the A24.TM / R01-L03-TM.24 license contract ("**Tecolutla Contract**") located in the Tampico-Misantla Basin in Veracruz (the "**Tecolutla Block**").

The Tecolutla Block is located approximately 1.5 kilometres southwest from the coast of the Gulf of Mexico in Mexico, between the coordinates 97°0'0"W & 97°2'30"W and 20°26'0"N & 20°28'0"N, and is owned and operated by Tonalli Energía S.A.P.I. de C.V. ("**Tonalli**"). Tonalli was awarded 100% working interest in the Tecolutla Block in 2016.

Tonalli represents a smaller-scale oil asset with reactivation potential and an established operating history in Mexico. Management expects Tonalli to provide potential reactivation and development opportunities, an established operating history in Mexico and complementary infrastructure and regional positioning, rather than serving as a primary near-term valuation driver.

Completion of the Tonalli Acquisition is subject to, among other things, completion of the Transaction, receipt of required Regulatory Approvals, including approvals from applicable Mexican governmental authorities, and satisfaction or waiver of the conditions contained in the applicable definitive agreement.

Financial Capability Support Arrangements

Certain of the Mexican license contracts to be acquired in connection with the Mexican Asset Transactions require that a participant demonstrate minimum financial capability, including maintaining a specified level of consolidated asset value (approximately US$245 million) attributable to a shareholder providing financial backing.

In order to satisfy these requirements, EXMAR NV ("**EXMAR**"), a company incorporated under the laws of Belgium and publicly listed on Euronext Brussels, has agreed to provide corporate-level financial backing in its capacity as a shareholder and investor of Kinjal for the benefit of Kinjal and its Mexican subsidiaries for purposes of satisfying applicable financial capability requirements under the relevant Mexican contracts (such support, together with the arrangements described herein, the "**Financial Capability Support Arrangement**"). As at December 31, 2025, EXMAR reported total assets of US$903.2 million and total equity of US$549.1 million.

The Financial Capability Support Arrangement does not provide for the advancement of cash to Kinjal or IFR. Rather, EXMAR's consolidated balance sheet will be relied upon to satisfy regulatory financial capability requirements under applicable Mexican law and contractual provisions. EXMAR's support is provided in its capacity as a shareholder and investor of Kinjal and is not a guarantee or other financial commitment requiring EXMAR to fund any capital expenditures or operating costs of Kinjal or its subsidiaries.

The Financial Capability Support Arrangement is conditional upon, and will become effective concurrently with, the completion of the Transaction and the Mexican Asset Transactions. None of the obligations of the parties thereunder will become effective unless the Transaction is completed. EXMAR holds the right to assign a member to the board of directors of Kinjal.

EXMAR holds 3,426,800 Kinjal Shares, representing approximately 12.5% of the issued and outstanding Kinjal Shares prior to giving effect to the Transaction. Following completion of the Transaction, EXMAR is expected to hold approximately 4.362% of the issued and outstanding common shares of the Resulting Issuer, on a non-diluted basis.

Exmar is providing the financial capability support to be provided by EXMAR in its capacity as a shareholder and investor of Kinjal, EXMAR holds 3,426,800 Kinjal Shares and has been granted a right to assign a member to the board of directors of Kinjal.

Business Strategy

Following completion of the Transaction, Kinjal, through the Resulting Issuer, intends to carry on an upstream natural gas business focused on natural gas and oil assets in Mexico, initially through the Misión Field and the other Mexican Assets.

Kinjal, which means "woven energy" in Mayan, was founded to develop Mexico's natural gas resources responsibly and to help strengthen the country's energy security. Inspired by the cultural and geographic roots of the Mayan region, Kinjal seeks to become more than an energy producer: Kinjal aims to help enable long-term economic development across southern Mexico through access to cleaner, reliable and competitively priced energy.

Kinjal holds as a core objective to support domestic natural gas production that complements Mexico's national development priorities and brings reliable energy to the communities it serves. Kinjal believes natural gas can play a critical role as a transition fuel to accelerate industrial development, improve energy reliability and support the economic integration of southern Mexico and, eventually, broader Mesoamerican markets (today, Central America).

Kinjal is acquiring interests in a portfolio of producing and development-stage gas assets, anchored by the Misión Field complex in the northern Burgos Basin, with additional assets in the southern Macuspana Basin that offer development and exploration upside. Kinjal targets growth from approximately 5,000 to 14,000 barrels of oil equivalent per day. Kinjal is led by a seasoned team of industry experts with extensive experience in Mexican natural gas and oil operations.

Kinjal's long-term vision is aligned with the growing need for energy infrastructure required to support nearshoring, industrial growth and economic competitiveness across Mexico, particularly in regions that have historically lacked sufficient energy investment and supply stability.

Mexico's natural gas sector is widely regarded as significantly underdeveloped relative to its resource base. The U.S. Energy Information Administration estimates that Mexico holds approximately 545 trillion cubic feet (Tcf) of technically recoverable shale gas resources, the sixth largest of any country assessed, yet proved natural gas reserves stand at only 17 Tcf. The Burgos Basin, where Kinjal's anchor Misión Field is located, accounts for the majority of these technically recoverable shale resources and is among the country's most prospective gas fairways. This gap between resource potential and current production, together with rising domestic demand and import dependence, underpins Kinjal's strategy.

Kinjal believes Mexico has a historic opportunity to strengthen its energy sovereignty by responsibly developing domestic natural gas resources while complementing North American energy integration and reinforcing long-term regional competitiveness.

Description of the Business

Overview

Kinjal is a natural gas company currently engaged in the business of acquiring, developing and producing oil and natural gas assets in Mexico, with an initial focus on natural gas opportunities.

Kinjal's anticipated asset base will consist of interests in, and rights to earn interests in, onshore Mexican oil and gas assets located in the Burgos Basin, the Macuspana Basin and the Tampico-Misantla Basin. The asset portfolio is expected to be anchored by the Misión Field, a producing natural gas asset in the Burgos Basin, with additional development and exploration upside through the CS.06 Block and A10.CS Block in Tabasco, and operational optionality through Tonalli in the Tampico-Misantla Basin.

Following completion of the Transaction and the Mexican Asset Transactions, operations are expected to be conducted through the Resulting Issuer's subsidiaries and applicable Mexican operating entities, which will be responsible for implementing work programs, regulatory compliance, contractor engagement and day-to-day field operations.

Following completion of the Transaction and the Mexican Asset Transactions, Kinjal expects the principal assets of the Resulting Issuer to include the following:

SMB

Pursuant to the SMB Purchase Agreement Petro Frontera (on behalf of Kinjal) will acquire 100% of the issued and outstanding shares of SMB from , Tecpetrol de Mexico S.A. de C.V. ("**Tecpetrol**") and Industrial Perforadora de Campeche. The total consideration consists of an initial US$30 million cash payment at closing—subject to a working capital adjustment guaranteeing a positive balance of US$2.5 million—followed by US$7 million paid in 24 equal monthly installments commencing in the month following closing, subject to certain cash flow limitations under the SMB Purchase Agreement. Closing remains conditional upon clearing Pemex's Right of First Refusal (ROFR), SENER change of control and operator approvals, and Pemex's technical acceptance of a gas delivery swap to the V9B6 Burgos sales point. Upon completion, Kinjal will fully absorb all assets, personnel, and a US$11.7 million abandonment fund dedicated to Misión Field operations. However, this transaction strictly excludes Tecpetrol's Buenos Aires technical support staff and the existing Mexico City corporate offices, with Tecpetrol providing defined transitional support post-closing.

The Misión Field is located in the Burgos Basin in northern Mexico and is expected to be the Resulting Issuer's core producing natural gas asset.

CS.06 and A10.CS Earn-In Interests

Pursuant to farm-in arrangements with Jaguar Exploración y Producción 2.3, S.A.P.I. de C.V. ("**Jaguar 2.3**") and Pantera Exploración y Producción 2.2, S.A.P.I. de C.V. ("**Pantera 2.2**"), Kinjal expects to acquire the right to earn up to an 80% working interest in the CS.06 Block and up to an 80% working interest in the A10.CS Block and assume operatorship of both blocks. Jaguar 2.3 currently holds the CS.06 Block and Pantera 2.2 currently holds the A10.CS Block.

Kinjal's farm-in rights remain subject to completion of the Transaction, receipt of required Regulatory Approvals, including applicable Mexican regulatory approvals, and satisfaction of the applicable drilling and funding commitments.

Earn-In Structure and Operatorship

Under the staged farm-in structure contemplated by the Farm In Agreements, Kinjal, directly or through an affiliated nominee, will earn its interest in each block through a two-stage drilling carry:

First Stage: Kinjal will fund 90% of the costs of two (2) wells on each block, being four (4) wells in total across both blocks, in exchange for which Kinjal will earn a 40% undivided working interest in each block. The 40% working interest is expected to be registered with SENER following Kinjal's commitment to fund the wells, provision of proof of funding to Jaguar and satisfaction of applicable regulatory requirements.

Second Stage: Kinjal may choose to fund 90% of the costs of an additional two (2) wells on each block, in exchange for which Kinjal will earn an additional 40% undivided working interest in each block, bringing its total earned interest to 80% in each block. Following completion of the eight (8)-well farm-in program, capital obligations are expected to revert to each party's pro rata working interest share.

Following completion of the first four (4)-well stage, Kinjal is expected to have decision-making authority over well design, depth and evaluation activities, while Jaguar will continue to hold formal operatorship as recognized by SENER during the exploration period. Upon satisfying the full 80% farm-in, obtaining the required SENER authorizations and providing suitable performance guarantees, Kinjal is expected to be assigned formal operatorship of each block. Pending SENER's recognition and registration of Kinjal's interests, Jaguar is expected to hold Kinjal's earned working interest in trust.

The CS.06 Block and A10.CS Block are located in the Macuspana Basin in Tabasco. The Kinkan discovery, located within the CS.06 Block, is expected to be the anchor asset within the earn-in.

Tonalli

Pursuant to the Jaguar Tonalli Share Purchase Agreement, Petro Frontera, a Mexican subsidiary of IFR will acquire a 57.37% interest in Tonalli from Jaguar 2.3. Petro Frontera currently owns the remaining 42.63% interest in Tonalli. At closing of the Transaction, Petro Frontera's rights and obligations under the agreement will be assigned to Kinjal, and Kinjal will complete the acquisition as assignee. Accordingly, following completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer will indirectly own 100% of Tonalli.

Kinjal is expanding its asset footprint through the acquisition of the remaining 57.37% interest in Tonalli, consolidating 100% ownership of both the entity and its underlying Tecolutla asset. The consideration consists of a cash payment of US$10,000, the settlement of approximately US$1.49 million of outstanding indebtedness owed by Petro Frontera to Jaguar in respect of Petro Frontera's existing 42.63% interest in Tonalli by way of structured quarterly payments set out in the agreement, and the cancellation of the remaining balance of such indebtedness of approximately US$600,000. Kinjal will nominate a subsidiary as the operator of record for the field, which carries no outstanding work commitments at closing, subject to regulatory change of control and operatorship approvals from SENER.

Tonalli holds interests in the Tecolutla Contract for the Tecolutla Block located in the Tampico-Misantla Basin in Veracruz.

Mexico's Oil and Gas Industry Overview

Mexico has significant hydrocarbon resources with estimated oil and gas proved developed and undeveloped reserves of 8.4 Bnboe and 3P reserves of 23.1 Bnboe, in each case as of December 31, 2023, according to the SENER. Multiple formations exist to develop productive fields.

The Mexican subsurface has multiple geological plays and provides sizeable opportunities across the risk spectrum, from onshore mature fields to large deep-water projects. While oil and gas reserves are strongly concentrated in Southeast Basin plays, prospective resources are spread across multiple plays across several basins, which could lead to more opportunities for oil and gas participants to access previously untapped reservoirs.

Although the largest resources are in the offshore and shale plays, substantial potential still exists in onshore conventional reservoirs. Mexico's shale resource base is among the largest in the world and is located only a few hundred miles away from the more developed U.S. shale plays with which the formations share many similarities. According to the U.S. Energy

Information Administration, technically recoverable shale resources, estimated at 545 Tcf of natural gas and 13.1 Bnbbl of oil, are potentially larger than the country's proven conventional reserves.

There used to be four (4) principal means for private entities to invest in Mexico's Exploration & Production ("**E&P**") sector: E&P Agreements, Pemex Farm In Agreements, E&P services contract and comprehensive services exploration and extraction contracts ("**CSIEE**").

The CNH was formerly entitled to allocate E&P Agreements, for which prequalification requirements were established, including operational, technical, financial, and legal capabilities. The bidding process was conducted by a committee of CNH members. An informal moratorium was implemented in 2018 by the then president of Mexico on new tenders.

Farm-ins were a mechanism by which Pemex, as license holder, assigned an interest in the license to another party through a bidding process conducted by CNH in collaboration with Pemex. Pemex used farm-ins to partner with international E&P operators with the financial resources and expertise to accelerate development and extract value from its hydrocarbon asset base. The functions of the CNH were absorbed by SENER in 2025.

Regarding E&P services contract migrations, Pemex was entitled to migrate existing oil and gas integrated E&P services contracts to production-sharing agreements or licenses to continue boosting investment in the E&P sector, transforming the relationship with Pemex from a service contractor model into a joint venture. These contracts were signed by Pemex and private companies before the energy reform under President Enrique Peña Nieto. The last E&P services contract migration took place in 2018. There were no migrations during the last presidential term, in which Pemex focused mostly on awarding a few CSIEE contracts.

The current administration, led by President Claudia Sheinbaum since October 1, 2024, has prioritized economic activities in energy and sustainable development. In January 2025, citizen consultation forums were held to contribute to the construction of the 2025-2030 National Development Plan (the "**Plan**"), which was submitted by President Sheinbaum to the Mexican House of Representatives and approved on April 15, 2025. The Plan establishes that the fundamental target of oil production through Pemex, set at 1.8 million barrels per day, will continue to be domestic consumption. One of the Plan's main strategies is to increase hydrocarbon reserves in a sustainable manner through strategic E&P projects, a strategy that is supported by the Pemex 2025-2030 Work Plan. More recently, in the second quarter of 2026, President Sheinbaum has stated that Mexico has a strategic goal of reducing dependency of U.S. gas imports from 70% of Mexican consumption to 50%.

Burgos Basin

The Burgos Basin is an established, gas-prone onshore basin located in northeastern Mexico. It has historically been one of Mexico's principal natural gas producing regions and benefits from existing gathering, processing and transportation infrastructure. Notably the geological formations are the same as those producing in southern Texas.

The Misión Field is located in the Burgos Basin and is expected to serve as Kinjal's core producing asset following completion of the Transaction and the Mexican Asset Transactions.

Macuspana Basin

The Macuspana Basin is an established onshore gas-producing basin located in Tabasco, southern Mexico. The CS.06 Block and A10.CS Block are located in this region and are expected to provide development and exploration upside, including through the Kinkan discovery and related infrastructure plans.

Tampico-Misantla Basin

The Tampico-Misantla Basin is an onshore basin along the Gulf Coast of Mexico with a history of oil and natural gas production. The basin includes multiple producing trends and established operating activity.

Tonalli's Tecolutla Block is located in the Tampico-Misantla Basin in Veracruz. The asset is expected to provide potential reactivation and development opportunities and to complement the Resulting Issuer's broader Mexican asset portfolio.

Oil and Gas Regulatory Framework in Mexico

Upstream and Downstream

In 2013, the Mexican Constitution was amended leading to the opening of the oil, natural gas, and power sectors to private investment. In 2014, the Mexican Congress passed secondary laws to implement the reforms. The reforms allowed the Mexican government to grant contracts to private-sector entities in the upstream sector through public tenders. These amendments allowed private-sector entities to obtain permits for the processing, refining, marketing, transportation, storage, import and export of hydrocarbons.

The legislation enacted in 2014 included the Mexican Hydrocarbons Law (Ley de Hidrocarburos), which preserved the concept of state ownership over hydrocarbons while located in the subsoil but allowed private companies to take ownership over the hydrocarbons once they were extracted. The Mexican Hydrocarbons Law allowed private-sector entities holding a permit granted by the Mexican Energy Regulatory Commission (Comision Reguladora de Energia) ("**CRE**") to store, transport, distribute, commercialize and carry out direct sales of hydrocarbons, as well as to own and operate pipelines and liquefaction, regasification, compression and de-compression stations or terminals, and related equipment in accordance with technical and other regulations. In addition, private-sector entities could import or export hydrocarbons subject to a permit from the SENER.

However, on October 31, 2024, a constitutional reform was published in the Mexican Federal Official Gazette, redefining the nature and role of Pemex and CFE, strengthening state control over the energy sector, and orienting their operations toward public service and social welfare.

Additionally, on December 20, 2024, a constitutional reform was published in the Mexican Federal Official Gazette, in terms of organic simplification, providing for the dissolution of various entities, including the COFECE, CRE and CNH. For additional context on the regulatory changes in Mexico, see "*Risk Factors – Risks Related to the Mexican Economic and Regulatory Environment*".

State Oil Company

As a result of the energy reform sponsored by President Enrique Peña Nieto, Pemex was transformed from a decentralized public entity into a productive state-owned company on October 7, 2014. However, following the enactment of the Energy Reform 2025, Pemex's status was changed from a productive state-owned company to a public state-owned company sectorized under SENER. Accordingly, Pemex remains wholly owned by the Mexican government. Moreover, the Energy Reform 2025 included the expedition of a new law governing Pemex (i.e., Ley de la Empresa Petroleos Mexicanos). Lastly, as a result of the Energy Reform 2025, Pemex's productive subsidiaries, including Pemex-Exploracion y Produccion, were dissolved and merged into a single Pemex by operation of law.

Energy Reform 2025

On March 18, 2025, the Mexican Government enacted a reform of the energy sector ("**Energy Reform 2025**"), pursuant to which several new legislations were issued, including: (i) the Public State-Owned Company Law for CFE; (ii) the Public State-owned Company Law for Pemex; (iii) the Electric Sector Law; (iv) the Hydrocarbons Sector Law; (v) the Energy Planning and Transition Law; (vi) the Biofuels Law; (vii) the Geothermal Law; and (viii) the Mexican Energy Commission Law. In addition, amendments were adopted to: (a) the Mexican Petroleum Fund for Stabilization and Development Law (Ley del Fondo Mexicano del Petroleo para la Estabilizacion y el Desarrollo); (b) the Organic Law of the Federal Public Administration (Ley Orgánica de la Administración Pública Federal); and (c) the Hydrocarbons Revenue Law (Ley de Ingresos Sobre Hidrocarburos).

The Energy Reform 2025 modified the regulatory framework for the hydrocarbons and electricity sectors. It strengthened state-owned enterprises, reorganized administrative structures, promoting energy self-sufficiency, and supporting the transition to renewable energy.

Furthermore, the Energy Reform 2025 introduced a new regulatory framework for CFE and Pemex to align with their revised constitutional status as public state-owned companies. It includes special provisions addressing their budgets, debt, subsidiaries and affiliates, sustainability, and contracting practices. The Energy Reform 2025 provides that the activities of CFE and Pemex shall not be considered monopolistic and mandates the implementation of austerity measures, including the adoption of

guidelines and execution programs with annual targets, financing mechanisms, and private sector participation under new regulations governing development schemes. In line with the foregoing, Pemex shall not be subject to the open access obligations applicable to the Mexican midstream industry, nor to the applicable unbundling obligations.

The Energy Reform 2025 has also entailed an administrative reorganization under which the functions of the CNH and the CRE were transferred to SENER and to a newly established authority, the CNE. In this regard, it is noteworthy that SENER now exercises regulatory authority over the E&P sector. For example, authorizations for prospecting and exploration of hydrocarbons require SENER's prior approval. Likewise, SENER is responsible for approving the modification, cancellation, and termination of E&P Agreements, as well as the corresponding exploration and development plans.

Notably, the Energy Reform 2025 provided for the creation of the Mexican Energy Planning Council (Consejo de Planeacion Energetica). On December 16, 2025, the Operating Guidelines governing the Mexican Energy Planning Council and its committees were published in the Mexican Federal Official Gazette. Under such guidelines, the aforementioned council is responsible for coordinating and overseeing the national energy transition strategy, the sustainable energy use plan and the development plans for both the electricity and hydrocarbons sectors. Subsequently, on December 22, 2025, the Sectoral Energy Program was published, establishing three main objectives: strengthening energy self-sufficiency and sovereignty, promoting renewable energy and energy efficiency, and ensuring energy justice.

The new model strengthens the government's steering role, and guides decision-making through binding planning to align public and private investments with the country's needs. In the hydrocarbons sector, binding planning shall take into account, among other, the following considerations: promoting energy justice; energy transition and efficiency; sustainability; the development of clean and renewable energies; preserving the nation's energy sovereignty and security; providing the public with fuels of the highest quality at the lowest possible price; and incentivizing the expansion and modernization of the sector's infrastructure.

Pursuant to the new Hydrocarbons Sector Law, Pemex has been positioned as a central player in Mexico's exploration and production sector. As a result, upstream development is primarily expected to be carried out through Entitlements for Self-Development (*Asignaciones para Desarrollo Propio*) granted directly to Pemex. In addition, and on a complementary basis, Pemex may participate in certain projects through mixed schemes (Asignaciones para Desarrollo Mixto) alongside private investors, subject to non-waivable regulatory requirements, including minimum participation thresholds. Pemex is expected to retain an equity stake of at least 40%, while the private partner contributes 100% of the CAPEX and OPEX, subject to defined cost-recovery mechanisms and regulatory oversight by the Ministry of Energy and the Ministry of Finance. Under these structures, private parties may contribute technical, operational, and financial capabilities, potentially acting as operators and receiving compensation in cash or, in some cases, in kind. However, these mixed schemes have limited scope, both in terms of the number and type of projects expected to be available.

Furthermore, on October 3, 2025, additional regulations implementing the Energy Reform 2025 were published in the Mexican Federal Official Gazette, including the Regulations (Reglamento) of the Hydrocarbons Sector Law.

Lastly, pursuant to the transitional provisions of the Energy Reform 2025, the administrative provisions previously issued by the CRE and the CNH shall remain in force to the extent they do not conflict with the new laws. E&P Agreements shall remain in force and continue to be governed by their original terms and conditions, in accordance with the legal provisions in effect at the time of their granting. Permits and authorizations previously issued by the CNH, CRE, and SENER—including for hydrocarbon commercialization, import and export—shall remain valid under the terms and conditions under which they were granted.

Evaluation of Technical, Financial, and Execution Capabilities – Approval as Operator

When SENER reviews transferring operatorship or corporate control, the prospective new operator must officially demonstrate that it meets the precise capability benchmarks required to execute the specific block's development plan safely which were established in the bid round when the block was originally awarded. SENER will review the criteria based on (i) operating history and qualification of personnel; (ii) financial capability, which will include the provision of audited financial statements, lines of credit, or corporate guarantees demonstrating that the incoming operator possesses the necessary working capital to fulfill the minimum investment commitments mandated by the contract; and (iii) execution & HSE experience, showing evidence of successfully operating fields with similar geological profiles (e.g., conventional onshore vs. shallow-water marine) without major environmental or safety non-compliances.

Change of Control (Cesión de Derechos)

Under the *Ley del Sector de Hidrocarburos* (Hydrocarbons Sector Law), any transaction that transfers corporate/management control or changes the operator of record inside a contractual area requires prior, explicit written authorization from SENER. Once the formal petition is submitted detailing the structural contract, SENER assesses whether the assignment disrupts the continuous, safe execution of the energy project. SENER evaluates whether the incoming entity aligns with the State's binding energy planning policies and regional production goals. Under the updated regulations, SENER is mandated to issue a *strict negative Resolution* (rejection) if there is any well-founded administrative or tax presumption that the incoming corporate structure could facilitate illicit hydrocarbon activities or lack financial transparency.

The new company cannot legally take over physical operations on the ground without clearing SENER's specialized Social Impact Assessment (Evaluación de Impacto Social - EVIS). In the case of the Mexican Asset Transaction, all required environmental permits are in place. *Agencia de Seguridad, Energía y Ambiente* (the Agency for Safety, Energy and Environment, "**ASEA**") environmental transition is not required as the ownership of the Misión Field and Tecolutla Block are staying within the same legal entities which have all required ASEA approvals in place. Kinjal will ensure that strict compliance with relevant ASEA regulations are upheld.

While SENER handles the primary contract and social approvals, the incoming operator must immediately run parallel registrations with SENER's technical extensions to formalize the takeover. The new company must register its corporate vehicle and authorized representatives in the *Sistema de Registro, Administración y Control de Permisionarias* (SIRACP) to guarantee full supply chain traceability and compliance. Both SMB and Tonalli currently have this authorization in place.

Transportation

Before the President Enrique Peña Nieto's energy reform, Pemex had exclusivity on certain activities such as processing, storage, transportation, distribution and marketing of petroleum products. The aforesaid energy reform allowed private sector participation in the construction and operation of oil products storage and transportation facilities. In such regard, transportation activities required a permit issued by CRE and were subject to open access principles. Pursuant to the Energy Reform 2025, the CNE shall issue the corresponding transportation permits and the open access obligations shall remain in place and applicable to the shippers, with the exception of Pemex. Moreover, the Energy Reform 2025 provides that the creation of new integrated storage and transportation systems or the addition of new infrastructure thereof shall prioritize Pemex in the capacity assignment.

Market Regulations

In the past, the Mexican government has imposed price controls on the sales of natural gas, NGL, gasoline, diesel, gas oil intended for domestic use, fuel oil and other products. Nonetheless, currently, sale prices of gasoline and diesel have been fully liberalized and are determined by the free market. However, in late February 2025, President Claudia Sheinbaum's administration entered into a voluntary agreement with gas station owners in Mexico to cap the price of regular gasoline at MXN$24 per liter for an initial period of six (6) months, which has been extended beyond 2025. Such measure aimed at alleviating financial pressures on consumers. Said agreement excludes border regions due to their unique cost structures and fiscal incentives.

The import and export of petroleum products, petrochemicals, and hydrocarbons, as well as their commercialization within Mexican territory, are regulated activities subject to permits issued by SENER and, previously, by CRE, respectively. Pursuant to the Energy Reform 2025, CRE's functions have been partially assumed by SENER, while several downstream-related responsibilities have been transferred to the CNE. Currently, in all onshore projects, private operators sell their entire hydrocarbon production domestically to Pemex.

Federal Environmental Law

The Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) enacted on July 7, 2013 regulates environmental liability arising from damages to the environment including remediation and compensation. In the event of intentional and unlawful action or inaction, the responsible party will be fined up to approximately MXN$68 million for 2025. This liability regime is independent from administrative, civil or criminal liability regimes, which may be applicable depending on the performed conduct.

Environmental liability may be attributed to an entity for conduct carried out by its representatives, managers, directors, employees, or officers who are directly involved in operations. The statute of limitations to claim environmental liability is twelve (12) years from the date of the environmental damage. The law allows the interested parties to solve disputes by means of alternative dispute resolution mechanisms, provided that public interest or third-party rights are not affected.

Mexican Judicial Reform

On September 15, 2024, a constitutional reform was published in the Mexican Federal Official Gazette, introducing significant changes to Mexico's judicial system ("**Mexican Judicial Reform**"), mandating the popular election of judges, magistrates and Supreme Court justices. The reform prompted significant opposition from the judiciary, including nationwide judicial work strikes in 2024, which temporarily disrupted court operations. Pursuant to the reform, elections were held in June 2025 to select nine (9) Supreme Court justices and half of all federal judges. The elected judges took office on September 2025, with the next federal judiciary elections set for June 6, 2027.

Competitive Conditions

The oil and gas industry in Mexico is competitive and capital-intensive. Kinjal will compete with domestic and international participants for access to prospective acreage, acquisitions, joint venture opportunities, technical personnel, services, equipment, infrastructure and capital. Competition also exists for drilling rigs, completion services, processing capacity and other equipment and services, which may affect the timing and cost of development activities. Larger industry participants may have greater financial, technical and operational resources than Kinjal.

Foreign Operations

All of Kinjal's anticipated operations will be conducted in Mexico. As a result, Kinjal will be subject to risks associated with foreign operations, including political, regulatory and fiscal developments, permitting timelines, land access and community relations matters, foreign exchange fluctuations, security conditions and changes in law, policy or administrative practice. There can be no assurance that changes in Mexican law, governmental policy, administrative practice, regulatory requirements, security conditions or market conditions will not adversely affect Kinjal's operations, development plans or economic returns.

Financing Matters

Kinjal SAFE Financing

Between March 2026 and June 2026, Kinjal completed a non-brokered financing through the issuance of simple agreements for future equity (the "**Kinjal SAFEs**") for aggregate gross proceeds of the equivalent of $3,106,405.16. The Kinjal SAFEs are a form of convertible security that grants investors the right to acquire shares of Kinjal upon the occurrence of certain triggering events, as described below.

The Kinjal SAFEs do not bear interest and do not have a maturity date. There is no valuation cap applicable to the Kinjal SAFEs. The Kinjal SAFEs include a discount rate of 20%, meaning that upon conversion, the applicable conversion price is equal to 80% of the price per share paid by other investors in the triggering transaction. If a qualifying equity financing, liquidity event or going-public transaction is not completed on or before November 30, 2026, the discount rate increases at a rate of 0.833% per month, up to a maximum additional discount of 10% (for a total maximum discount of 30%).

The Kinjal SAFEs provide for automatic conversion upon the occurrence of certain triggering events:

(a) Equity Financing: Upon completion of an equity financing resulting in minimum aggregate gross proceeds of $1,000,000, the Kinjal SAFEs automatically convert into shares having the same rights, privileges and restrictions as the shares issued in the equity financing, at a conversion price equal to the equity financing price multiplied by the applicable discount (i.e., 80% or less of the equity financing price, depending on timing).

(b) Going-Public Transaction: Upon completion of a going-public transaction, including a reverse takeover or initial public offering resulting in a listing on the Toronto Stock Exchange, TSX Venture Exchange, NASDAQ or NYSE, the Kinjal SAFEs automatically convert into common shares (or other securities issuable in exchange therefor) at a conversion price equal to the applicable deemed issue or exchange price multiplied by the applicable discount.

(c) Change of Control: Upon a change of control transaction (other than a going-public transaction), the investor is entitled to receive the greater of (i) the original investment amount, or (ii) the value of common shares into which the SAFE would have converted based on the applicable discounted conversion price. If insufficient funds are available, the remaining amount is satisfied through the issuance of common shares.

(d) Dissolution Event: Upon a dissolution, liquidation or winding-up of Kinjal (other than a liquidity event), the investor is entitled to receive payment of the original investment amount in priority to distributions to holders of common shares.

Prior to conversion, holders of Kinjal SAFEs do not have voting rights, dividend rights or other rights of shareholders. The Kinjal SAFEs are not assignable without the prior written consent of Kinjal. The Kinjal SAFEs may be amended by Kinjal and a majority-in-interest of all holders of SAFEs with the same terms, subject to certain limitations, including that the purchase amount may not be amended without the consent of the individual holder. The Kinjal SAFEs are governed by the laws of the Province of Ontario.

The Kinjal SAFEs were exchanged for Kinjal Subscription Receipts on a dollar for dollar basis, with the applicable discount applied to the deemed conversion price, in connection with the Concurrent Financing.

Concurrent Financing

In connection with the Transaction, Kinjal and IFR have completed a brokered private placement of subscription receipts of Kinjal at a price of $0.80 per subscription receipt for aggregate gross proceeds of $37,381,505, inclusive of the contribution of the conversion of the Kinjal SAFEs (the "**Concurrent Financing**"). The Kinjal SAFEs were exchanged for Kinjal Subscription Receipts on a dollar for dollar basis, with the applicable 20% discount resulting in a deemed conversion price of $0.64 per Kinjal Subscription Receipt (being 80% of the $0.80 subscription receipt price). As a result, holders of Kinjal SAFEs received a greater number of Kinjal Subscription Receipts per dollar invested than investors subscribing at the $0.80 subscription receipt price. The Concurrent Financing was led by Research Capital Corporation as lead Agent and sole bookrunner, on behalf of a syndicate of Agents including Canaccord Genuity Corp. and ATB Cormark Capital Markets.

Each Kinjal Subscription Receipt will entitle the holder, without payment of additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) unit of Kinjal. Each unit will consist of one (1) Kinjal Share and one-half of one (0.5) Kinjal Warrant. Each Kinjal Warrant will entitle the holder to acquire one (1) Kinjal Share at an exercise price of $1.05 for a period of 36 months following the closing of the Transaction.

Each IFR Subscription Receipt will entitle the holder, without payment of additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) post-consolidated unit of IFR. Each unit will consist of one (1) post consolidated IFR Share and one-half of one (0.5) IFR Warrant. Each IFR Warrant will entitle the holder to acquire one (1) post-consolidated IFR Share at an exercise price of $1.05 for a period of 36 months following the closing of the Transaction.

Upon completion of the Transaction, each Kinjal Share and Kinjal Warrant issued pursuant to the Concurrent Financing will be exchanged on a one-for-one basis for post-consolidation IFR Shares and warrants of IFR, as the Resulting Issuer, in accordance with the terms of the Definitive Agreement and the Exchange Ratio.

The gross proceeds of the Concurrent Financing, less applicable agents' expenses and commissions, will be held in escrow pending satisfaction or waiver of the applicable escrow release conditions, including completion or satisfaction of the conditions to the Transaction, receipt of required regulatory approvals, including applicable Mexican regulatory approvals and SENER approval, receipt of required shareholder and TSXV approvals, and satisfaction of the other conditions set out in the applicable subscription receipt agreement.

The net proceeds of the Concurrent Financing are expected to be used to fund the Mexican Asset Transactions and for working capital and general corporate purposes.

In connection with the Concurrent Financing, Kinjal and IFR paid aggregate commissions and advisory fees of $2,404,257 (inclusive of taxes) to the Agents and paid aggregate expenses of $159,090.90 (inclusive of taxes), for a total of $2,563,347.90 in fees and expenses. Kinjal also issued an aggregate of 2,924,071 Broker Warrants to the Agents. Each Broker Warrant entitles

the holder to acquire one (1) post-consolidated Resulting Issuer Share at an exercise price of $0.80 per share for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms. See "*Kinjal Broker Warrants*".

Completion of the Concurrent Financing is a condition to completion of the Transaction.

Debt Facility

Petro Frontera has entered into a binding credit agreement with Summit Ridge Capital Partners, through Summit Ridge Capital Partners Fund I LP ("**Summit Ridge**"), for a senior secured debt facility of up to US$30,000,000. The binding credit agreement provides Petro Frontera with access to up to US$30 million, with US$25 million immediately available upon satisfaction of the conditions precedent and provision for a further US$5 million. The Debt Facility is intended principally to finance the acquisition of the Misión asset and the associated initial work program in the field.

The Debt Facility has an initial maturity of 18 months, with no scheduled principal repayments during the first 12 months. Further, Kinjal and Summit Ridge have entered into a letter of intent which provides for the maturity of US$17 million of the principal amount of the loan to be extended to a term of up to 5 years, subject to mutual consent. In connection with the Debt Facility, and subject to TSX Venture Exchange acceptance, the Resulting Issuer will issue to the lenders up to 3,600,000 warrants, each exercisable to acquire one Resulting Issuer Share at a price of $1.05 per share for three years from the date of issue, subject to adjustment.

The initial US$25 million advance is subject to the satisfaction or waiver of the conditions precedent set out in the binding credit agreement. These include, but are not limited to, the shareholders of Kinjal having approved the Transaction, all regulatory approvals required to complete the Transaction having been obtained, the conditional acceptance of the Transaction by the TSXV, the continued listing of the common shares of the Resulting Issuer on the TSXV, receipt of all required approvals from Pemex and SENER, and a technical swap agreement with Pemex.

Exploration and Development Activities

SMB - Misión Production Sharing Contract (CNH-M3-Misión/2018)

Contract Type and Fiscal Terms

The Misión Field has a long and well-documented operating history in the Burgos Basin. Prior to the current contractual arrangement, the area was held by Pemex under federal Assignment AE-0398-M-Misión, with Servicios Múltiples de Burgos, S.A. de C.V. ("**SMB**") acting as Pemex's service contractor under a *contrato de obra pública financiada*. This earlier arrangement gave SMB nearly fifteen years of operational continuity on the block before transitioning to equity participation — a history that underpins its technical familiarity with the reservoir and infrastructure.

Mexico's 2013 energy reform opened the door for existing Pemex assignments to migrate to modern contractual structures. In December 2014, Pemex and SMB jointly filed for migration of the Misión Field assignment to a production sharing contract under the new framework. That process concluded on March 2, 2018, when the CNH, Pemex *Exploración y Producción* and SMB executed Production Sharing Contract No. CNH-M3-MISIÓN/2018 (the "**Misión PSC**")—formalizing SMB's transition from service contractor to equity operator on a block it had worked for over a decade.

The Misión PSC is structured as a production sharing contract (*contrato de producción compartida*) under Mexico's Hydrocarbons Law. Under this structure, hydrocarbons within the contractual area remain the property of the Mexican State until delivered to the contractor at the designated measurement point, and the contractor operates at its own cost and risk. Following the Energy Reform 2025 that dissolved the CNH and consolidated upstream regulatory authority within SENER, the Misión PSC is now administered by SENER as the government counterparty.

The Misión PSC's fiscal framework is designed to balance cost recovery incentives with a meaningful State participation in project economics. The contractor is entitled to recover eligible costs each month up to a cap of 80% of the contractual value of hydrocarbons produced. Where monthly production revenues are insufficient to fully recover costs in a given period, unrecovered balances carry forward to subsequent periods without interest for the remaining life of the contract. Royalties are payable to the State on a sliding scale tied to the contractual price of each hydrocarbon stream, with the regime for non-

associated natural gas—the Misión Field's primary product—structured to minimize government take at lower gas prices, reflecting the economics of mature onshore gas production. After cost recovery and royalties, remaining operating profit is shared between the State and the contractor, with the State's participation increasing progressively as project returns exceed defined thresholds—a mechanism that protects contractor economics in early-life or lower-production scenarios while ensuring the State captures a greater share of upside as the asset performs.

The Misión PSC has a primary term of 25 years from its effective date (March 2, 2018), expiring on **March 2, 2043**. The contractor may apply for up to two (2) extensions of up to five (5) years each, for a potential maximum term expiring on **March 2, 2053**, subject to SENER approval and the contractor remaining in good standing under the PSC at the time of each extension request.

Operatorship and Governance Structure

Under the Misión PSC, working interests are held by two (2) parties: Pemex Exploración y Producción ("**PEP**") with a 51% participating interest and Servicios Múltiples de Burgos, S.A. de C.V. ("**SMB**") with the remaining 49%. Together, PEP and SMB constitute the contractor group (*Empresas Firmantes*) under the Misión PSC, with SMB designated as Operator at contract signing—a designation that was confirmed by SENER (then CNH) prior to execution and reflects SMB's position as the technical and operational lead on the block since 2003.

The commercial and operational relationship between PEP and SMB is governed by the Misión Joint Operating Agreement executed simultaneously with the Misión PSC on March 2, 2018. The Misión Joint Operating Agreement establishes an Operating Committee (*Comité Operativo*) composed of one titular and one alternate representative from each party, meeting at minimum on a quarterly basis, with the authority to supervise and direct all joint operations on the block. Four advisory subcommittees support the Operating Committee: Technical, Financial, SIPA (safety, health and environment), and Procurement.

As Operator, SMB is responsible for all petroleum activities within the contractual area, acts as the sole representative of the contractor group before SENER on all regulatory matters, and manages all field personnel, HSE compliance, work program execution and cash calls. Any change of Operator, including the transition to Kinjal Gas contemplated by the proposed acquisition which requires prior SENER authorization and, once effective, the outgoing Operator is required to transfer all joint property, accounts, records and contractual rights to the incoming Operator before being released from its obligations.

Description of Producing Fields and Wells

The Misión Field contractual area includes twelve (12) producing fields distributed across the Burgos Basin in the States of Tamaulipas, Nuevo León and Coahuila. All fields produce from Cenozoic Tertiary (*Eocene*) reservoirs within the Burgos Basin's established gas-producing trend, with reservoir depths ranging from approximately 800 meters in the shallower Queen City plays to approximately 3,500 meters in the deeper Wilcox formations. Reservoir lithologies are predominantly fine-grained quartz and siliciclastic sandstones with conventional tight gas completions throughout. The primary drive mechanism across all fields is rock-fluid expansion. All fields produce sweet gas with no hydrogen sulphide content confirmed.

The principal producing areas include Arcabuz, Santa Anita, Géminis, Trapiche, Mandarín, Cali-Integral, Misión, Bocaxa-Tepozán and Presa-Quitrín.

Current Production and Net Entitlement

As of December 31, 2025, the Misión Field contractual area was producing from approximately 97 active wells across the twelve fields described above. Current gross production is approximately 60 MMcf/d of natural gas and approximately 200 bbl/d of condensate. SMB's net entitlement, reflecting its 49% participating interest under the Misión PSC, is approximately 29 MMcf/d of natural gas and approximately 98 bbl/d of condensate.

The Misión Field produces a mix of dry gas and wet gas with associated condensate, depending on field and formation. See "Appendix "B"-Statement of Reserves Data and Other Oil and Gas Information".

Existing Infrastructure and Facilities

The Misión Field contractual area benefits from approximately two (2) decades of continuous infrastructure investment under SMB's operatorship, underpinned by the broader Burgos Basin's position as one of Mexico's longest-established gas-producing regions. The field is fully integrated into the Burgos Basin gathering and transportation system, with dedicated surface infrastructure supporting all twelve producing fields across the contractual area.

Field-level infrastructure comprises an extensive network of flowlines and gathering pipelines connecting individual wellheads to field batteries and satellite stations, which in turn feed into a central gathering and compression system and support current production and planned production optimization activities.

Gas produced within the contractual area is delivered as wet gas to the designated Misión PSC measurement point, where contractual entitlements are determined, and subsequently processed through arrangements with Pemex *Gas y Petroquímica Básica* for separation, compression, treatment and redelivery of dry gas equivalent. under the terms of the GPSA currently being negotiated between SMB and Pemex. The Misión Field contractual area is connected to Mexico's *Sistema Nacional de Gasoductos*, providing access to the domestic gas transportation network and onward delivery to end markets including power generation and industrial consumers in northeastern Mexico.

Development Status and Workover Activities

The Misión Field contractual area is a mature, development-stage asset operating under an active production optimization and infill drilling program. As of December 31, 2025, the field had approximately 97 active producing wells, with additional wells in shut-in and behind-pipe status representing near-term reactivation and recompletion opportunities that do not require significant capital expenditure relative to new well drilling.

The field's development profile is primarily development-led rather than exploratory in nature. The majority of capital activity going forward is expected to consist of infill development drilling in proved areas, recompletions of behind-pipe intervals in existing wellbores, and production optimization through compression, wellhead maintenance and operational efficiency improvements. Shut-in wells with proved reserves assigned represent a relatively low-cost production restoration opportunity that forms part of the near-term work program.

Minimum Work Commitments and Contractual Obligations

The Misión PSC establishes a Minimum Work Program (*Programa Mínimo de Trabajo*) expressed in Work Units (*Unidades de Trabajo*), against which the Operator's compliance is measured throughout the contract term. The total Minimum Work Program comprises 26,204 Work Units, allocated between exploration activities (9,628 Work Units) and development activities (16,576 Work Units). Work Units are a standardized measure applied across activity types, including seismic acquisition, well drilling, completions, workovers and related operations, allowing the regulator to assess compliance on a consistent basis regardless of the specific mix of activities carried out in any given period. In the event the contractor elects to request an Additional Exploration Period beyond the initial four-year exploration phase, it is required to commit to executing a minimum of 7,840 additional Work Units during that extended period. All original work commitments on the field have long since been satisfied, and the only outstanding commitments relate to the drilling of a single exploration well before the end of 2029.

SMB has been in continuous operation on the Misión Field since 1998 and has maintained an active work program throughout the Misión PSC term since 2018.

The Misión PSC also requires the contractor to maintain performance bonds (*garantías de cumplimiento*) in favour of SENER providing ongoing financial assurance of the contractor's ability to meet its obligations, and to make regular contributions to an abandonment trust (*Fideicomiso de Abandono*) to fund future well abandonment and site remediation costs—a commitment reflected in the 2026 approved budget.

Commercialization and Offtake Arrangements (Revised)

Natural gas within the Misión Field contractual area is delivered as wet gas to the Complejo Procesador de Gas de Burgos (the "**Burgos Gas Processing Complex**"), the regional processing facility operated by Pemex that serves the broader Burgos Basin production area. This arrangement reflects both the integrated infrastructure configuration of the Burgos Basin and the

applicable regulatory framework governing gas processing and transportation access in northeastern Mexico. The condensate produced in the field is commercialized at the Mision 2 gathering station and sold to a local consumer at the facility on a daily basis.

Under the Misión PSC, SMB's contractor entitlement is determined at the designated measurement point (*Punto de Medición*) within the contractual area, where the full wet gas stream—including methane and natural gas liquids—is measured before delivery downstream. This measurement point is critical as it establishes the contractual basis for SMB's cost recovery and profit-sharing entitlements under the Misión PSC fiscal regime, independent of any downstream processing or transportation arrangements.

Following delivery to the Burgos Gas Processing Complex, wet gas is processed to extract natural gas liquids (ethane, propane and butane) and produce pipeline-quality dry sales gas for injection into Mexico's national gas transportation system (Sistema Nacional de Gasoductos, or "**SISTRANGAS**"). SMB's entitlement to its share of processed gas and associated condensate is governed by a gas processing and swap agreement (*Contrato de Prestación de Servicios de Gas y Permuta*, or "**GPSA**") with Pemex. The GPSA establishes the commercial terms under which Pemex processes SMB's wet gas production and redelivers the calorific equivalent in dry sales gas, net of agreed NGL extraction and fuel gas consumption, to SMB at a point within SISTRANGAS.

Tecpetrol, as current owner of SMB, is conducting negotiations with Pemex on the terms of the GPSA. Execution of the GPSA on terms satisfactory to Kinjal is a condition precedent to closing under the share purchase agreement pursuant to which Kinjal is acquiring SMB. Accordingly, the commercial terms governing SMB's gas processing and offtake arrangements post-closing will be determined through this process prior to completion of the proposed transaction.

Gas redelivered to SMB at SISTRANGAS is sold into the domestic Mexican natural gas market, with pricing referenced to applicable market benchmarks. The domestic natural gas market in Mexico is supplied by a combination of domestic production and pipeline imports from the United States, with demand driven principally by power generation and industrial consumption. SMB's ability to commercialize its gas entitlement is subject to applicable Mexican regulatory requirements governing gas marketing and transportation access under the Hydrocarbons Sector Law (*Ley del Sector Hidrocarburos*) enacted in March 2025.

Regulatory Approvals and Compliance Status

The underlying Development Plan for Extraction was originally approved by CNH Resolution CNH.E.04.003/19 on January 24, 2019 and has been modified on two subsequent occasions, most recently by CNH Resolution CNH.09.06/2024 on February 22, 2024, and remains in force.

SMB is required to maintain compliance with environmental and safety regulatory requirements administered by ASEA. Based on information made available in connection with the proposed transaction, all material operating permits, environmental authorizations and ASEA registrations required for current field operations are in place as of the date of this Information Circular.

The proposed acquisition of SMB by Kinjal requires prior SENER authorization under Clause 25 of the Misión PSC governing changes of control of contracting parties. Obtaining this approval is the principal regulatory milestone and a condition precedent to closing of the proposed transaction.

Reserves and Resources

An independent evaluation of SMB's reserves attributable to the Misión Field contractual area has been prepared by Ryder Scott Company L.P. ("**Ryder Scott**"), petroleum consultants, as of December 31, 2025, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and the definitions, standards and procedures set out in the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**"). The evaluation covers proved (1P), proved plus probable (2P) and proved plus probable plus possible (3P) reserves attributable to SMB's 49% working interest across all producing fields within the Misión PSC contractual area. A summary of estimated reserves volumes and associated future net revenue, together with the full NI 51-101 disclosure required under Form 51-101F1, is set out in Appendix "B". Investors are encouraged to read Appendix "B" in its entirety. The reserves estimates contained in Appendix "B" - Statement of Reserves Data and Other Oil and Gas Information represent the only reserves disclosure made by Kinjal in connection with the Misión

Field and should not be read in conjunction with, or supplemented by, any other reserves or resource estimates that may appear elsewhere in this Information Circular.

CS.06 Block AND A10.CS Block

Overview of the Macuspana Basin

The Macuspana Basin is an established onshore hydrocarbon-producing basin located in the state of Tabasco in southern Mexico, forming part of the broader Cuencas del Sureste petroleum province. The basin has a long history of gas and condensate production, with exploratory activity dating back to the 1950s, and benefits from proximity to existing gas processing infrastructure and the Mayakan pipeline system, which connects the Nuevo Pemex gas processing complex in Tabasco to power generation markets in the Yucatán Peninsula.

Contract Type and Fiscal Terms

The CS.06 Block and A10.CS Block are Mexican license contracts located in the Macuspana Basin in Tabasco. The CS.06 Block is governed by license contract number CNH-R02-L03-CS-06/2017 and the A10.CS Block is governed by license contract number CNH-R02-L02-A10.CS/2017. Each contract has a primary term of thirty (30) years from December 8, 2017, expiring on December 8, 2047, with up to two (2) extensions of up to five (5) years each, subject to regulatory approval and the contractor remaining in good standing.

CS.06 Block - The Kinkan Discovery

The CS.06 Block (license contract number CNH-R02-L03-CS-06/2017) is a license contract covering approximately 148.19 km² in the municipality of Macuspana, Tabasco, held and operated by Jaguar 2.3 with a 100% working interest. The contract was executed on December 8, 2017 with a primary term of 30 years expiring on December 8, 2047, with up to two extensions of up to five years each for a potential maximum term to December 8, 2057, subject to regulatory approval and the contractor remaining in good standing. No depth restrictions apply within the contractual area. The CS.06 Block is a greenfield exploration block — no producing wells or surface infrastructure existed within the contractual area at contract commencement, and all exploration activity has been conducted under Jaguar 2.3's operatorship since 2018. Prior to the current contract, exploratory activity in the area included the drilling of eight wells between 1953 and 1985 by prior operators, providing a legacy geological dataset that informed the current exploration program.

The Kinkan gas discovery is expected to be the anchor asset within the CS.06 Block. The Kinkan-1EXP exploration well was drilled in late 2023 to early 2024 and targeted the Amate Inferior formation of the Upper Miocene at a depth of approximately 1,700 metres. The well tested at approximately 5.1 MMcf/d of dry gas from a single productive zone. The discovery well encountered four (4) gas-bearing objectives in total; however, only one (1) zone was tested due to mechanical issues encountered while drilling.

The proposed development plan for the Kinkan discovery contemplates drilling 19 wells across the structure, constructing a 40 MMcf/d gas processing facility and constructing approximately seven (7) kilometres of pipeline to interconnect with the Mayakan pipeline system. Peak production is expected to reach approximately 40 MMcf/d gross, equivalent to approximately 32 MMcf/d net to Kinjal at the full 80% working interest. Gas produced from the Kinkan development would access southern Mexico's domestic gas market, which benefits from strong demand from power generation consumers in the Yucatán Peninsula and southeastern Mexico.

A10.CS Block - Exploration Upside

The A10.CS Block has an active exploration program and has yielded the Pasuku-1EXP discovery, which encountered wet gas in the Upper Miocene Amate Inferior formation. The A10.CS Block's existing field area encompasses the Viche and Acahual fields, which include legacy wells Acahual-1, Viche-1 and Viche-3A and associated flowlines. Kinjal considers the A10.CS Block primarily as exploration upside complementary to the Kinkan development on the CS.06 Block, with geographic proximity in the Macuspana Basin offering potential for shared infrastructure and operational synergies if both blocks are developed in parallel.

Development Status and Workover Activities

The farm-in is subject to satisfaction of applicable minimum work commitments, receipt of SENER regulatory approvals, including Kinjal's or its applicable nominee's capability accreditation, completion of the Transaction, and satisfaction or waiver of the other conditions in the Farm In Agreements. The Farm In Agreements are expected to incorporate a 2012 AIPN Model Form Joint Operating Agreement and Accounting Procedure.

Minimum Work Commitments and Contractual Obligations

Both the CS.06 and A10.CS Blocks are currently in their Additional Exploration Period and carry outstanding Minimum Work Commitment obligations, expressed in Work Units, which must be satisfied within the applicable deadline established by SENER. As of the date of the Farm In Agreement, the outstanding Minimum Work Commitments were approximately 41,325 Work Units on the CS.06 Block and approximately 23,980 Work Units on the A10.CS Block. The farm-in work program is designed to satisfy these commitments. Any conditions or obligations imposed by SENER with respect to extensions of the Minimum Commitments Deadline will require the agreement of both parties under the Farm In Agreements.

Regulatory Approvals

The transfer of interests in the CS.06 Block and A10.CS Block to Kinjal requires notification to SENER including Petro Frontera's capability accreditation (*Acreditación de Capacidades*) as a condition precedent to closing. Jaguar Exploración y Producción de Hidrocarburos, S.A.P.I. de C.V. ("**Jaguar**") is responsible for obtaining all regulatory approvals required for the conduct of work programs under the Farm In Agreements, including drilling permits, environmental authorizations, ASEA system of administration approval, and landowner agreements. Any conditions imposed by SENER with respect to extensions of the Minimum Commitments Deadline will be subject to the agreement of both parties.

Reserves and Resources

No reserves report prepared in accordance with NI 51-101 and the COGE Handbook is being provided for the Jaguar/Pantera Farm-In (CS.06 Block and A10.CS Block), and no reserves or contingent resources have been assigned to the CS.06 Block or A10.CS Block farm-in interests as of the date of this Information Circular, as the farm-in conditions have not yet been satisfied and Kinjal's interests do not currently qualify for reserves classification under NI 51-101. There is no certainty that the farm-in conditions described herein will be satisfied or will result in the discovery or development of commercial quantities of hydrocarbons.

Planned Near-Term Activities

Following completion of the Transaction and satisfaction of the applicable farm-in conditions, the Resulting Issuer expects to evaluate and, where appropriate, advance drilling and development activities in respect of the CS.06 Block and A10.CS Block, including the Kinkan discovery. Any such activities will be subject to available capital, Regulatory Approvals, operational results, commodity prices, operator and partner considerations and the Resulting Issuer's broader capital allocation priorities.

Tonalli — Tecolutla License Contract

Contract Type and Fiscal Terms

Tonalli Energía, S.A.P.I. de C.V. ("**Tonalli**") holds the Tecolutla Block, also known as the license contract number A24.TM / R01-L03-TM.24, located in the Tampico-Misantla Basin in the State of Veracruz, Mexico. The Tecolutla Block is governed by a license contract for the extraction of hydrocarbons entered into with the Mexican hydrocarbons regulator in August 2016. The license contract has a term of 25 years, with two (2) possible extensions of five (5) years each, and permits Tonalli to explore for, produce and market hydrocarbons from the Tecolutla Block.

The license contract includes national content requirements, starting at 22% and escalating to 38%, and royalty obligations including base oil royalties, an additional bid royalty equal to 31.22% of the contract value of hydrocarbons produced and a surface landowner royalty of 1% of the contract value, subject to negotiation.

Working Interest and Ownership Structure

IFR, through Petro Frontera, currently owns approximately 42.63% of Tonalli. Jaguar is the other current shareholder of Tonalli and is the current operator of the Tecolutla Block. In connection with the Transaction, Petro Frontera entered into the Jaguar Tonalli Share Purchase Agreement in respect of Jaguar's 57.37% interest. At closing of the Transaction, Petro Frontera's rights and obligations under the agreement will be assigned to Kinjal, and Kinjal will complete the acquisition as assignee. Accordingly, following completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer is expected to indirectly own 100% of Tonalli.

Operatorship and Governance Structure

Jaguar is the current operator of the Tecolutla Block. Following completion of the Transaction and the Tonalli Acquisition, Kinjal expects that the Resulting Issuer will become operator of the Tecolutla Block, subject to receipt of any required regulatory, contractual or partner approvals. The Resulting Issuer expects to assess the timing and scope of future activities at the Tecolutla Block following completion of the Transaction, taking into account funding requirements, Regulatory Approvals, operational considerations and the Resulting Issuer's broader capital allocation priorities.

Description of Producing Fields and Wells

The Tecolutla Block covers approximately 7.2 km² in the Tampico-Misantla Basin. The producing reservoir is the El Abra formation at a depth of approximately 2,340 metres. Three-dimensional seismic has been acquired over the entire Tecolutla Block and seven (7) wells have been drilled on the block. Peak historical production from the Tecolutla Block exceeded 900 bbl/d in 1972 from four (4) wells, with one (1) producing well remaining as of December 2014.

During Tonalli's evaluation period, Tonalli completed a workover of the TEC-2 well and drilled TEC-10 and TEC-11. TEC-2 and TEC-10 were placed on production from the El Abra formation. Tonalli has completed its evaluation-period work obligations, and there were no operations on the Tecolutla Block during the year ended December 31, 2025.

Existing Infrastructure and Facilities

The Tecolutla Block has existing well and field infrastructure associated with prior production and prior evaluation activities. The extent to which existing infrastructure can be used for future operations will depend on the final development plan, field condition, available capital, required regulatory approvals and the Resulting Issuer's post-closing capital allocation priorities.

Development Status and Workover Activities

Tonalli has completed its work obligations under the evaluation period, including work related to TEC-10 and TEC-11. The TEC-10 well was drilled in 2018, and Tonalli completed the requirements for the drilling of the TEC-11 well in 2019 in order to satisfy the minimum work requirements under the extension of the evaluation plan.

Following approval of the Development Plan, the Resulting Issuer expects to assess the timing and scope of future activities at Tecolutla in accordance with the approved plan, considering funding availability, regulatory and operational considerations and the Resulting Issuer's broader capital allocation priorities.

Regulatory Approvals and Compliance Status

On July 5, 2022, CNH approved Tonalli's Transition Plan for the Tecolutla Block, and on July 4, 2023, CNH approved an extension to the Transition Plan until July 6, 2025. On February 26, 2026, SENER approved Tonalli's Development Plan application.

Minimum Work Commitments and Contractual Obligations

Tonalli has fulfilled its capital obligations with respect to its evaluation period. Future activities at Tecolutla will be determined in accordance with the approved Development Plan and will remain subject to funding availability, regulatory requirements, operational considerations and the Resulting Issuer's capital allocation priorities.

Commercialization and Offtake Arrangements

There was no production from the Tecolutla Block during the year ended December 31, 2025. Any future commercialization or offtake arrangements for production from Tecolutla will depend on the timing and outcome of future development activities, available infrastructure, market conditions, regulatory requirements and arrangements entered into by Tonalli or the Resulting Issuer.

Planned Near-Term Activities

Following completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer expects to review the Tecolutla Development Plan and determine the timing and scope of any future activities. Any such activities are expected to be secondary to the Resulting Issuer's near-term focus on the Misión Field and will be subject to available capital, regulatory approvals, operating results, commodity prices, partner and operator considerations.

Statement of Oil and Gas Reserves

The NI 51-101 Statement of Reserves Data and Other Oil and Gas Information in respect of the Misión Field and the Tecolutla Block, effective December 31, 2025, is included in Appendix "B" to this Information Circular.

Selected Consolidated Financial Information

Annual and Interim Information

Kinjal

The following table presents selected financial information for Kinjal as at the dates and for the periods indicated. The information set forth below for the six (6) month period ended June 30, 2026 and for the period from incorporation to December 31, 2025 is derived from the unaudited financial statements for the six (6) month period ended June 30, 2026 and the audited financial statements of Kinjal included as Appendix "D" to this Information Circular.

The information set forth below should be read in conjunction with Kinjal's MD&A and the financial statements of Kinjal and related notes contained elsewhere in this Information Circular. Kinjal's historical financial information may not be indicative of Kinjal's future performance and does not necessarily reflect what the financial position and results of Kinjal would have been had it operated as a separate, stand-alone public entity during the periods covered. Kinjal's financial statements for the six (6) months period ended June 30, 2026 and for the period ended December 31, 2025 are prepared and presented in accordance with IFRS.

	Six Months Period Ended June 30, 2026 (Unaudited) (US$ in thousands)	**Period Ended December 31, 2025 (Audited) (US$ in thousands)**
Income Statement Summary		
Revenue	0.0	0.0
Net Profit/(Loss)	(1,173)	-
Balance Sheet Summary		
Cash and Equivalents	1,226.7	0.1
Total Assets	1,597.1	0.1
Long-Term Debt	0.0	0.0
Shareholders' Equity/(deficiency)	(1,173.3)	0.1

SMB

The following table presents selected financial information for SMB as at the dates and for the periods indicated. The information set forth below for the six (6) month period ended June 30, 2026 and for the years ended December 31, 2025 and December 31, 2024 is derived from the unaudited financial statements for the six (6) month period ended June 30, 2026 and the historical audited consolidated financial statements of SMB included as Appendix "F" to this Information Circular.

The information set forth below should be read in conjunction with SMB's MD&A and the historical financial statements of SMB and related notes contained elsewhere in this Information Circular. SMB's historical financial information may not be indicative of SMB future performance and does not necessarily reflect what the financial position and results of SMB would have been had it operated as a separate, stand-alone public entity during the periods covered. SMB's financial statements for the six (6) months period ended June 30, 2026 and for the years ended 2025, 2024 are prepared and presented in accordance with IFRS.

	Six Months Period Ended June 30, 2026 (Unaudited) (US$ in thousands)	**Year Ended December 31, 2025 (Audited) (US$ in thousands)**	**Year Ended December 31, 2024 (Audited) (US$ in thousands)**
Income Statement Summary			
Revenue	10,899	8,481	22,745
Net Profit/(Loss)	2,696	(8,197)	(6,924)
Balance Sheet Summary			
Cash and Equivalents	21,430	24,113	8,686
Total Assets	67,799	80,437	108,564
Long-Term Debt	-	-	-
Shareholders' Equity/(deficiency)	38,250	41,807	66,004

The financial information respecting SMB contained in this Information Circular has been provided by SMB to Kinjal and IFR. Neither SMB nor any of their respective affiliates, directors, officers, employees, agents, advisers, representatives, shareholders, or controlling persons shall have any liability or obligations whatsoever as a reporting issuer, issuer, resulting issuer, promoter, solicitor, expert, underwriter, sponsor, filing person, or other person responsible for the adequacy, accuracy, completeness, filing, dissemination, or use of this Information Circular, the associated SEDAR+ filings, TSX Venture Exchange submissions, or other securities-law disclosure, whether by virtue of approving, authorizing, or permitting the use of any SMB special-purpose standalone financial statements prepared in accordance with IFRS Accounting Standards and related management's discussion and analysis for Canadian securities-law disclosure purposes, or otherwise.

Management's Discussion and Analysis

The Management's Discussion and Analysis ("**MD&A**") of Kinjal with respect to the fiscal year ended December 31, 2025, and for the six (6) months ended June 30, 2026, are included in this Information Circular as Appendix "C". Certain information included in Kinjal's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one (1) or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. Kinjal's MD&A should be read in conjunction with the audited financial statements of Kinjal for the fiscal year ended December 31, 2025, and the interim financial statements for Kinjal for the six (6) months ended June 30, 2026, attached to this Information Circular as Appendix "D".

The MD&A of SMB with respect to the fiscal year ended December 31, 2025, and for the six (6) months ended June 30, 2026, is included in this Information Circular as Appendix "E". Certain information included in SMB's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one (1) or more of these

uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. SMB's MD&A should be read in conjunction with the audited financial statements of SMB for the fiscal year ended December 31, 2025, and the interim financial statements for SMB for the six (6) months ended June 30, 2026, attached to this Information Circular as Appendix "F".

Description of the Securities

The authorized capital of Kinjal consists of an unlimited number of Kinjal Shares without par value. As of the date hereof, there are 27,414,394 Kinjal Shares, and 40,347,633 Kinjal Subscription Receipts issued and outstanding.

Kinjal Shares

The holders of Kinjal Shares are entitled to dividends when declared by the board of directors of Kinjal subject to the rights, privileges, restrictions and conditions attaching to any other class of share, to one (1) vote per share at meetings of Kinjal Shareholders and, upon liquidation to receive such assets of Kinjal as are distributable to the holders of Kinjal Shares.

Kinjal Subscription Receipts

Each Kinjal Subscription Receipt is expected to entitle the holder thereof, without payment of any additional consideration and upon satisfaction or waiver of the applicable escrow release conditions, to receive one (1) unit of Kinjal. Each unit is expected to be comprised of one (1) Kinjal Share and one-half of one (0.5) Kinjal Warrant, with each whole Kinjal Warrant entitling the holder to acquire one (1) Kinjal Share at an exercise price of $1.05 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms. Upon completion of the Transaction, each Kinjal Share and Kinjal Warrant issued pursuant to the Concurrent Financing will be exchanged on a one-for-one basis for post-consolidation IFR Shares and warrants of IFR, as the Resulting Issuer, in accordance with the terms of the Definitive Agreement and the Exchange Ratio.

Kinjal Broker Warrants

In connection with the Concurrent Financing, Kinjal issued an aggregate of 2,924,071 broker warrants to the Agents (the "**Kinjal Broker Warrants**"), representing 8% of the aggregate number of Kinjal Subscription Receipts sold in the Concurrent Financing. Each Kinjal Broker Warrant entitles the holder thereof to acquire one (1) Kinjal Share at an exercise price of $0.80 for a period of 36 months following completion of the Transaction, subject to adjustment in accordance with its terms. Upon completion of the Transaction, the Kinjal Broker Warrants will be exchanged for broker warrants of the Resulting Issuer on a one for one basis.

Consolidated Capitalization

Consolidated Capitalization

The following table includes a description of the capitalization of Kinjal as of June 30, 2026 and as of October 1, 2026:

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of June 30, 2026	Amount outstanding as October 1, 2026 prior to giving effect to the Transaction
Class A Common Shares	Unlimited	27,414,394	27,414,394
Kinjal SAFEs	Unlimited	$3,106,405.16	-
Kinjal Subscription Receipts (Excluding those issued to Kinjal SAFE Holders)	N/A	N/A	35,493,875
Kinjal Subscription Receipts (Issued to Kinjal SAFE Holders)	N/A	N/A	4,853,758

Prior Sales

The following table states the dates and the prices at which securities of Kinjal have been sold within the 12 months before the date of the Information Circular, and the number of securities of the class sold or to be sold at each price.

Date Issued	Number of Securities	Type of Security	Issue Price per Security	Aggregate Subscription Proceeds	Nature of consideration
December 5, 2025	100	Class A Common Shares	$1.00	$100.00[(1)]	Cash
March 15, 2026 – June 15, 2026	NA	Kinjal SAFEs	N/A	$3,106,405.16[(2)(3)]	Cash
July 8, 2026	4,853,758	Kinjal Subscription Receipts (issued in exchange for Kinjal SAFES)	$0.64	$3,106,405.16	Cash
July 8, 2026	32,001,735	Kinjal Subscription Receipts	$0.80	$25,601,388.44	Cash
July 8, 2026	2,334,533	Kinjal Broker Warrants	N/A	N/A	N/A
July 30, 2026	4,268,750	Kinjal Subscription Receipts	$0.80	$3,415,000.00	Cash
July 30, 2026	589,538	Kinjal Broker Warrants	N/A	N/A	N/A

Note:
(1) Issued to Frontier Advisory Hul'Che Ltd., a corporation controlled by the Chief Executive Officer of Kinjal.
(2) Represents the Canadian dollar equivalent.
(3) Approximately $484,000 worth of SAFEs were issued to insiders of the Resulting Issuer.

Executive Compensation

Kinjal has no operational history and has not formalized any compensation arrangements with its senior management. Details of the proposed compensation of the Officers and Directors of the Resulting Issuer are set out in this Information Circular. See "*Information Concerning the Resulting Issuer – Executive Compensation*".

Non-Arm's Length Party Transactions

Non-Arm's Length Party Transactions

During the six (6) months ended June 30, 2026, Kinjal incurred consulting, travel, office and transaction-related costs with a company controlled by Warren Levy, a director and shareholder of Kinjal. General and administrative expenses include consulting fees of $159,255, travel and corporate costs of $55,806 related to these transactions. As at June 30, 2026, no amounts were included in accounts payable and accrued liabilities owing to the related party. The amount is unsecured, non-interest bearing and due on demand. There was no compensation paid or payable to directors or key management of Kinjal as at June 30, 2026 and during the period ended June 30, 2026.

In addition to the foregoing, certain insiders and management of Kinjal participated in the SAFE financing round and/or the Concurrent Financing on terms and conditions identical to other participants in such financings.

Legal Proceedings

Legal Proceedings

Except as described below, there are no legal proceedings material to Kinjal, SMB or Tonalli to which any of the companies is a party or of which any of their respective properties is the subject matter, and there are no such proceedings known to such companies to be contemplated.

Impuesto por la Actividad de Exploración y Extracción de Hidrocarburos refund proceedings

In March 2024 and July 2024, Servicios Múltiples de Burgos, S.A. de C.V. ("**SMB**"), acting on behalf of Consorcio de Exploración y Extracción Misión, filed refund applications before the Servicio de Administración Tributaria in respect of the *Impuesto por la Actividad de Exploración y Extracción de Hidrocarburos* allegedly paid in excess. The refund applications were filed on March 15, 2024, March 22, 2024, and July 12, 2024. Following adverse determinations by the Servicio de Administración Tributaria, SMB filed revocation proceedings on October 30, 2024, an indirect amparo in respect of the July 2019 application on January 7, 2025, a nullity action in respect of the June 2019 application on February 13, 2025, a nullity action in respect of the August to December 2019 applications on April 25, 2025, and a direct amparo in respect of the June 2019 matter on October 30, 2025.

The proceedings relate to the denial of several refund applications and to the treatment of the June 2019 and July 2019 refund applications as not filed. SMB's position is that amounts paid for the *Impuesto por la Actividad de Exploración y Extracción de Hidrocarburos* were paid in excess and should be refunded or recovered. The matters are before the Servicio de Administración Tributaria, the Tribunal Federal de Justicia Administrativa, including the Cuarta Sala Regional Metropolitana, the Quinta Sala Regional Metropolitana, the Juzgados de Distrito en Materia Administrativa de la Ciudad de México and the Tribunal Colegiado en Materia Administrativa del Primer Circuito. An ancillary information-access matter also involves the Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales. SMB is actively contesting the adverse tax determinations, and the proceedings remain active.

Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos fine for equipment, operating philosophy and risk analysis

In 2023, the Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos, through its Jefatura de Unidad de Supervisión, Inspección y Vigilancia Industrial, opened administrative file number ASEA/USIVI/DGSIVEERC/SOI/0002/2023 against SMB following an *Estacion de Recoleccion de Gas (ERG) Misión 2* inspection. The proceeding concerns an equipment change versus the operating philosophy and an alleged failure to present an updated risk analysis. On December 18, 2024, the agency issued Resolution number ASEA/USIVI/DGSIVEERC/542/2024 imposing a fine against SMB.

The current gross fine imposed is MXN$72,165,000. A 49% allocation to SMB of MXN$35,360,850 (US$1,964,491.67) was the allocated exposure. The fine is secured by a Tokio Marine HCC México Compañía Afianzadora, S.A. de C.V. surety backed by approximately US$2,000,000 of Consorcio de Exploración y Extracción Misión cash collateral. SMB is contesting the sanction.

Juicio Ordinario Laboral 3/2023 - Rafael Íñiguez Tapia

Juicio Ordinario Laboral 3/2023 is a 2023 ordinary labour proceeding brought by Rafael Íñiguez Tapia against SMB and co-defendants including Grupo R Operaciones Petroleras, S.A. de C.V. The matter is before the *Junta Especial Número Sesenta de la Federal de Conciliación y Arbitraje*, which is located in Reynosa, Tamaulipas. The labour board resumed the proceeding and scheduled a three-phase hearing for December 27, 2024, and that further evidence scheduling was ordered by agreement dated March 14, 2025.

The claim alleges rescission of an individual employment contract, indemnity and labour benefits. SMB's position is that no employment relationship existed between Rafael Íñiguez Tapia and SMB. The proceeding is being contested.

Formal notice SMB-GECO-2026-077 regarding Petróleos Mexicanos overdue cash requests under the Misión joint operating arrangements

On June 3, 2026, SMB delivered formal notice number SMB-GECO-2026-077 to Petróleos Mexicanos ("**Pemex**") under the *Acuerdo de Operación Conjunta* (the "**Joint Operating Agreement**") and the *Contrato de Exploración y Extracción for the Misión PSC* area. The reviewed materials do not show that a lawsuit, arbitration or administrative proceeding has been filed. The matter is therefore described as a material pre-dispute contractual notice rather than a filed legal proceeding. SMB reserved its legal rights and referenced potential default consequences under the Joint Operating Agreement. The current status is that formal notice has been delivered and the amounts remain formally noticed as unpaid.

Material Contracts

The following are summaries of the principal terms and conditions of the material contracts to which Kinjal, SMB and Tonalli are subject. Capitalized terms used in this section and not otherwise defined in this Information Circular will have the meanings assigned to such terms in the respective agreements, copies of which will be available on SEDAR+.

SMB Purchase Agreement

Petro Frontera, on behalf of Kinjal, has entered into the SMB Purchase Agreement with Tecpetrol and Industrial Perforadora de Campeche S.A. de C.V., being the current shareholders of SMB, pursuant to which Petro Frontera, on behalf of Kinjal, will acquire 100% of the issued and outstanding shares of SMB. SMB holds a 49% participating interest in, and is the operator of, the Misión Field pursuant to the Misión PSC, with PEP holding the remaining 51% participating interest. The Misión Field is expected to be the Resulting Issuer's principal oil and gas asset following completion of the Transaction. The SMB Acquisition constitutes an arm's length transaction for the purposes of the policies of the Exchange, and none of the vendors or their respective principals is a Non-Arm's Length Party of IFR, Kinjal or any of their respective directors, officers or significant shareholders.

The aggregate consideration payable under the SMB Purchase Agreement is US$37 million, consisting of: (i) a cash payment of US$30 million payable on closing, subject to a working capital adjustment pursuant to which SMB is to be delivered with a positive working capital balance of US$2.5 million at closing; and (ii) deferred consideration of US$7 million payable in 24 equal monthly installments commencing in the month following closing, subject to certain cash flow limitations set out in the SMB Purchase Agreement. The Debt Facility, a senior secured facility of up to US$30,000,000, is intended principally to finance the acquisition of the Misión asset and the associated initial work program in the Misión Field.

Upon completion of the SMB Acquisition, Kinjal will indirectly acquire all of SMB's assets, inventory and operating personnel, together with an abandonment fund of approximately US$11.7 million dedicated to Misión Field operations. The SMB Acquisition excludes Tecpetrol's Buenos Aires technical support staff and the existing Mexico City corporate offices. Tecpetrol has agreed to provide defined transitional support following closing.

Completion of the SMB Acquisition is subject to the satisfaction or waiver of a number of conditions, including: (i) completion of the Transaction; (ii) the clearing of Pemex's right of first refusal; (iii) receipt of the prior authorization of SENER to the change of control of SMB under Clause 25 of the Misión PSC, together with SENER's operator approval; (iv) Pemex's technical acceptance of a gas delivery swap to the V9B6 Burgos sales point; (v) execution of the GPSA between SMB and Pemex on terms satisfactory to Kinjal; (vi) receipt of all other required Regulatory Approvals, including approvals from applicable Mexican governmental authorities; and (vii) the satisfaction or waiver of the other conditions contained in the SMB Purchase Agreement. Tecpetrol, as the current owner of SMB, is conducting negotiations with Pemex on the terms of the GPSA, and the commercial terms governing SMB's gas processing and offtake arrangements following closing will be determined through that process prior to completion of the SMB Acquisition. Closing of the SMB Acquisition is expected to occur concurrently with, or immediately prior to or following, completion of the Transaction.

Completion of the SMB Acquisition, or the ability to complete it contemporaneously with closing, is a condition precedent in favour of IFR and IFR Subco to completion of the Transaction under the Definitive Agreement. A failure to obtain SENER approval would prevent completion of the SMB Acquisition and may prevent or delay completion of the Transaction. Kinjal has taken measures to manage this risk, including through the structuring of contingent risk insurance coverage, but no assurance can be given that such measures will be available or sufficient. See "*Risks Specific to SMB and the Misión Field*".

Jaguar Tonalli Share Purchase Agreement

Petro Frontera, IFR's 99.80% owned Mexican subsidiary, has entered into the Jaguar Tonalli Share Purchase Agreement with Jaguar 2.3, pursuant to which Petro Frontera will acquire Jaguar's 57.37% interest in Tonalli. Petro Frontera currently owns the remaining 42.63% of the issued and outstanding shares of Tonalli. At closing of the Transaction, Petro Frontera's rights and obligations under the Jaguar Tonalli Share Purchase Agreement will be assigned to Kinjal, and Kinjal will complete the acquisition as assignee. Accordingly, following completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer will indirectly own 100% of Tonalli.

Tonalli holds a 100% undivided working interest in, and is the sole contractor party under, the Tecolutla Contract, an extraction license contract covering approximately 7.162 km² in the municipality of Tecolutla, Veracruz, within the Tampico-Misantla Basin. There were no operations in the Tecolutla Block in 2025. On February 26, 2026, SENER approved Tonalli's development plan application, and future activities at the Tecolutla Block will be determined in accordance with the approved Development Plan.

The consideration payable under the Jaguar Tonalli Share Purchase Agreement consists of: (i) a cash payment of US$10,000; (ii) the settlement of approximately US$1.49 million of outstanding indebtedness owed by Petro Frontera to Jaguar in respect of Petro Frontera's existing 42.63% interest in Tonalli, by way of structured quarterly payments as set out in the Jaguar Tonalli Share Purchase Agreement; and (iii) the cancellation of the remaining balance of such indebtedness, being approximately US$600,000.

Jaguar is the current operator of the Tecolutla Block. Following closing, Kinjal will nominate a subsidiary as the operator of record for the Tecolutla Block, subject to receipt of the required change of control and operatorship approvals from SENER. The Tecolutla Block carries no outstanding work commitments at closing.

Completion of the Tonalli Acquisition is subject to, among other things, completion of the Transaction, receipt of required Regulatory Approvals, including the change of control and operatorship approvals of SENER and approvals from other applicable Mexican governmental authorities, and satisfaction or waiver of the other conditions contained in the Jaguar Tonalli Share Purchase Agreement. Kinjal having entered into and completed, or being capable of completing contemporaneously with closing, the Jaguar Tonalli Share Purchase Agreement on terms consistent with the Definitive Agreement is a condition precedent in favour of IFR and IFR Subco to completion of the Transaction.

Farm In Agreements

Kinjal has entered into the Farm In Agreements with Jaguar 2.3, which holds a 100% participating interest in, and is the operator under, the CS.06 Contract, and Pantera 2.2, which holds a 100% participating interest in the A10.CS Contract. Pursuant to the Farm In Agreements, Kinjal, directly or through an affiliated nominee, will acquire the right to earn up to 80% of Jaguar 2.3's working interest in the CS.06 Block and up to 80% of Pantera 2.2's working interest in the A10.CS Block, and to assume operatorship of both blocks. No prior farm-ins, interest transfers or co-participating arrangements have been executed in respect of the CS.06 Contract, and the farm-in would represent the first interest transfer on the CS.06 Block. The Farm In Agreements constitute arm's length transactions for the purposes of the policies of the Exchange, and none of Jaguar, Pantera or their respective principals is a Non-Arm's Length Party of IFR, Kinjal or any of their respective directors, officers or significant shareholders.

The CS.06 Block covers approximately 148.19 km² in the municipality of Macuspana, Tabasco, and the A10.CS Block covers approximately 347.34 km² in the municipalities of Macuspana and Jonuta, Tabasco, each within the Macuspana Basin. The Kinkan discovery, located within the CS.06 Block, is expected to be the anchor asset within the earn-in. The A10.CS Block includes the Pasuku-1EXP discovery and the existing Viche and Acahual fields, and is considered by Kinjal to be primarily exploration upside complementary to the Kinkan development.

Under the staged farm-in structure contemplated by the Farm In Agreements, Kinjal will earn its interest in each block through a two-stage drilling carry. In the first stage, Kinjal will fund 90% of the costs of two (2) wells on each block, being four (4) wells in total across both blocks, in exchange for which Kinjal will earn a 40% undivided working interest in each block. In the second stage, Kinjal may elect to fund 90% of the costs of an additional two (2) wells on each block, being wells five (5) through eight (8), in exchange for which Kinjal will earn an additional 40% undivided working interest in each block, bringing its total earned interest to 80% in each block. Following completion of the eight (8)-well farm-in program, capital obligations are expected to revert to each party's pro rata working interest share, such that Kinjal would bear 80% of the costs of each block.

The initial 40% working interest is expected to be registered with SENER following Kinjal's commitment to fund the first-stage wells, the provision of proof of funding to Jaguar and satisfaction of applicable regulatory requirements. Pending SENER's recognition and registration of Kinjal's interests, Jaguar is expected to hold Kinjal's earned working interest in trust. Following completion of the first four (4)-well stage, Kinjal is expected to have decision-making authority over well design, depth and evaluation activities, while Jaguar will continue to hold formal operatorship as recognized by SENER during the

exploration period. Upon satisfying the full 80% farm-in, obtaining the required SENER authorizations and providing suitable performance guarantees, Kinjal is expected to be assigned formal operatorship of each block.

Both the CS.06 Block and the A10.CS Block are currently in their Additional Exploration Period and carry outstanding Minimum Work Commitment obligations, expressed in Work Units, which must be satisfied within the applicable deadline established by SENER. As of the date of the Farm In Agreements, the outstanding Minimum Work Commitments were approximately 41,325 Work Units on the CS.06 Block and approximately 23,980 Work Units on the A10.CS Block. The farm-in work program is designed to satisfy these commitments. Any conditions or obligations imposed by SENER with respect to extensions of the Minimum Commitments Deadline will require the agreement of both parties under the Farm In Agreements.

The transfer of interests in the CS.06 Block and the A10.CS Block to Kinjal requires notification to SENER, including the capability accreditation (*Acreditación de Capacidades*) of Petro Frontera or other applicable nominee, as a condition precedent to closing. Jaguar is responsible for obtaining all regulatory approvals required for the conduct of work programs under the Farm In Agreements, including drilling permits, environmental authorizations, ASEA system of administration approval and landowner agreements. Kinjal's rights under the Farm In Agreements are subject to satisfaction of the applicable drilling and funding commitments, completion of the Transaction, receipt of required Regulatory Approvals and satisfaction or waiver of the other conditions contained in the Farm In Agreements. Completion, or the ability to complete contemporaneously with closing, of the Mexican Asset Transactions, including the farm-in, is a condition precedent in favour of IFR and IFR Subco to completion of the Transaction.

Misión Production Sharing Contract No. CNH-M3-MISIÓN/2018

Extraction Contract No. CNH-M3-MISIÓN/2018 (the "**Misión PSC**") is a hydrocarbon exploration and extraction contract executed on March 2, 2018 under Mexico's production sharing modality. The Misión PSC was entered into between the Comisión Nacional de Hidrocarburos ("**CNH**"), acting on behalf of the Mexican State, Pemex Exploración y Producción ("**PEP**"), and SMB. Following the 2025 constitutional reform, the CNH was dissolved and its regulatory functions—including administration of this Misión PSC—transferred to the Secretaría de Energía ("**SENER**"), which now acts as the government counterparty. All prior CNH Resolutions, approvals and contractual instruments remain valid under the applicable transitional provisions. The Misión PSC originated from a migration process initiated jointly by PEP and SMB on December 19, 2014, converting the prior Pemex federal assignment (AE-0398-M-Misión) and the associated *contrato de obra pública financiada* (COPF No. 414103997), executed between PEP and SMB on November 28, 2003, into a modern production sharing structure under the framework introduced by Mexico's 2013 energy reform. SMB had been operating the Misión area as a service contractor for approximately fifteen (15) years before the Misión PSC was formally executed in 2018—an operating history that underpins its technical familiarity with the asset. Under the Mexican constitutional and legal framework, all hydrocarbons within the contractual area always remain the property of the Mexican State. The Misión PSC confers no property rights in the subsoil or in hydrocarbons on any contractor party. The contractor group operates at its own cost and risk and is entitled to recover eligible costs and to receive a share of production as compensation for its activities.

The contractor group comprises two (2) parties: PEP, which holds a 51.00% participating interest, and SMB, which holds a 49.00% participating interest. Each party to the contractor group is jointly and severally liable for all contractual obligations regardless of its individual participating interest. SMB was designated Operator at contract execution, with that designation confirmed by the Secretaría de Energía with CNH opinion prior to signing. As Operator, SMB conducts all petroleum activities within the contractual area on behalf of both parties and acts as sole representative of the contractor group before the regulator on all matters arising under the Misión PSC.

Following a partial relinquishment, the current contractual area is 1,307.14 km², reduced from the original 1,692.75 km² at contract signing, located in the Burgos Basin in northeastern Mexico across the states of Tamaulipas, Nuevo León and Coahuila. The current area is subdivided into an exploration area of 414.51 km² and a development area of 446.78 km². The contractual area is bounded to the north by the Río Bravo and to the east by the Gulf of Mexico Continental Shelf, and is organized into two (2) polygons — an eastern block a western block located approximately 13 km northwest of Reynosa, Tamaulipas. No depth restrictions apply. Area reduction and relinquishment obligations continue to apply pursuant to the Misión PSC.

The Misión PSC came into force on its effective date of March 2, 2018, and has a primary term of 25 years, expiring on March 2, 2043. The contractor may apply for up to two (2) extensions of up to five (5) years each, starting from the fifth (5th) year prior to contract expiry, for a potential maximum term of March 2, 2053, subject to SENER approval and the contractor remaining in good standing. Extensions may apply to all or part of the Development Areas. Force majeure events may extend

exploration and evaluation periods, provided the total contract term may not in any case exceed 35 years. Surviving obligations—including abandonment, indemnification and environmental liability—continue beyond contract expiry.

The Misión PSC is structured around three (3) sequential operational phases—Exploration, Evaluation and Development—and is currently operating simultaneously under active Development and the conclusion of its Additional Exploration Period obligations. The Initial Exploration Period ran for four (4) years from the Effective Date, expiring on approximately April 23, 2022. An Additional Exploration Period of two (2) years was subsequently approved by CNH on March 14, 2023 (Agreement No. CNH.200.025/2023), with the modified Exploration Plan approved on April 20, 2023 (Resolution No. CNH.04.02/2023). The Additional Exploration Period baseline work commitment was the drilling of exploration well Kabil-1EXP in the Burgos Basin, approved as part of the 2025 Work Program and Budget with a budget of US$3.97 million. An incremental scenario contemplated up to four (4) additional exploration wells (Cúspide-1EXP, Lucero-1EXP, SG Oriental-1EXP and SG Occidental-1EXP). The Additional Exploration Period expired approximately April 2025. The formal completion and Work Unit compliance status is subject to SENER's determination. Upon a discovery, the contractor may request an Evaluation Period of up to 24 months to conduct appraisal activities and prepare an Evaluation Report to support a Commercial Discovery declaration before SENER. A Development Plan for Extraction was originally approved by CNH Resolution No. CNH.E.04.003/19 on January 24, 2019, and has been modified on two (2) subsequent occasions—by CNH Resolution No. CNH.E.93.009/2022 on December 15, 2022, and by CNH Resolution No. CNH.09.06/2024 on February 22, 2024. The Misión PSC is in full production under the Development Phase, with current gross production of approximately 60 MMcf/d of natural gas and approximately 200 bbl/d of condensate from approximately 97 producing wells across 12 fields. The 2026 Work Program and Budget received formal SENER approval on November 12, 2025, via Resolution Oficio No. 500.SSH.460.2025—the first PTP approval issued by SENER in its capacity as successor regulatory authority to the CNH—with a total approved budget of US$31.6 million comprising US$27.1 million for production operations, US$3.4 million for development activities and US$1.1 million in abandonment trust contributions. Given the Misión block's long production history prior to the 2018 migration, the Misión PSC incorporated an initial Provisional Program (*Programa Provisional*) providing operational continuity from the Effective Date without requiring completion of the full exploration cycle before commencing extraction activity.

The Misión PSC establishes a Minimum Work Program of 26,204 Work Units, comprising 9,628 Exploration Work Units and 16,576 Development Work Units, required to be completed within the four-year Initial Exploration Period. Work Units are a standardized regulatory measure applicable across all activity types including seismic acquisition, well drilling, completions, workovers and related operations. An additional 7,840 Work Units were required as a condition of the Additional Exploration Period, secured by a replacement performance bond per Clause 18.1(c) of the Misión PSC. Bond amounts may be reduced annually in proportion to confirmed Work Unit compliance, at the contractor's request and subject to SENER authorization.

The Misión PSC employs a monthly compensation calculation administered by the *Fondo Mexicano del Petróleo para la Estabilización y el Desarrollo* ("**FMP**" or the "**Fund**"), which acts as fiscal agent of the Mexican State. State Compensation comprises three (3) elements: An Exploratory Phase Contractual Fee, payable on the portion of the contractual area without an approved Development Plan; Royalties, calculated monthly on a sliding scale referenced to the contractual price of each hydrocarbon stream, for non-associated natural gas—the primary product of the Misión Field—royalties are nil when the contractual gas price is at or below the applicable threshold and increase progressively on a sliding scale above that level; and 35% of Operating Profit subject to the Adjustment Mechanism. The Misión PSC Compensation comprises: Cost Recovery, subject to a monthly cap of 80% of the contractual value of hydrocarbons produced in the relevant period; unrecovered costs carry forward indefinitely to subsequent periods without interest, with any balance remaining at contract expiry extinguished; and 65% of Operating Profit, subject to the Adjustment Mechanism Operating Profit, which is defined as: Contractual Value of Hydrocarbons + Additional Income − Cost Recovery − Royalties paid. The Adjustment Mechanism involves the State's share of Operating Profit increases progressively as the contractor's pre-tax return metric (*MRO*) exceeds defined thresholds, ensuring the State captures an increasing share of project economics as contractor returns grow. At the base level (MRO below 25%), the split is 35% State / 65% Misión PSC. As contractor returns increase beyond 40% MRO, the contractor's profit share reduces to a floor of approximately 16.25% of Operating Profit, preserving contractor economics at lower-production scenarios while protecting State upside. All payments are denominated in US Dollars. The contractual price of gas and condensate is determined by reference to defined market benchmarks.

Misión Joint Operating Agreement

PEP and SMB are parties to a joint operating agreement in respect of the Misión Field dated March 2, 2018 ("**Misión Joint Operating Agreement**"). The Misión Joint Operating Agreement governs the relationship between PEP and SMB in respect of joint petroleum operations under the Hydrocarbon Exploration and Extraction Contract CNH-M3-MISIÓN/2018 for the

Misión Field (the "**Misión PSC**"). The Misión Joint Operating Agreement establishes the parties' respective rights and obligations in relation to exploration, evaluation, development, production, upstream handling and delivery of hydrocarbons at the measurement point, and final decommissioning and remediation obligations. The Misión Joint Operating Agreement does not generally cover downstream activities, including downstream transportation, marketing or sale of hydrocarbons, except where specifically provided in the agreement. The parties' participating interests are held as follows: PEP – 51%, SMB – 49%. Unless otherwise provided in the Agreement, rights under the Misión PSC, joint property, hydrocarbons forming part of the contractor consideration, costs, obligations, liabilities and credits of the joint account are allocated between the parties in proportion to their participating interests.

SMB is designated as operator under the Misión Joint Operating Agreement. The operator is responsible for conducting joint operations, subject to the Misión PSC, applicable laws, approved work programs and budgets, approved authorizations for expenditure, and instructions of the operating committee. The operator's responsibilities include: carrying out joint operations diligently, safely and efficiently and in accordance with industry best practices; preparing and submitting annual work programs and budgets; obtaining and maintaining required permits, consents, authorizations, easements and related rights required for joint operations; maintaining the Misión PSC in force in accordance with its terms; paying and accounting for costs incurred in connection with joint operations; preparing required reports and records; representing the parties before CNH and other governmental authorities in respect of Misión PSC and joint operation matters; allowing party representatives reasonable access to joint operations, joint property, inventories and records, including for financial and operational audit purposes; and arranging and maintaining required insurance coverage. The operator is generally not intended to profit or suffer losses solely by acting as operator, subject to the terms of the Misión Joint Operating Agreement and the accounting procedure.

The Misión Joint Operating Agreement establishes an operating committee composed of representatives of each party. The committee is responsible for the general supervision and direction of the joint operations and for authorizing and supervising joint operations necessary or appropriate to comply with the Misión PSC, applicable laws and industry best practices. General decisions of the operating committee require the affirmative vote of at least two (2) non-affiliated parties holding, in aggregate, at least 51% of the participating interests. Because there are only two (2) parties, this generally means both PEP and SMB must support ordinary committee decisions. Certain minimum work obligations under the Misión PSC must be carried out jointly and cannot be refused by a party. Certain other matters require unanimous approval, including amendments to the Misión PSC, voluntary relinquishment of all or part of the contract area, amendment of the Misión Joint Operating Agreement, voluntary termination of the Misión PSC, certain dispositions of joint property, creation or elimination of subcommittees, certain extensions or unifications, and other matters agreed to require unanimous approval. The operator is responsible for convening meetings, preparing agendas and supporting materials, organizing and conducting meetings, and preparing meeting minutes. The Misión Joint Operating Agreement also provides for written voting procedures.

The operator is responsible for preparing and submitting annual work programs and budgets for the joint operations. The annual program is required to include the proposed operations and activities, cost estimates, quarterly expenditure estimates, and other information required by the Misión PSC or operating committee. For significant obligations or expenditures, the Misión Joint Operating Agreement includes an authorization for expenditure process. In general, before incurring an obligation or expenditure for a joint operation exceeding US$2 million, the operator must submit an authorization for expenditure to the non-operators, unless the costs are already included in an approved work program and budget or otherwise exempted under the Misión Joint Operating Agreement. The Misión Joint Operating Agreement also permits limited spending above approved budget amounts without further operating committee approval, subject to specified limits. The operator may incur excess costs up to 10% of an individual approved budget concept, provided total excess costs for the applicable year do not exceed 5% of the annual approved budget. Amounts exceeding those limits require further operating committee approval.

The Misión Joint Operating Agreement includes provisions for exclusive operations where certain parties elect to proceed with an operation that is not carried out by all parties. In those cases, only consenting parties participate in the related costs, risks and benefits, subject to the procedures and limitations set out in the agreement.

A party may be in default if it fails to pay its share of joint account charges, including cash calls and interest, fails to provide or maintain required guarantees, or otherwise breaches its obligations under the Misión Joint Operating Agreement. Default amounts accrue interest at the default interest rate. During a default period, the defaulting party generally loses voting rights but may retain certain limited rights, including the right to attend meetings, receive certain information, approve or reject transfers, and receive its interest as provided in the agreement. Non-defaulting parties may be required to cover the defaulting party's obligations in proportion to their participating interests among the non-defaulting parties, subject to later recovery. The Misión Joint Operating Agreement includes remedies that may ultimately affect a defaulting party's participation interest, subject to the Misión PSC, applicable law and required governmental approvals.

The Misión Joint Operating Agreement provides that total available production measured at the measurement point consists of cost hydrocarbons and the available production under the Misión PSC. The operator and operating committee are responsible for developing and approving procedures for allocating the contractor consideration among development areas and to the parties. The contractor consideration allocated to development areas is distributed to the parties in proportion to their participating interests in the relevant areas, subject to the Misión PSC and any specific provisions in the agreement. Each party is generally entitled and obligated to receive and dispose of its share of hydrocarbons.

The Misión Joint Operating Agreement contains detailed provisions for decommissioning, final remediation and abandonment of joint facilities, equipment and wells. The parties are required to fund abandonment and remediation obligations in accordance with the Misión PSC, applicable laws, approved development plans and the Misión Joint Operating Agreement, generally in proportion to their participating interests. The Misión Joint Operating Agreement also contemplates the preparation of decommissioning and abandonment programs and the provision of guarantees where required by the Misión PSC or applicable laws. Decisions to plug and abandon wells require approval through the operating committee process.

A10.CS License Contract No. CNH-R02-L02-A10.CS/2017

License Contract No. CNH-R02-L02-A10.CS/2017 (the "**A10.CS Contract**") is a hydrocarbon exploration and extraction contract executed on December 8, 2017 under Mexico's license modality. The A10.CS Contract was entered into between the Comisión Nacional de Hidrocarburos ("**CNH**"), acting on behalf of the Mexican State, and Pantera Exploración y Producción 2.2, S.A.P.I. de C.V. ("**Pantera 2.2**"), awarded pursuant to international public tender no. CNH-R02-L02/2016 (Round 2, Lot 2 of the Cuencas del Sureste bidding round). Two (2) joint and several obligors (obligados solidarios) executed the A10.CS Contract in support of Pantera 2.2's obligations: SUN GOD ENERGÍA DE MÉXICO, S.A. de C.V. and Jaguar Exploración y Producción de Hidrocarburos, S.A.P.I. de C.V. Following the 2025 constitutional reform, the CNH was dissolved and its regulatory functions—including administration of this A10.CS Contract—transferred to the Secretaría de Energía ("**SENER**"), which now acts as the government counterparty. All prior CNH Resolutions, approvals and contractual instruments remain valid under the applicable transitional provisions. Under the Mexican constitutional and legal framework, all hydrocarbons within the contractual area remain the property of the Mexican State at all times. The A10.CS Contract confers no property rights in the subsoil or in hydrocarbons on the contractor. Under the license modality, the contractor operates at its own cost and risk and—unlike a production sharing contract—is entitled to the onerous transfer of ownership of the hydrocarbons produced, subject to payment of the compensation due to the State as established in the A10.CS Contract.

The A10.CS Contract is currently held by a single contractor party being Pantera 2.2 who holds a 100% participating interest.

The A10.CS Contract area covers approximately 347.34 km² in the municipalities of Macuspana and Jonuta, Tabasco, on the southern edge of the Macuspana petroleum province within the Cuencas del Sureste, approximately 60 kilometres southwest of Villahermosa. The area is defined by coordinate vertices as set out in Annex 1 to the A10.CS Contract and has no depth restrictions. Unlike the CS.06 Block, the A10.CS contractual area has a legacy asset inventory comprising three (3) useful wells—Acahual-1, Viche-1 and Viche-3A—and associated flowlines as documented and confirmed through the Third Amendment.

The A10.CS Contract entered into force on its Effective Date of December 8, 2017, following a 270-day Startup Transition Period that concluded on approximately April 12, 2018. The primary term is 30 years from the Effective Date, expiring on December 8, 2047. The contractor may apply for up to two (2) extensions of up to five (5) years each for a potential maximum term of December 8, 2057, subject to SENER approval, the contractor remaining in good standing, and commitment to maintain Commercial Production during each additional period. Force majeure events may extend exploration and evaluation periods, provided the total contract term may not exceed 35 years. Surviving obligations continue beyond contract expiry.

The A10.CS Contract is structured around three (3) sequential operational phases — Exploration, Evaluation and Development—and is currently in its Additional Exploration Period. **Exploration Period**: The Initial Exploration Period ran for four (4) years from the Effective Date, expiring in approximately December 2021. An Additional Exploration Period was subsequently approved by CNH, running the block's exploration obligations through approximately December 2023 (or such extended date as may have been granted by SENER). As of September 25, 2025, the A10.CS Block remains in its Additional Exploration Period with outstanding Minimum Work Commitments of approximately 23,980 Work Units. The Additional Exploration Period and its Minimum Commitments Deadline are subject to confirmation, and any conditions or obligations imposed by SENER with respect to extensions of that deadline require the agreement of both parties under the proposed Farm In Agreements. **Evaluation Period**: Upon a discovery of non-associated natural gas, the contractor may request an Evaluation Period of up to 24 months to conduct appraisal activities and prepare an Evaluation Report supporting a Commercial Discovery

declaration before SENER. Hydrocarbons extracted during formation testing are subject to the fiscal terms of the A10.CS Contract. **Development Period and Current Status**: The A10.CS Contract has not yet entered the Development Phase. No formal Commercial Discovery declaration has been made. The Pasuku-1EXP exploration well encountered wet gas in the Upper Miocene Amate Inferior formation. An evaluation program was approved by CNH to determine the volume, extent and productive potential of the Pasuku discovery. Kinjal considers the A10.CS Block primarily as exploration upside complementary to the Kinkan development on the CS.06 Block, with the blocks' geographic proximity offering potential for shared infrastructure and operational synergies.

The A10.CS Contract establishes a Minimum Work Program (*Programa Mínimo de Trabajo*) expressed in Work Units (*Unidades de Trabajo*). The Initial Minimum Work Program comprises 5,900 Work Units, required to be completed within the Initial Exploration Period—materially higher than the CS.06 Block's 1,100 Work Units, reflecting the A10.CS Block's larger contractual area and deeper exploration commitment. The incremental scenario for the Additional Exploration Period requires Work Units equivalent to the value of two exploratory wells within the contractual area, at 9,480 Work Units per well. Work Unit values are calculated by reference to a per-well reference price indexed to Brent crude oil as set out in Annex 5, with penalties for non-compliance calculated at 75% of the Work Unit value multiplied by outstanding units. As September 25, 2025, outstanding Minimum Work Commitments on the A10.CS Block were approximately 23,980 Work Units, representing the obligations required to be satisfied during the Additional Exploration Period.

The A10.CS Contract is structured under the license modality (*modalidad de licencia*) and employs the same general fiscal framework as the CS.06 Contract—monthly compensation calculated and administered by the *Fondo Mexicano del Petróleo para la Estabilización y el Desarrollo* ("**FMP**" or "**Fund**"). However, the A10.CS Contract carries a higher base State royalty rate than the CS.06 Contract, reflecting the different economic parameters established at the time of award. State Compensation comprises two (2) elements: Base Royalty: The State receives a minimum base royalty of 45% of the contractual value of hydrocarbons produced in each period — five percentage points higher than the CS.06 A10.CS Contract's 40% base rate. This difference is material and reflects the distinct competitive bidding outcome for this contractual area. The base rate is subject to the Adjustment Mechanism described below. The 45% base royalty is adjusted upward based on production volumes, with separate adjustment factors for oil/condensate (indexed against production thresholds of 30,000 bbl/d and 120,000 bbl/d) and non-associated natural gas (indexed against 240 MMcf/d). As production increases beyond these thresholds the State's effective royalty rate increases progressively. Royalties (*Regalías*): Identical sliding scale royalties apply as for the CS.06 Contract: ***Oil***: 7.5% when contractual oil price is below approximately US$45.95/bbl (2017 base, US PPI-adjusted annually); sliding scale above. ***Non-associated natural gas***: 0% at or below approximately US$4.79/MMBtu (2017 base); sliding scale above. ***Condensate***: 5% when contractual condensate price is below approximately US$57.44/bbl (2017 base); sliding scale above. Exploratory Phase Contractual Fee: Payable monthly on the portion of the contractual area without an approved Development Plan, at MXN$1,214.21/km² per month during the first 60 months, increasing to MXN$2,903.54/km² per month thereafter, adjusted annually by the Mexican CPI. The A10.CS Contract contains a more detailed gas price determination framework than the CS.06 Contract, including provisions for circumstances where the contractor commercializes less than 50% of gas production through market-based transactions, in which case the contractual gas price defaults to the CRE-regulated price at the relevant *Sistema de Transporte y Almacenamiento Nacional Integrado* entry point. This mechanism reflects the more complex gas commercialization environment in the Macuspana Basin. All compensation payments are denominated in US Dollars and paid to the FMP by the 17th day of the following month.

License Contract CNH-R02-L03-CS-06/2017

License Contract No. CNH-R02-L03-CS-06/2017 (the "**CS.06 Contract**") is a hydrocarbon exploration and extraction contract executed on December 8, 2017 under Mexico's license modality. The CS.06 Contract was entered into between the Comisión Nacional de Hidrocarburos ("**CNH**"), acting on behalf of the Mexican State, and Jaguar Exploración y Producción 2.3, S.A.P.I. de C.V. ("**Jaguar 2.3**"), awarded pursuant to international public tender no. CNH-R02-L03/2016 (Round 2, Lot 3 of the Cuencas del Sureste bidding round). The award was published in the Diario Oficial de la Federación on July 21, 2017 following CNH's ruling of July 14, 2017. Jaguar 2.3 executed the CS.06 Contract as a joint and several obligor in favour of Jaguar 2.3. Following the 2025 constitutional reform, the CNH was dissolved and its regulatory functions—including administration of this CS.06 Contract—transferred to the Secretaría de Energía ("**SENER**"), which now acts as the government counterparty. All prior CNH Resolutions, approvals and contractual instruments remain valid under the applicable transitional provisions. Under the Mexican constitutional and legal framework, all hydrocarbons within the contractual area remain the property of the Mexican State at all times. The CS.06 Contract confers no property rights in the subsoil or in hydrocarbons on the contractor. Under the license modality, the contractor operates at its own cost and risk and—unlike a production sharing contract—is entitled to the onerous transfer of ownership of the hydrocarbons produced, subject to payment of the compensation due to the State as established in the CS.06 Contract.

The CS.06 Contract is held by a single contractor party being Jaguar 2.3, who holds a 100% participating interest. Jaguar 2.3 is designated as Operator and holds a 100% undivided working interest in the CS.06 Contract. No prior farm-ins, interest transfers or co-participating arrangements have been executed. The proposed farm-in would represent the first interest transfer on this block. Jaguar 2.3 conducts all petroleum activities within the contractual area in its own name and as sole representative before SENER.

The contractual area covers approximately 148.19 km² in the municipality of Macuspana, Tabasco, within the Cuencas del Sureste petroleum province. The area is defined by sixteen (16) coordinate vertices as set out in Annex 1 to the CS.06 Contract and has no depth restrictions. The CS.06 Block is a greenfield exploration block—the asset inventory confirmed at contract commencement contained no wells or surface infrastructure useful for petroleum activities. Prior to the current CS.06 Contract, eight (8) exploration wells were drilled within or near the area between 1953 and 1985 by prior operators, providing a legacy geological dataset.

The CS.06 Contract entered into force on its Effective Date of December 8, 2017, following a 270-day Startup Transition Period that concluded on approximately April 12, 2018. The primary term is 30 years from the Effective Date, expiring on December 8, 2047. The contractor may apply for up to two (2) extensions of up to five (5) years each, starting from the fifth (5th) year prior to contract expiry, for a potential maximum term of December 8, 2057, subject to SENER approval and the contractor remaining in good standing. Any extension request must be accompanied by a proposed modification to the Development Plan and a commitment to maintain Commercial Production during the additional period. Force majeure events may extend exploration and evaluation periods, provided the total contract term may not exceed 35 years. Surviving obligations—including abandonment, indemnification and environmental liability—continue beyond contract expiry.

The CS.06 Contract is structured around three sequential operational phases—Exploration, Evaluation and Development—and is currently in its Additional Exploration Period. **Exploration Period**: The Initial Exploration Period ran for four (4) years from the Effective Date, expiring in approximately December 2021. An Additional Exploration Period of two (2) years was subsequently approved by CNH, running the block's exploration obligations through approximately December 2023 (or such extended date as may have been granted). As of September 26, 2025, both blocks remain in their Additional Exploration Period with outstanding Minimum Work Commitments of approximately 41,325 Work Units on the CS.06 Block. The Additional Exploration Period and its Minimum Commitments Deadline are subject to confirmation, and any conditions or obligations imposed by SENER with respect to extensions of that deadline require the agreement of both parties under the proposed Farm In Agreements. **Evaluation Period**: Upon a non-associated natural gas discovery, the contractor may request an Evaluation Period of up to 24 months to conduct appraisal activities, including formation testing and the preparation of an Evaluation Report to support a Commercial Discovery of Non-Associated Natural Gas (*Descubrimiento de Gas Natural No Asociado*) declaration before SENER. Hydrocarbons extracted during formation testing are subject to the fiscal terms of the CS.06 Contract. **Development Period and Current Status**: The CS.06 Contract has not yet entered the Development Phase. No Commercial Discovery has been formally declared. The Kinkan-1EXP exploration well—drilled in late 2023 to early 2024—encountered four (4) gas-bearing objectives in the Amate Inferior formation of the Upper Miocene at approximately 1,700 metres depth and tested at approximately 5.1 MMcf/d from a single zone. Three (3) additional intervals remain unevaluated due to mechanical issues encountered during drilling. The Kinkan discovery has not yet been formally declared a Commercial Discovery. A proposed development plan contemplates nineteen (19) wells, a 40 MMcf/d gas processing facility and approximately seven (7) kilometres of pipeline connecting to the Mayakan pipeline system, targeting peak gross production of approximately 40 MMcf/d.

The CS.06 Contract establishes a Minimum Work Program (*Programa Mínimo de Trabajo*) expressed in Work Units (*Unidades de Trabajo*). The Initial Minimum Work Program comprises 1,100 Work Units, required to be completed within the Initial Exploration Period. The incremental scenario for the Additional Exploration Period requires Work Units equivalent to the value of two (2) exploratory wells within the contractual area, as defined in Annex 5. Work Unit values are calculated by reference to a per-well reference price indexed to Brent crude oil, as set out in Annex 5, with penalties for non-compliance calculated as 75% of the Work Unit value multiplied by the number of outstanding Work Units. The performance bond securing the Minimum Work Program is sized accordingly. As of September 26, 2025, outstanding Minimum Work Commitments on the CS.06 Block were approximately 41,325 Work Units, representing the obligations required to be satisfied during the Additional Exploration Period.

Under the license modality, the contractor is entitled to the onerous transfer of ownership of all hydrocarbons produced at the designated Measurement Point. In exchange, the contractor is required to pay compensation to the Mexican State (*Contraprestación*) calculated monthly and administered by the FMP, which acts as fiscal agent of the Mexican State. The fiscal structure—set out in Annex 3—differs materially from a production sharing arrangement in that there is no cost recovery

mechanism; the contractor bears all costs and receives production ownership, paying the State its share through royalties and an additional variable compensation. **State Compensation** comprises two (2) elements: A base royalty of 40% of the contractual value of hydrocarbons produced in each period, subject to the Adjustment Mechanism described below. This base rate applies from the commencement of the contract term.The 40% base royalty is adjusted upward based on production volumes, with separate adjustment factors calculated for oil/condensate (indexed against production thresholds of 30,000 bbl/d and 120,000 bbl/d) and non-associated natural gas (indexed against a threshold of 240 MMcf/d). As production increases beyond these thresholds, the State's effective royalty rate increases progressively, ensuring the State captures a greater share of economics at higher production levels. In addition to the base royalty, sliding scale royalties are payable by reference to the contractual price of each hydrocarbon stream: ***Oil***: 7.5% when the contractual oil price is below approximately US$45.95/bbl (2017 base, adjusted annually for US PPI); sliding scale above that level. ***Non-associated natural gas***: 0% when the contractual gas price is at or below approximately US$4.79/MMBtu (2017 base, adjusted annually); sliding scale above that level. ***Condensate***: 5% when the contractual condensate price is below approximately US$57.44/bbl (2017 base, adjusted annually); sliding scale above that level. There is also an Exploratory Phase Contractual Fee that is payable monthly on the portion of the contractual area without an approved Development Plan, at MXN$1,214.11/km² per month during the first 60 months of contract term, increasing to MXN$2,903.54/km² per month thereafter, adjusted annually by the Mexican CPI. The contract includes a fiscal stabilization mechanism under which SHCP may adjust compensation rates to restore the contractor's economic balance if new industry-specific taxes or modifications to existing fiscal elements are introduced after the contract award date. All compensation payments are denominated in US Dollars and are made by the contractor to the FMP by the 17th day of the following month.

Tecolutla License Contract No. CNH-R01-L03-A24/2016

License Contract No. CNH-R01-L03-A24/2016 (the "**Tecolutla Contract**") is a hydrocarbon extraction contract executed on August 25, 2016 under Mexico's license modality. The Tecolutla Contract was entered into between the Comisión Nacional de Hidrocarburos ("**CNH**"), acting on behalf of the Mexican State, and Tonalli Energía, S.A.P.I. de C.V. ("**Tonalli**"), awarded pursuant to international public tender CNH-R01-C03/2015 (Round 1, Third Call). CNH adjudicated the Tecolutla Contract to Tonalli in its 16th Extraordinary Session on December 24, 2015. Unlike the CS.06 and A10.CS contracts — which are greenfield exploration contracts in the Macuspana Basin — the A24 Tecolutla Contract is an extraction contract for a known hydrocarbon field. The Tecolutla field, located in the Tampico-Misantla Basin in the state of Veracruz, has a long production history, and the Tecolutla Contract was structured around the development and extraction of known hydrocarbons rather than frontier exploration. This distinction is reflected in the Tecolutla Contract's structure — it uses an Evaluation Period framework rather than the Exploration/Evaluation/Development sequential model applicable to the Round 2 contracts. Following the 2025 constitutional reform, the CNH was dissolved and its regulatory functions transferred to SENER, which now acts as the government counterparty. All prior CNH Resolutions, approvals and contractual instruments remain valid under the applicable transitional provisions.

The Tecolutla Contract is held by a single contractor party being Tonalli who holds a 100% undivided working interest and is the sole operator.

The contractual area covers approximately 7.162 km² in the municipality of Tecolutla, Veracruz, within the Tampico-Misantla Basin. The area is defined by eight (8) coordinate vertices as set out in Annex 1 to the Tecolutla Contract. No depth restrictions apply. The contractual area is classified as "**Tipo 1**" (*Área Contractual Tipo 1*) under the Round 1 classification framework. The Tecolutla field is the principal hydrocarbon accumulation within the contractual area. Unlike the CS.06 Block—which had no pre-existing wells or infrastructure—the Tecolutla Contractual area contains legacy wells and production infrastructure inherited from prior Pemex operations, which were documented and allocated during the Startup Transition Period in accordance with the Tecolutla Contract. The contractual area is materially smaller than the Macuspana Basin blocks—reflecting the mature, focused nature of this asset versus the frontier exploration character of the CS.06 and A10.CS blocks.

The Tecolutla Contract entered into force on its Effective Date of August 25, 2016, following a 90-day Startup Transition Period. The primary term is 25 years from the Effective Date, expiring on August 25, 2041—five (5) years shorter than the Round 2 contracts. The contractor may apply for extensions starting from the 20th anniversary of the Effective Date (*vigésimo aniversario*): (A) First Additional Period: up to five (5) years (expiring August 25, 2046), subject to commitment to maintain Commercial Production; and (B) Second Additional Period: a further five (5) years (expiring August 25, 2051), subject to same conditions. Extension requests must be submitted at least eighteen (18) months before the expiry of the current term and must be accompanied by a proposed modification to the applicable Development Plans. Total contract term may not exceed 35 years. Surviving obligations—including abandonment, indemnification and environmental liability—continue beyond expiry.

The Tecolutla Contract is structured around an Evaluation Period framework, reflecting its nature as an extraction contract for an existing field. Unlike the Round 2 exploration contracts (CS.06 and A10.CS), there is no initial Exploration Period requiring new discoveries—the Tecolutla field hydrocarbons are known and the contractor's obligation from the outset is to evaluate, develop and produce them. Evaluation Period: The Initial Evaluation Period runs from the Effective Date for the duration specified in the Tecolutla Contract. The contractor must complete the Minimum Work Program (Annex 6) during this period. An Additional Evaluation Period of up to three (3) months per application may be requested, up to a maximum of four applications, providing up to twelve (12) months of additional time to complete evaluation obligations if the contractor is unable to comply due to force majeure or other justifiable circumstances. ***Development Plan***: Upon completion of the Evaluation Period, the contractor submits a Development Plan for SENER approval, which then governs the ongoing extraction program.

The Tecolutla Contract establishes a Minimum Work Program expressed in Work Units (Unidades de Trabajo), set out in Annex 6 (as opposed to Annex 5 in the Round 2 contracts—a structural difference reflecting the Round 1 contract format). The Initial Minimum Work Program comprises 4,600 Work Units for the Tecolutla field, required to be completed during the Initial Evaluation Period. There are zero additional Work Units committed for any Additional Evaluation Period—the total MWP is 4,600 Work Units. Work Unit values for penalty purposes are indexed to Brent crude oil price, ranging from US$767 per Work Unit (Brent below $45/bbl) to US$1,252 per Work Unit (Brent above $100/bbl), with the performance bond sized at 75% of the applicable Work Unit value multiplied by outstanding units.

The Tecolutla Contract employs the Round 1 license fiscal framework, administered by the FMP. The structure is broadly analogous to the Round 2 contracts but with several material differences reflecting the Round 1 bidding parameters. **State Compensation** comprises two elements: **Base Royalty**: The State receives a minimum base royalty of 31.22% of the contractual value of hydrocarbons produced—materially more favourable to the contractor than both the CS.06 (40%) and A10.CS (45%) contracts. This lower rate reflects the competitive Round 1 bidding outcome, the mature field nature of the asset and the capital investment required to reactivate a shut-in field. The 31.22% base royalty is subject to an upward adjustment mechanism based on production volumes, with separate factors for oil/condensate and gas, ensuring the State's effective royalty rate increases as production grows beyond defined thresholds. **Royalties**: Sliding scale royalties apply by hydrocarbon stream: ***Oil***: 7.5% when contractual oil price is below approximately US$45.95/bbl (2015 base, US PPI-adjusted); sliding scale above. ***Non-associated natural gas***: 0% at or below approximately US$5.00/MMBtu (2015 base—slightly higher threshold than Round 2 contracts reflecting the 2015 award date); sliding scale above. ***Condensate***: 5% when contractual condensate price is below approximately US$57.44/bbl (2015 base); sliding scale above. ***Exploratory Phase Contractual Fee***: Not applicable—the Tecolutla Contract does not include an exploratory phase fee given its nature as an extraction contract for an existing field. A contractual fee applies only to portions of the contractual area without an approved Development Plan, using the same MXN/km² monthly structure as the Round 2 contracts. The Tecolutla Contract uses 2015 as the base year for all inflationary adjustments (versus 2017 for the Round 2 contracts), and references the US Producer Price Index in the same manner. All compensation payments are denominated in US Dollars and paid to the FMP by the tenth (10th) business day following the reporting month

INFORMATION CONCERNING THE RESULTING ISSUER

The information concerning the Resulting Issuer and its affiliates contained in this Information Circular has been provided by IFR and Kinjal.

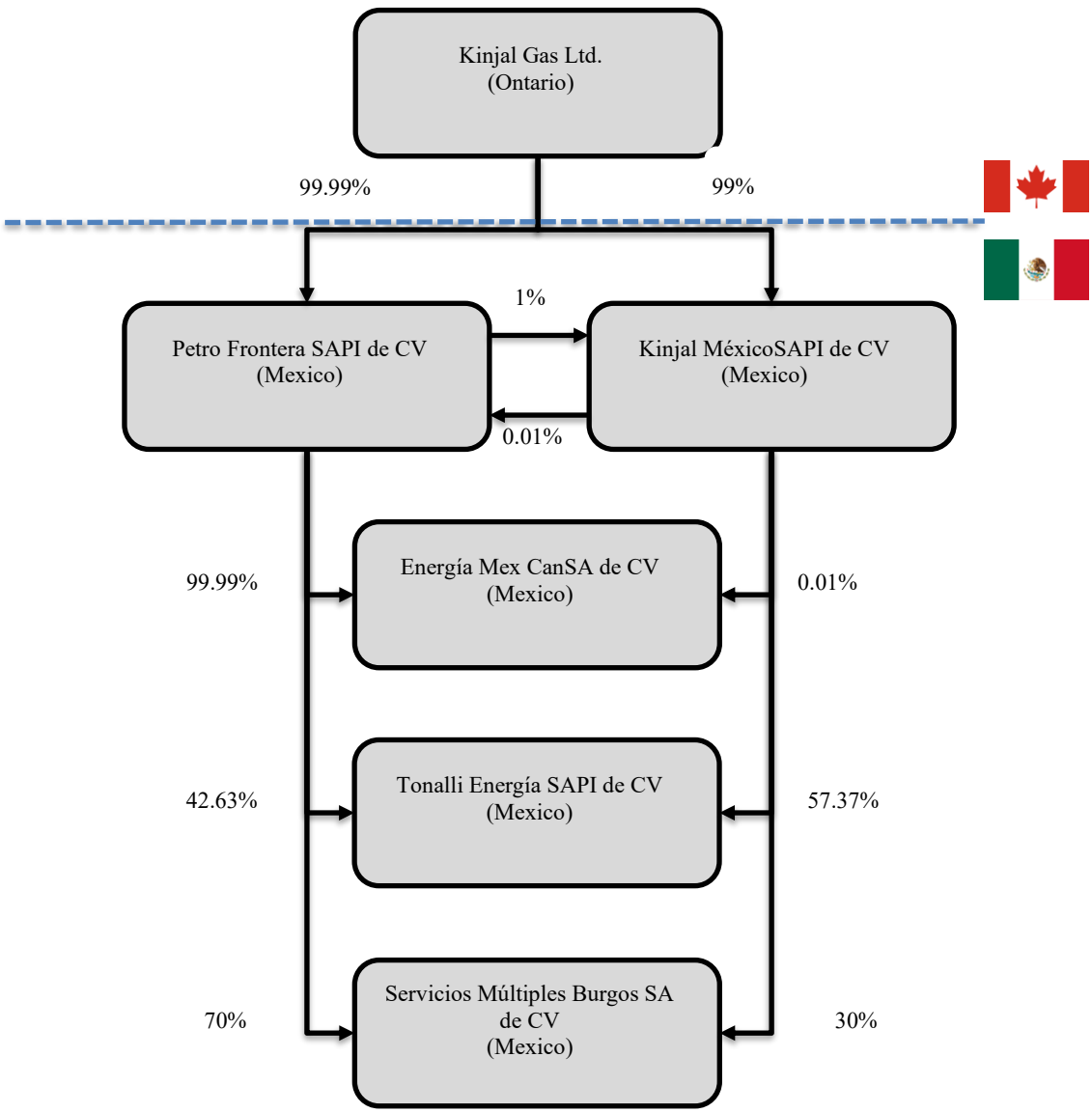
Corporate Structure

Name and Incorporation

Following the completion of the Transaction, the Resulting Issuer will file articles of amendment to change its name to "Kinjal Gas Ltd.", or such other name as may be determined in the sole discretion of the board of directors of the Resulting Issuer.

The Resulting Issuer will be continued to Ontario and will be an Ontario corporation. The Resulting Issuer will change its registered office to 151 Yonge Street, Suite 1500, Toronto, Ontario, M5C 2W7. The head office of the Resulting Issuer will be Horacio 828, Polanco, Miguel Hidalgo,CDMX. C.P 11550.

Pursuant to the Definitive Agreement, IFR Subco will amalgamate with Kinjal, and IFR will acquire all of the issued and outstanding Kinjal Shares in exchange for post-consolidation IFR Shares. The Transaction is structured as a three-cornered amalgamation. As a result of the Amalgamation, Amalco will become a wholly-owned subsidiary of the Resulting Issuer. The



proposed name of the Resulting Issuer will be "Kinjal Gas Ltd.", or such other name as may be agreed to by the board of directors of IFR and approved by the Exchange.

Following completion of the Transaction, the former securityholders of Kinjal, excluding holders of Kinjal Subscription Receipts, will control approximately 35% of the issued and outstanding shares of the Resulting Issuer.

Intercorporate Relationships

Upon completion of the Transaction, Amalco will become a wholly-owned subsidiary of the Resulting Issuer. The following diagram shows the other direct and indirect subsidiaries and affiliates of the Resulting Issuer:

Narrative Description of the Business

Following completion of the Transaction, the Resulting Issuer intends to carry on the business of Kinjal. The Resulting Issuer's near-term objectives include initiating workover and recompletion activities and commencing drilling operations in the Misión Field, with a target to increase gross production there from 60 MMcf/d to over 80 MMcf/d within 6-8 months of closing the Transaction. The Resulting Issuer will complete reactivation activities in the Tecolutla field, finish permitting and preparatory work to drill delineation well(s) on the Kinkan discovery in the CS.06 Block, and prepare to drill exploration prospects in the Misión Field, and the CS.06 and A10.CS Blocks. The Resulting Issuer will also pursue permitting for installation of a gas processing facility and tie-in the CS.06 Block, and develop strategic relationships with industrial, governmental and infrastructure stakeholders to support future downstream and regional energy integration opportunities.

In the medium term, the Resulting Issuer expects to fully develop the Kinkan discovery and any additional discoveries in the CS.06 and A10.CS Blocks, evaluate additional acquisition, farm-in, joint venture or strategic opportunities in Mexico that align with its business strategy and available capital, and assess prospects to expand participation across the broader natural gas value chain—including processing, transportation, energy reliability solutions and industrial partnerships in southern Mexico and the Yucatán Peninsula.

The Resulting Issuer's core goals are to operate safely—protecting people, communities and the environment and treating safety as a precondition of every operating decision—and to comply rigorously with all applicable Mexican regulatory, environmental, health, safety and operational requirements. The Resulting Issuer will allocate capital with discipline, managing liquidity and capital expenditures to prioritize investments that grow production and reserves and generate sustainable returns; expand access to energy to support national energy security; invest in Mexican talent through professional development and local-hiring programs; engage communities and support local development; contribute to long-term economic development in southern Mexico by advancing energy infrastructure for industrial growth and quality of life; and promote a responsible energy transition by positioning natural gas as a practical, lower-emission complement to Mexico's evolving energy matrix.

Milestones

Following the completion of the Transaction, the following table sets forth the Resulting Issuer's business objectives and milestones, including specific time periods and estimated costs:

Objectives	Time Frame to Complete	Estimated Cost
Initiate workover and recompletion activities in the Misión Field.	30-45 days post closing of RTO	US$350-US$500k per well
Initiate drilling operations in the Misión Field.	90-120 days post closing of RTO	~US$3.5 million per well
Increase gross production in the Misión Field from 60 MMcf/d to over 80 MMcf/d within 6-8 months of closing the Transaction.	~6 months post closing of RTO	~ US$15-20M depending on well performance

Objectives	Time Frame to Complete	Estimated Cost
Complete reactivation activities in the Tecolutla field.	Under evaluation	~$400K
Complete permitting and preparatory work to drill the delineation well(s) on the Kinkan discovery in CS.06, and to prepare to drill exploration prospects in the Misión Field, CS.06 and A10.CS fields.	6-18 months (depending on well permitting complexity) post closing of RTO	Total of US$3 Million for all 8 wells
Prepare permitting activities for the installation of a gas processing facility and tie in in the CS.06 field.	12 months post closing of RTO	~US$600,000
Develop strategic relationships with industrial, governmental and infrastructure stakeholders to support future downstream and regional energy integration opportunities.	Ongoing	Nominal, internal costs
Fully develop the Kinkan discovery (and any additional discoveries) in the CS.06 and A10.CS blocks.	18-24 months	Total capital expenditure up to US$15-US$20M Million. Exact amount dependent on evaluation wells
Evaluating additional acquisition, farm-in, joint venture or strategic opportunities in Mexico that are consistent with Kinjal's business strategy and available capital.	Ongoing	Nominal
Evaluate opportunities to expand Kinjal's participation across the broader natural gas value chain, including processing, transportation, energy reliability solutions and industrial partnerships in southern Mexico and the Yucatán Peninsula.	Ongoing	Nominal

Kinjal's Core Goals
Operate safely. Protect our people, communities and the environment, with safety treated as a precondition of every operating decision.
Comply rigorously. Meet or exceed all applicable Mexican regulatory, environmental, health, safety and operational requirements.
Allocate capital with discipline. Manage liquidity and capital expenditures, prioritizing investments that grow production and reserves and generate sustainable returns.
Expand access to energy. Help deliver natural gas to areas of Mexico that currently lack reliable access, supporting national energy security.
Invest in Mexican talent. Develop local expertise through professional development and structured local-hiring programs.

Kinjal's Core Goals
Engage our communities. Build durable relationships and support development in the areas where the Resulting Issuer operates.
Support the long-term economic development of southern Mexico by contributing to the energy infrastructure required for industrial growth, competitiveness and quality of life.
Promote a responsible energy transition by positioning natural gas as a practical and lower-emission complement to Mexico's evolving energy matrix.

Description of Securities

The authorized share capital of the Resulting Issuer will be the same as IFR and will consist of an unlimited number of common shares. Each Resulting Issuer Share will entitle the holder to one (1) vote at meetings of shareholders of the Resulting Issuer. The holders of Resulting Issuer Shares will be entitled to receive dividends if, as and when declared by the board of directors, subject to the rights of holders of any other class of shares of the Resulting Issuer ranking in priority. It is not contemplated that dividends will be paid in the immediate future. In the event of the liquidation, dissolution or winding-up of the Resulting Issuer or other distribution of assets among its shareholders for the purpose of winding-up its affairs, the holders of Resulting Issuer Shares will be entitled to receive, on a pro rata basis, all of the remaining assets of the Resulting Issuer after payment of all outstanding liabilities, subject to the rights of holders of any other class of shares ranking in priority. The holders of Resulting Issuer Shares will not have pre-emptive rights. The Resulting Issuer Shares are not convertible into or exchangeable for any other securities. The Resulting Issuer Shares are not subject to redemption, retraction or purchase for cancellation. There are no provisions restricting the issuance of additional Resulting Issuer Shares.

The Resulting Issuer Warrants will be governed by the Warrant Indenture to be entered into on the Effective Date between the Resulting Issuer and the Warrant Agent. Each Resulting Issuer Warrant will entitle the holder to acquire one (1) Resulting Issuer Share at an exercise price of $1.05 per share for a period of 36 months following the Effective Date, subject to adjustment in accordance with the Warrant Indenture. The Resulting Issuer Warrants will not entitle the holders thereof to any voting rights or any other rights as shareholders of the Resulting Issuer until such Warrants have been exercised. The exercise price and the number of Resulting Issuer Shares issuable upon exercise of each Resulting Issuer Warrant are subject to adjustment upon the occurrence of certain events as described in the Warrant Indenture. See "*Summary — Material Terms of the Warrant Indenture*" and "*Resulting Issuer Warrants and Supplementary Listing*". There are no restrictions on the transferability of the Resulting Issuer Shares, other than restrictions imposed by applicable securities laws and the policies of the Exchange, including statutory hold periods and escrow, pooling and resale restrictions. See "*Escrowed Securities*" and "*Securities Law Matters*".

Immediately following completion of the Transaction and assuming completion of the Share Consolidation, the Amalgamation, the Concurrent Financing and the Mexican Asset Transactions, the Resulting Issuer is expected to have approximately 78,563,788 Resulting Issuer Shares issued and outstanding on a non-diluted basis and approximately 116,946,380 Resulting Issuer Shares issued and outstanding on a fully diluted basis. See "*Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital*".

Proforma Capitalization

The following table sets out the pro forma share and loan capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Transaction, the Share Consolidation, the Concurrent Financing, the Mexican Asset Transactions, the Debt Facility and any other transactions contemplated by this Information Circular, based on the pro forma consolidated financial statements contained in Appendix "G".

Designation of Security	Amount authorized or to be authorized	Amount outstanding after Giving Effect to the Transaction	Exercise Price
Common Shares	Unlimited	78,563,788	
Former IFR Warrants	628,077	628,077	$1.30
Former IFR Broker Warrants	125,615	125,615	$0.65
Warrants Issued pursuant to Subscription Receipt(1)	23,848,817	23,848,817	$1.05
Broker Warrants	2,924,071	2,924,071	$0.80
Broker Warrant warrants(1)	1,462,035	1,462,035	$1.05
Warrants Issued in connection with Debt Facility(1)	3,000,000	3,000,000	$1.05
Options	10% of the issued and outstanding Common Shares	4,565,181	$1.05
RSU	7,856,378	1,228,795	N/A

Note:
(1) To be listed on the TSXV, subject to and governed by the Warrant Indenture.

Pro-Forma Fully Diluted Share Capital

The following table sets out the diluted share capital of the Resulting Issuer after giving effect to the Transaction.

Issued Securities	Number of Securities	Percentage of Total After Giving Effect to the Transaction (Non-Diluted)	Percentage of Total After Giving Effect to the Transaction (Fully Diluted)
Common Shares issued to existing security holders of IFR on a post consolidated basis	3,214,261	4.09%	2.76%
Proposed Bonus Shares to be issued	237,500	0.30%	0.20%
Common Shares issued to holders of Kinjal Shares	27,414,394	34.89%	23.56%
Common Shares issued to holders of IFR Subscription Receipts	7,350,000	9.36%	6.32%
Common Shares issued to holders of Kinjal Subscription Receipts (Excluding Kinjal SAFE Holders)	35,493,875	45.18%	30.51%
Common Shares issued to holders of Kinjal Subscription Receipts (Former Kinjal SAFE Holders)	4,853,758	6.18%	4.17%
Total (Non-Diluted)	**78,563,788**	**100.00%**	**67.52%**

Securities Reserved for Future Issue:	Number of Securities	Percentage of Total After Giving Effect to the Transaction (Non-Diluted)	Percentage of Total After Giving Effect to the Transaction (Fully Diluted)
Shares issuable in connection with the exercise of outstanding IFR Warrants	628,077	0.7994%	0.5371%
Shares issuable in connection with the exercise of outstanding IFR Broker Warrants	125,615	0.160%	0.107%
Shares issuable on exercise of warrants issued to holders upon conversion of the IFR Subscription Receipts	3,675,000	4.678%	3.142%
Shares issuable on exercise of warrants issued to holders upon conversion of the Kinjal Subscription Receipts (Non Kinjal SAFE Holders)	17,746,938	22.589%	15.175%
Shares issuable on exercise of warrants issued to holders upon conversion of the Kinjal Subscription Receipts (Former Kinjal SAFE Holders)	2,426,879	3.089%	2.075%
Shares issuable on exercise of Broker Warrants issued in connection with Concurrent Financing	2,924,071	3.722%	2.500%
Shares issuable in connection with exercise of Warrants issuable on exercise of Concurrent Financing Broker Warrants	1,462,035	1.861%	1.250%
Shares issuable for Warrants issued in connection with Debt Facility	3,600,000	4.582%	3.078%
Shares issuable in connection with the exercise of Stock Options to be granted to management of the Resulting Issuer	4,565,181	5.811%	3.904%
Shares issuable in connection with the exercise of RSU's to be granted to management of the Resulting Issuer	1,228,795	1.564%	1.051%
Total Convertible Securities	**38,382,591**	48.86%	32.82%
TOTAL (Fully Diluted)	**116,946,380**		

Estimated Available Funds and Principal Purposes

Estimated Available Funds

Based on information available as at October 1, 2026, upon completion of the Transaction, the Resulting Issuer is expected to have up to $25,741,842 in available funds, which includes the following:

Estimated Funds Available	$CDN
Pro forma consolidated working capital[(1)]	$1,691,850
Concurrent Financing	$37,381,505
Exercise of IFR convertible securities	$199,500
Debt Facility, net[(2)(3)]	$32,928,150
Estimated fees and expenses of the Transaction excluding financing fees.	$(1,897,670)
Financing fees	$(2,563,348)

Estimated Funds Available	$CDN
Acquisition Closing Payments for the Mexican Asset transactions	$(41,998,145)
Total Estimated Available Funds	$25,741,842

Notes:

(1) Represents the estimated consolidated working capital of the Resulting Issuer as at August 31, 2026, calculated after giving effect to the Transaction and including US$2,500,000 ($3,466,500) of SMB working capital to be retained at closing pursuant to the SMB Purchase Agreement.
(2) Canadian dollar equivalent
(3) Represents the US$25.0 million Debt Facility drawn at closing, net of fees and expenses.

Principal Purposes

Based on information available as at October 1, 2026 the following table sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Transaction and the current estimated amounts to be used for each such principal purpose:

Principal Use of Available Funds	Amount
Field optimization, recompletions, infill drilling, facilities, maintenance capital and related development activities on the Misión Field	$10,000,000
Earn-in obligations, drilling and development planning, technical work, facilities planning and related costs for the CS.06 Block/A10.CS Block	$10,000,000
General Corporate and administrative Expenses for eighteen (18) month period	$5,741,842

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds is necessary in order for the Resulting Issuer to achieve its objectives as set out in this Information Circular.

The estimated consolidated working capital of the Resulting Issuer as at August 31, 2026, being the most recent month end prior to the date of this Information Circular, is estimated to be $1,691,850. Included in the estimated available funds and principal purposes described above, amounts of approximately $3,968,450 are expected to be paid or payable to Non-Arm's Length Parties of the Resulting Issuer, including but not limited to: (a) approximately $3,094,890 in respect of executive compensation payable to the Named Executive Officers (see "*Executive Compensation*"); and (b) approximately $873,560 in respect of Directors Fees (see "*Director Compensation*").

Working Capital and Financial Resources

Based on the estimated available funds described above and the Resulting Issuer's anticipated use of proceeds, the Resulting Issuer expects to have sufficient Working Capital and Financial Resources to fund its operations and stated work program for at least eighteen (18) months following completion of the Transaction.

Dividends

It is not contemplated that any dividends will be paid in the immediate or foreseeable future following completion of the Transaction.

Principal Securityholders

To the knowledge of management of IFR and Kinjal, following completion of the Transaction, the following Persons are anticipated to beneficially own, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer:

Shareholder	Number of Shares	Percentage
Frontier Advisory Hul'Che Ltd.[1]	24,043,067[2][3]	30.8%

Notes:

(1) A corporation controlled by Warren Levy, Chief Executive Officer and Director.

(2) Includes 17,013,268 shares held by founding shareholders of Kinjal who have granted a voting trust to Mr. Levy in respect of such shares.

(3) Includes 1,659,786 shares held by Frontier Advisory Hul'Che Ltd. in trust for the benefit of future employees and management of Kinjal.

Directors, Officers and Promoters

The following table lists the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer upon completion of the Transaction, their proposed positions and offices to be held with the Resulting Issuer, and their principal occupations or employment and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each upon completion of the Transaction.

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director or Officer has served as a director or Officer of Kinjal	Proposed Position With the Resulting Issuer	Number of Resulting Issuer Shares (% undiluted)
Warren Levy (Mexico City, Mexico)	Owner of Frontier Advisory Hul'Che Ltd.; former Chief Executive Officer of Jaguar Energy Services; previously held leadership roles at President Energy and Pentanova Energy Corp.; founder and former Chief Executive Officer of Estrella International Energy Services.	Since Inception	Chief Executive Officer and Director	7,029,799[1][2][3] (8.95%)
Alvaro Ranero (Barcelona, Spain)	Over the past five years, Mr. Ranero has held executive management roles with Repsol S.A., most recently as Managing Director of Groupement Reggane Nord, a gas-producing joint venture between Repsol and Sonatrach in Algeria, where he has been responsible since October 2024 for upstream operations, development drilling and capital projects, with an annual budget in excess of US$200 million and an organization of more than 400 employees.	Since August 2026	Chief Operating Officer	1,825,739 (2.32%)
Margaret Souleles (Calgary, Canada)	Chartered Professional Accountant with over 25 years of experience in Canadian and international finance, accounting, administration, taxation, financial reporting and compliance; Chief Financial Officer of IFR; previously with Grant Thornton LLP.	On completion of the Transaction	Chief Financial Officer	1,218,803 (1.43%)

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director or Officer has served as a director or Officer of Kinjal	Proposed Position With the Resulting Issuer	Number of Resulting Issuer Shares (% undiluted)
Sergio Limardo (Mexico City, Mexico)	From 2017 to December 2024, Mr. Limardo served as Country Manager of Repsol Exploración México S.A. de C.V., where he established and led the company's full Mexico country organization with accountability for strategy, capital deployment exceeding US$1 billion, regulatory interface, and joint venture governance across offshore exploration and production assets. He represented Repsol in Operating Committee proceedings and partner negotiations, directed regulatory strategy across multiple licensing rounds, and served as executive interface with Mexican federal authorities during major policy transitions. From January 2025 to June 2026, he served as Senior Advisor, E&P Americas at Repsol in Houston, Texas.	Since Inception	Chief Commercial Officer	1,284,771 (1.64%)
Emilse Barragan (Mexico City, Mexico)	Natural resources executive with 20 years of experience across Latin America, including leadership roles in supply chain, human resources and sustainability; former head of human resources, sustainability, supply chain and strategic planning for Jaguar in Mexico.	Since Inception	Chief Administrative Officer	1,124,013 (1.43%)
James Leech (Toronto, Canada)	Partner in the Corporate Finance & Securities and Corporate/Commercial Groups at Torkin Manes LLP; advises on mergers and acquisitions, corporate finance, securities, private equity, joint ventures, funds, partnerships, corporate governance and continuous disclosure matters.	Since Inception	Corporate Secretary	211,778 (0.27%)
James Edmiston (Houston, US)[(4)]	Oil and gas executive with extensive global experience; formerly held senior positions with Conoco and ConocoPhillips Company; former President of Dubai Petroleum Company; former President and Chief Executive Officer of Harvest Natural Resources, Inc.; former director and Chairman of Jaguar Exploración y Producción in Mexico.	On completion of the Transaction	Board Chairman and Director	286,059 (0.36%)
Brooks Klimley (New York, NY)	Energy-focused investment banker with over 35 years of experience; currently a director of Antero Midstream Corp. and professor of Energy Policy and Sustainable Energy Finance at Columbia University.	On completion of the Transaction	Director	286,059 (0.36%)

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director or Officer has served as a director or Officer of Kinjal	Proposed Position With the Resulting Issuer	Number of Resulting Issuer Shares (% undiluted)
Miles Lewis (Mexico City, Mexico)	Investment banking and capital markets executive; formerly Head of Equity Derivative Sales at Credit Lyonnais Securities, Managing Director of Compass Investment Management, LLC's technology venture arm and Director of Strand Hanson; founder of Neogreen Hydrogen Corp.; former advisor to Jaguar E&P.	On completion of the Transaction	Director Vice President, Capital Markets and Business Development	1,211,936 (1.54%)
Tony Kinnon(4) (Calgary, Canada)	Energy finance executive with experience in valuation, structuring and raising capital for energy companies; most recently Chief Executive Officer and Chairman of IFR; formerly Managing Director, Energy Banking at PI Financial and Director of Public Venture Capital at Macquarie Private Wealth and Richardson Partners.	On completion of the Transaction	Director	1,576,006 (2.01%)
Arnaud de Limelett(4) (Houston, USA)	Commercial, business development and finance executive with experience in petroleum and floating infrastructure projects, including projects in Latin America and Africa.	On completion of the Transaction	Director	1,010,043 (1.29%)
Ignacio Quesada (Mexico City, Mexico)	Partner at McKinsey & Co. Mexico.	On completion of the Transaction	Director	87,557 (0.11%)
Guadelupe Rodriguez (Miami Beach, Florida)	Chief Strategy Officer for Tailpot Holding, Talipot Holdings, a global single-family office with investments across venture capital, private equity, infrastructure, technology, media, energy transition, and strategic cross-border opportunities	On completion of the Transaction	Director	87,557 (0.11%)

Notes:

(1) Held by Frontier Advisory Hul'Che Ltd., a BVI corporation controlled by Mr. Levy.
(2) Includes 1,659,786 shares held by Frontier Advisory Hul'Che Ltd., in trust, a BVI corporation controlled by Mr. Levy, which shares are being held in trust for future employees and management of Kinjal.
(3) Excludes 17,013,268 shares held by founding shareholders of Kinjal who have granted a voting trust to Mr. Levy in respect of such shares.
(4) Member of the audit committee.

Corporate Cease Trade Orders or Bankruptcies

Except as described herein, no proposed director, officer, promoter or control person, is, as at the date hereof, or has been, within ten (10) years before the date hereof, a director, officer, promoter or control person of any person or company that, while that person was acting in that capacity: (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than thirty (30) consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

Except as described herein, no proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding

company of any such persons has, within the ten (10) years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter.

Penalties or Sanctions

Except as described herein, no proposed director, officer, promoter or control person, is, as at the date hereof, or within ten (10) years before the date hereof has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Conflicts of Interest

Except as disclosed herein, neither Kinjal or IFR is aware of any existing or potential material conflicts of interest between the Resulting Issuer or a subsidiary of the Resulting Issuer and a proposed director, officer or promoter of the Resulting Issuer or a subsidiary of the Resulting Issuer.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five (5) years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Warren Levy	Element79 Gold Corp.	CSE	Director, Chairman	2024	Present
Brooks Klimley	Antero Midstream Corp. (Delaware)	NYSE	Director	2019	Present
Tony Kinnon	International Frontier Resources Corp. (Alberta)	TSXV	Chief Executive Officer, Chairman	2019	Present
Margaret Souleles	International Frontier Resources Corp. (Alberta)	TSXV	Chief Financial Officer, Corporate Secretary and Director	2007	Present

Biographical Information

Brief biographies of each of the proposed directors and executive officers of the Resulting Issuer are set forth below.

Warren Levy — Chief Executive Officer and Director, Mexico City, Mexico, Age 51

Mr. Levy brings over thirty (30) years of experience in developing natural resource projects globally. He is the owner of Frontier Advisory Hul'Che Ltd., which focuses on sustainable project development and capital deployment in Latin America. Mr. Levy previously served as Chief Executive Officer of Jaguar Energy, a private natural gas company in Mexico, and held leadership roles at President Energy and Pentanova Energy Corp. As founder and Chief Executive Officer of Estrella International Energy Services, Mr. Levy grew the company from a start-up to a workforce of more than 2,500 employees with 45 rigs across seven (7) Latin American countries. Prior to Estrella, he held senior management positions with SLB (formerly Schlumberger) in Latin America, the United States and Asia. Mr. Levy has experience across more than twenty (20) countries, including unconventional, remote, hostile and geothermal operations, and has been involved in raising capital for energy, mining, geothermal, technology and digital media businesses in Latin America.

Alvaro Ranero — Chief Operating Officer, Barcelona, Spain, Age: 49

Álvaro Ranero is an international oil and gas executive with more than 25 years of experience leading upstream operations, major capital projects, and business growth across Europe, North Africa, North America, and Latin America. During his career with Repsol, Mr. Ranero has held several senior executive positions, including Managing Director of Groupement Reggane Nord in Algeria, Global Projects & Facilities Director, Director of Mexico Assets, and Technical Services Director at Repsol Sinopec UK. Throughout these roles, he has been responsible for major upstream operations, multi-billion-dollar capital projects, and international business performance. Mr. Ranero has extensive experience in executive leadership, operational excellence, project execution, joint venture governance, and value creation. He holds a Bachelor of Science in Petroleum Engineering from the Colorado School of Mines and an Executive MBA from INSEAD.

Margaret Souleles — Chief Financial Officer, Calgary, Alberta, Canada, Age 54

Ms. Souleles is a Chartered Professional Accountant with over 25 years of experience in Canadian and international finance, accounting and administration, taxation, financial reporting and compliance. Ms. Souleles has extensive oil and gas experience in various financial and compliance-related roles as Chief Financial Officer of IFR. Prior to that, she spent eight (8) years in the audit department of Grant Thornton LLP.

Emilse Barragan — Chief Administrative Officer, Mexico City, Mexico, Age 48

Ms. Barragan has 20 years of experience with natural resource companies across Latin America, including leadership roles in supply chain, human resources and sustainability. Ms. Barragan was head of human resources, sustainability, supply chain and strategic planning for Jaguar in Mexico for six years. She holds a degree in International Trade and an MBA from Heriot-Watt University.

Sergio Limardo — Chief Commercial Officer, Mexico City, Mexico, Age 54

Mr. Limardo is a senior upstream oil and gas executive with 28 years of international experience in M&A, commercial negotiations, joint venture governance, and government relations across Latin America, Europe, and Africa. He is a co-founder of Kinjal Gas Ltd. and serves as Chief Commercial Officer, with responsibility for commercial strategy, asset acquisitions, and regulatory positioning.

From 2017 to December 2024, Mr. Limardo served as Country Manager of Repsol Exploración México S.A. de C.V., where he established and led the company's full Mexico country organization with accountability for strategy, capital deployment exceeding US$1 billion, regulatory interface, and joint venture governance across offshore exploration and production assets. He represented Repsol in Operating Committee proceedings and partner negotiations, directed regulatory strategy across multiple licensing rounds, and served as executive interface with Mexican federal authorities during major policy transitions. From January 2025 to June 2026, he served as Senior Advisor, E&P Americas at Repsol in Houston, Texas.

Prior to his country leadership role, Mr. Limardo served as Manager, Business Development – Latin America at Repsol from 2013 to 2017, where he executed farm-in and farm-out transactions exceeding US$300 million and structured production sharing contracts and joint venture frameworks across the region. From 2011 to 2013, he was Senior Commercial Negotiator at Talisman Energy, where he structured and executed a US$150 million farm-down of Peruvian exploration assets and negotiated upstream agreements across Latin America and West Africa. From 2006 to 2011, Mr. Limardo served as Commercial Advisor at Hess Corporation, where he led commercialization strategy for Norwegian gas assets and negotiated international E&P agreements and joint operating arrangements. From 1998 to 2006, he served as Lawyer and Commercial Negotiator at Total S.A., where he structured and negotiated joint operating agreements, licenses, and production sharing contracts across Europe, Latin America, and Africa, supporting development agreements with an aggregate value exceeding US$1 billion.

Mr. Limardo served as a Board Member of AMEXHI (Asociación Mexicana de Empresas de Hidrocarburos Independientes) from 2018 to 2023. He holds an MBA from Texas A&M University, an LL.M. in International Trade Law from Temple University, and an LL.B. from Universidad Católica Andrés Bello. He is fluent in English, Spanish, and French.

James Leech — Corporate Secretary, Toronto, Ontario, Canada, Age 50

Mr. Leech is a Partner in the Corporate Finance & Securities and Corporate/Commercial Groups at Torkin Manes LLP. He regularly advises on a broad range of corporate, commercial and business law matters, with an emphasis on mergers and acquisitions, corporate finance, securities, private equity, joint ventures, funds and partnerships. Mr. Leech has extensive experience in public and private company mergers and acquisitions, prospectus offerings, private placement financings, transactions involving Capital Pool Companies, corporate governance and continuous disclosure obligations.

James Edmiston — Board Chairman and Director, Houston, Texas, United States, Age 67

Mr. Edmiston has over forty (40) years of experience in the oil and gas industry with extensive global experience. He previously held various senior positions with Conoco and ConocoPhillips Company, where he was last President of Dubai Petroleum Company. He also served as President and Chief Executive Officer of Harvest Natural Resources, Inc. for thirteen (13) years. Mr. Edmiston previously served as a director and Chairman of Jaguar Exploración y Producción in Mexico.

Ignacio Quesada — Director, Mexico City, Mexico, Age 60

Dr. Ignacio Quesada re-joins the Board of Directors of IFR, bringing his extensive energy sector expertise and a deep understanding of Mexico's regulatory landscape. Ignacio has over twenty (20) years of experience leading operational and financial performance improvement programs, including restructuring initiatives for energy services companies. He is expected to serve as an independent director and will assist IFR and Kinjal in maintaining appropriate governance and board composition as the parties continue to advance the Transaction. Ignacio is a former Partner at McKinsey & Company, where he led the Mexico Transformation Practice until 2025. He was Managing Director at Alvarez & Marsal from 2013 to 2019. From 2008 to 2013, Ignacio served as Chief of Staff to the Minister at Mexico's Treasury Ministry, the Ministry of Social Development and served as the Chief Financial Officer and a Board Council member of Petróleos Mexicanos (Pemex) where he oversaw budget management, treasury, capital markets, and investor relations. He holds a PhD in Chemical Engineering and Operations Research from Carnegie Mellon University and a BSc in Chemical Engineering from the Universidad Nacional Autónoma de México.

Guadelupe Rodriguez — Director, Miami Beach, Florida, United States, Age 51

Guadelupe Catarina Rodriguez is a global investment executive, strategist, and governance advisor operating at the intersection of private capital, geopolitics, and institutional leadership. She currently serves as Chief Strategy Officer of Talipot Holdings, a global single-family office with investments across venture capital, private equity, infrastructure, technology, media, energy transition, and strategic cross-border opportunities. Rodriguez specializes in long-term capital allocation, governance architecture, and geopolitical risk analysis, with a particular focus on how shifts in global power, technology, regulation, security, and economic policy shape institutional resilience and investment strategy. She is Founder and Chairman of the Good Governance Institute, an independent platform focused on governance, leadership, institutional trust, and the evolving role of private capital in global society. Her work and writing examine the intersection of finance, democracy, technological transformation, and geopolitical stability. Rodriguez is an active participant in leading global forums and policy dialogues, including the Milken Institute, international family office summits, institutional investor conferences, the Aspen Institute and cross-sector convenings focused on finance, security, innovation, and economic transformation.

Brooks Klimley — Director, New York, New York, United States, Age 69

Mr. Klimley has over 35 years of experience as an energy-focused investment banker, completing transactions globally. He is currently a director of Antero Midstream Corp. and serves as a professor of Energy Policy and Sustainable Energy Finance at Columbia University in New York. His executive experience includes roles with The Silverfern Group, CIT Energy, Citigroup, Bear Stearns, UBS and Kidder, Peabody & Co.

Miles Lewis — Director, VP Capital Markets and Business Development, Mexico City, Mexico, Age 62

Mr. Lewis has over thirty (30) years of investment banking experience on both the buy-side and sell-side transactions. He was formerly Head of Equity Derivative Sales at Credit Lyonnais Securities, Managing Director of Compass Investment Management, LLC's technology venture arm and a Director of Strand Hanson Limited, a London-based energy and natural

resources-focused merchant bank. Mr. Lewis was a founder of Neogreen Hydrogen Corp., has lived in Latin America for eighteen (18) years and was formerly an advisor to Jaguar E&P.

Tony Kinnon — Director, Calgary, Alberta, Canada, Age 61

Mr. Kinnon has over 25 years of experience focusing on valuation, structuring and raising capital for energy companies. His professional roles include Managing Director, Energy Banking at PI Financial, and Director of Public Venture Capital at Macquarie Private Wealth and Richardson Partners. He has been involved in taking more than 100 companies public in Canada. Most recently, Mr. Kinnon served as Chief Executive Officer and Chairman of the Board of IFR.

Arnaud de Limelette — Director, Houston, Texas, United States, Age 48

Mr. de Limelette has over twenty (20) years of experience in commercial, business development and finance roles, including more than fourteen (14) years focused on petroleum and floating infrastructure projects globally. His experience includes the first FLNG export project in Argentina, as well as project and conventional finance experience in Latin America and Africa. Mr. de Limelette has led multicultural teams and supervised projects on five (5) continents.

Executive Compensation

Compensation Discussion and Analysis

It is anticipated that upon closing of the Transaction, the Resulting Issuer will enter into executive employment agreements with the senior officers of the Resulting Issuer. Under the terms of these agreements, it is anticipated that the officers will be entitled to receive an annual base salary, annual performance bonuses contingent upon the achievement of specific corporate and individual performance milestones determined by the Board, subject to annual review by the Compensation Committee, and customary health and medical benefits.

It is anticipated that the aforementioned agreements will include termination and change of control provisions that are customary in the circumstances. The Resulting Issuer may terminate an officer's employment at any time for just cause without notice or severance beyond any requirements under Mexican law, if applicable. If an officer is terminated without cause, they will receive a lump-sum severance payment equal to twelve (12) months' base salary (eighteen (18) months for the CEO) plus a pro-rated bonus for the current fiscal year, continuation of health benefits for twelve (12) months, and immediate vesting of any stock options or equity awards that would have vested within six (6) months of the termination date. Officers are also subject to restrictive covenants, including non-disclosure obligations, a 12-month post-termination non-solicitation covenant, and a six-month post-termination non-competition covenant applicable to the natural gas sector in Mexico.

The following chart is reflective of the anticipated compensation that will be paid to the Named Executive Officers of the Resulting Issuer

Name and Principal Position	Base Salary (US$)	Target Bonus (US$)	Total Comp. (US$)
Warren Levy Chief Executive Officer	$444,000	$333,000	$777,000
Alvaro Raneo Chief Operating Officer	$350,000	$233,000	$583,000
Margaret Souleles Chief Financial Officer	$180,000	$90,000	$270,000
Sergio Limardo Chief Commercial Officer	$250,000	$125,000	$375,000
Emilse Barragan Chief Administration Officer	$264,000	$132,000	$396,000

It is also anticipated the Named Executive Officers will be eligible to participate in the Omnibus Plan to incentivize the participants to achieve the longer-term objectives of the Resulting Issuer, to give suitable recognition to the ability and industry of such Persons who contribute materially to the success of the Resulting Issuer; and to attract and retain Persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Resulting Issuer. See "*Information Concerning The Resulting Issuer – Option Based Compensation*".

Director Compensation

Upon completion of the Transaction, the Directors of the Resulting Issuer will determine how much, if any, compensation will be paid to directors for services rendered to the Resulting Issuer by them in that capacity. It is anticipated that the Directors will receive annual compensation for acting as a director of US$50,000, plus $5,000 for each committee on which they sit, and an additional $5,000 for each committee for which they chair.

It is also anticipated the Directors will be eligible to participate in the Omnibus Plan to incentivize the participants to achieve the longer-term objectives of the Resulting Issuer, to give suitable recognition to the ability and industry of such Persons who contribute materially to the success of the Resulting Issuer; and to attract and retain Persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Resulting Issuer. See "*Information Concerning The Resulting Issuer – Option Based Compensation*".

Indebtedness of Directors and Officers

No director, officer, promoter, member of management or nominee for election as a director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to IFR or Kinjal or is expected to be indebted to the Resulting Issuer following the completion of the Transaction.

Investor Relations Arrangements

The Resulting Issuer has not entered into any arrangement for promotional and investor relations services following completion of the Transaction. In the event that the Resulting Issuer engages any Person to provide investor relations services following completion of the Transaction, any Options granted to such Person must vest in stages over a period of not less than 12 months, such that: (A) no more than 1/4 of the Options vest no sooner than three months after the Options were granted; (B) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted; (C) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and (D) the remaining 1/4 of the Options vest no sooner than 12 months after the Options were granted. Additionally, the Plan Administrator may not permit the acceleration of vesting of any Options granted to Persons employed to provide investor relations activities without the prior written approval of the Exchange.

Option Based Compensation

Upon completion of the Transaction, the Resulting Issuer may issue incentive stock options and restricted share units pursuant to the Omnibus Plan. It is anticipated that the Resulting Issuer will issue the following securities under the Omnibus Plan at listing to its senior officers and directors:

Name	Stock Options	RSU's
Warren Levy Chief Executive Officer	958,685	239,671
Alvaro Ranero Chief Operating Officer	639,124	159,781
Margaret Souleles Chief Financial Officer	639,124	159,781
Sergio Limardo Chief Commercial Officer	639,124	159,781
Emilse Barragan Chief Administration Officer	639,124	159,781
James Edmiston Director	150,000	50,000

Name	Stock Options	RSU's
Brooks Klimley Director	150,000	50,000
Miles Lewis Director	150,000	50,000
Tony Kinnon Director	150,000	50,000
Arnaud de Limelette Director	150,000	50,000
Guadelupe Rodriguez Director	150,000	50,000
Ignacio Quesada Director	150,000	50,000
Total	**4,565,181**	**1,228,795**

The exercise price of each Option granted at listing will be the greater of (a) Market Price of the Common Shares on the date of grant, and (b) $1.05 per Common Share. Each Option will have a term of five (5) years from the date of grant and will vest as to one-third on each of the first, second and third anniversaries of the date of grant, subject to the terms of the Omnibus Plan and the applicable Award Agreement. The RSUs are expected to vest as to one-third on each of the first, second and third anniversaries of the date of grant and will be settled in Common Shares, cash or a combination thereof at the discretion of the Plan Administrator, based on the Market Price of a Common Share on the relevant date. The specific number and allocation of Options and RSUs to be granted at listing has not yet been finalized and will be determined by the Plan Administrator in its discretion, subject to the limits set forth in the Omnibus Plan. See "*Resulting Issuer Omnibus Equity Compensation Plan*" and Appendix "I".

Resulting Issuer Omnibus Equity Compensation Plan

Upon completion of the Transaction, the equity incentive plan for Resulting Issuer will be the Omnibus Plan. See "*Particulars of Matters to be Acted Upon – Approval of Omnibus Equity Incentive Plan.*"

Escrowed Securities

The TSXV will generally require that all securities held by Principals of the Resulting Issuer which will be outstanding on the completion of the Transaction, and those which will be issued subsequently in connection with the Transaction (collectively, "**Principal Securities**"), be escrowed. In addition, all securities that would have been considered Principal Securities if they had not been transferred, but which have been transferred from a Principal of the Resulting Issuer to a Person who is not a Principal of the Resulting Issuer within the six (6) months immediately preceding the Transaction, must also be escrowed.

It is anticipated that the Resulting Issuer will be classified as a Tier 1 Issuer, as such Principal Securities subject to Escrow will be subject to the following release schedule:

% of Securities Released from Escrow Tier 1 Issuer	Release Date
25%	Date of Final Exchange Bulletin
25%	Six (6) months from Final Exchange Bulletin
25%	Twelve (12) months from Final Exchange Bulletin
25%	Eighteen (18) months from Final Exchange Bulletin

The following table sets out, as of the date hereof and to the knowledge of IFR and Kinjal, the name of the securityholders whose securities at the closing of the Transaction will be placed in escrow pursuant to the terms of a Principal Escrow Agreement:

Name of Shareholder	Principal	Total Resulting Issuer Shares	Warrants Issued in Exchange for Subscription Receipts	Options	RSU
Frontier Advisory Hul'Che Ltd.[(1)]	Warren Levy	5,370,013	27,737	958,685	239,671
Frontier Advisory Hul'Che Ltd., In trust[(1)(2)]	Warren Levy	1,659,786	0	0	0
Alvaro Ranero	Alvaro Ranero	1,892,306	59,911	639,124	159,781
Margaret Souleles	Margaret Souleles	1,218,303	23,438	639,124	159,781
Emilse Barragan	Emilse Barragan	1,124,013	0	639,124	159,781
Sergio Limardo	Sergio Limardo	1,284,771	33,284	639,124	159,781
James Leech	James Leech	211,778	0	0	0
James Edmiston	James Edmiston	286,059	55,473	150,000	50,000
Brooks Klimley	Brooks Klimley	286,059	55,473	150,000	50,000
Miles Lewis	Miles Lewis	1,211,936	11,095	150,000	50,000
Tony Kinnon	Tony Kinnon	1,576,006	46,875	150,000	50,000
Arnaud de Limelette	Arnaud de Limelette	1,035,005	40,218	150,000	50,000
Guadelupe Rodriguez	Guadelupe Rodriguez	87,557	0	150,000	50,000
Ignacio Quesada	Ignacio Quesada	87,557	0	150,000	50,000
	TOTAL	**17,331,149**	**353,504**	**4,565,181**	**1,228,795**

Notes:
(1) A BVI corporation controlled by Warren Levy, Chief Executive Officer.
(2) These shares are held by Frontier Advisory Hul'Che Ltd. in Trust for future employees and management of Kinjal.

Seed Share Resale Restrictions

In addition to Principal Securities, Pursuant to TSXV Policy 5.4 – *Capital Structure, Escrow and Resale Restrictions*, certain non-principal shareholders of the Resulting Issuer will be subject to seed share resale restrictions (each, an "**SSRR**").

SSRRs securities ("**SSRR Securities**") are defined as all Resulting Issuer Shares, and all securities convertible or exercisable into Resulting Issuer Shares, and all other securities of the Resulting Issuer, held by Persons who are not Principals of the Resulting Issuer on the completion of the Transaction, that satisfy the following criteria:

(a) they were issued, or issued in exchange for a security that was originally issued, at a price or deemed price per security, or are convertible or exercisable at a price per security, that is less than the lesser of $0.05; and 50% of the Transaction Price (the "**Minimum Price**");

(b) they were issued, or issued in exchange for a security that was originally issued, within twelve (12) months immediately preceding the date of the TSXV's conditional acceptance letter for the Transaction at a price or deemed price per security (or are convertible or exercisable at a price per security) that is less than 25% of the Transaction Price; or

(c) they were issued, or issued in exchange for a security that was originally issued, within three (3) months immediately preceding the date of the TSXV's conditional acceptance letter for the Transaction at a price or deemed price per security (or are convertible or exercisable at a price per security) that is less than 50% of the Transaction Price;

Following completion of the Transaction there will be 22 non-principal shareholders of Kinjal Shares who will hold an aggregate of 10,144,077 Common Shares that will be subject to the SSRR to a twelve (12) month hold with 20% released every three (3) months, with the first release upon the issuance of the Final Exchange Bulletin pursuant to the policies of the Exchange. Such Common Shares will either be issued with a restrictive legend or become subject to a pooling agreement with the Resulting Issuer's transfer agent, pursuant to which such Common Shares will be released in accordance with the applicable SSRR.

RISK FACTORS

Shareholders should carefully consider all of the information contained in this Information Circular, including the risk factors set forth below, the risk factors described in and the other information contained or incorporated by reference in this Information Circular. The risks described herein and in the appendices are not the only risks relating to IFR, Kinjal, the Resulting Issuer or the Transaction. Additional risks and uncertainties, including those not currently known to IFR or Kinjal or that IFR or Kinjal currently considers immaterial, may also adversely affect IFR, Kinjal, the Resulting Issuer or the value of IFR Shares following completion of the Transaction.

Risks Related to the Transaction

Third Party Approval Risk

Completion of the Transaction is subject to a number of conditions, including receipt of IFR Shareholder approvals, Kinjal shareholder approval, TSXV acceptance, required Mexican regulatory approvals, completion or satisfaction of the applicable conditions relating to the Mexican Asset Transactions, completion or availability of the Concurrent Financing and the Debt Facility to the extent required, the effectiveness of the Financial Capability Support Arrangement with EXMAR and the satisfaction or waiver of the other conditions contained in the Definitive Agreement. There can be no assurance that these conditions will be satisfied or waived, or that the Transaction will be completed on the terms or within the timing currently contemplated, or at all.

If the Transaction is not completed, IFR may continue to face the risks associated with its existing business and strategic alternatives, including limited access to capital, commodity price volatility, operational and regulatory risks, market uncertainty and the costs incurred in connection with the Transaction. In addition, if the Definitive Agreement is terminated in certain circumstances, termination fee, damages or expense reimbursement obligations may be payable in accordance with the terms of the Definitive Agreement.

Regulatory Approval Risk

Completion of the Transaction and the Mexican Asset Transactions requires, or may require, approvals, consents or acknowledgements from the TSXV, SENER and other Mexican governmental authorities, securities regulatory authorities and third parties. There can be no assurance that such approvals, consents or acknowledgements will be obtained on terms acceptable to IFR and Kinjal, or at all. Failure to obtain required approvals could prevent, delay or materially adversely affect completion of the Transaction or the Mexican Asset Transactions.

Financing Risk

Completion of the Transaction is expected to depend, in part, on completion or availability of the Concurrent Financing, the Debt Facility and other financing arrangements on terms acceptable to IFR and Kinjal. There can be no assurance that the Concurrent Financing, the Debt Facility or any other financing will be completed on the terms described in this Information Circular or at all. If sufficient financing is not available, the Resulting Issuer may not have sufficient capital to complete the Mexican Asset Transactions, fund planned capital expenditures or implement its business plan.

Financial Capability Support Arrangement - EXMAR

Certain Mexican license contracts require financial capability support. Kinjal has entered into the Financial Capability Support Arrangement with EXMAR, pursuant to which EXMAR has agreed to provide corporate-level financial backing in its capacity as a shareholder and investor of Kinjal for the benefit of Kinjal and its Mexican subsidiaries for purposes of satisfying applicable financial capability requirements under the relevant Mexican contracts. The Financial Capability Support Arrangement does not provide for a cash advance to Kinjal or IFR, and is expected to become effective only in connection with completion of the Transaction and the Mexican Asset Transactions. EXMAR holds 3,426,800 Kinjal Shares, representing approximately 12.5% of the issued and outstanding Kinjal Shares prior to giving effect to the Transaction. Following completion of the Transaction, EXMAR is expected to hold approximately 4.362% of the issued and outstanding common shares of the Resulting Issuer, on a non-diluted basis. EXMAR holds the right to assign a member to the board of directors of Kinjal.

Mexican Asset Transaction Risk

The Resulting Issuer's business following completion of the Transaction will depend materially on the successful completion, integration, development and operation of the Mexican assets. The Mexican Asset Transactions are subject to execution and closing of definitive agreements, regulatory approvals, third-party consents, financing, operational assumptions and other conditions. There can be no assurance that the Mexican Asset Transactions will be completed on the terms described in this Information Circular, or at all.

Dilution Risk

Existing IFR Shareholders will experience significant dilution as a result of the issuance of IFR Shares and other securities to former holders of Kinjal Shares and Kinjal Warrants and in connection with the Kinjal SAFE Financing, the Concurrent Financing, the Transaction Bonus, and other related transactions. Existing IFR Shareholders will hold a substantially smaller percentage interest in IFR following completion of the Transaction than they held before completion of the Transaction.

Risks Relating to Resulting Issuer Securities

There can be no assurance as to the market price or liquidity of the IFR Shares following completion of the Transaction. Securities issued in connection with the Transaction may be subject to escrow, hold periods, lock-up agreements, resale restrictions and other transfer restrictions under applicable securities laws and TSXV policies. The market price of the IFR Shares may be affected by, among other things, market conditions, commodity prices, the Resulting Issuer's operating and financial performance, capital requirements, regulatory developments, Mexican country risk and general economic conditions.

There can be no assurance as to the market price or liquidity of the Resulting Issuer Warrants following their listing on the TSXV. The market value of the Resulting Issuer Warrants will depend, in part, on the market price of the Resulting Issuer Shares, which may be volatile and subject to fluctuation due to factors beyond the control of the Resulting Issuer. The Resulting Issuer Warrants may trade at a discount to, or a premium over, their intrinsic value (being the difference between the market price of the Resulting Issuer Shares and the exercise price of the Warrants). If the market price of the Resulting Issuer Shares does not exceed the exercise price of $1.05 per share prior to the expiry of the Resulting Issuer Warrants, the Warrants may expire worthless.

Risks Relating to Resulting Issuer Warrants

The Resulting Issuer Warrants do not confer any voting rights or other rights as a shareholder of the Resulting Issuer. Warrant holders will not be entitled to dividends or other distributions until they have exercised their Warrants and become shareholders of the Resulting Issuer. In addition, the Resulting Issuer Warrants may be subject to transfer restrictions under applicable securities laws, which may limit the ability of holders to resell their Warrants. There is no assurance that a liquid trading market for the Resulting Issuer Warrants will develop or be sustained.

Early Stage Company; Limited Public Company Operating History

Kinjal was incorporated for the purpose of completing the Transaction and has not carried on any active business operations other than activities relating to the Transaction, the Concurrent Financing and the Mexican Asset Transactions. Following completion of the Amalgamation, IFR, as the Resulting Issuer, will carry on the business of Kinjal and its subsidiaries, including the Mexican assets, which will constitute the primary business of the Resulting Issuer.

Although the business to be carried on following completion of the Transaction is supported by an experienced management and technical team with expertise in oil and gas operations in Mexico, IFR will have limited operating history in respect of these specific assets. The Mexican assets are subject to the risks generally associated with oil and gas exploration, development and production activities in Mexico. There can be no assurance that the Resulting Issuer will be able to successfully integrate Kinjal's business and the Mexican assets, operate or develop the Mexican assets, implement its business plan, generate positive cash flow or achieve profitability.

Completion Risk – Amalgamation and Mexican Asset Transactions

Completion of the Amalgamation and the Mexican Asset Transactions is subject to a number of conditions, including approval of the IFR Shareholders, acceptance of the transaction by the TSXV, and the receipt of required Mexican regulatory approvals, including change of control approvals where applicable. There can be no assurance that all required approvals will be obtained or that the Amalgamation and the Mexican Asset Transactions will be completed on the terms or within the timelines currently contemplated.

TSXV Tier Classification Risk

IFR and Kinjal expect that the Resulting Issuer will apply to be classified as a Tier 1 Oil & Gas issuer on the TSXV following completion of the Transaction. Classification of the Resulting Issuer as a Tier 1 issuer remains subject to final TSXV acceptance and the Resulting Issuer satisfying all applicable TSXV initial listing requirements, including applicable oil and gas reserves, financial resources, working capital, public distribution, management, escrow and other requirements. There can be no assurance that the TSXV will classify the Resulting Issuer as a Tier 1 issuer, and the TSXV may impose conditions to final acceptance of the Transaction or the Resulting Issuer's listing.

Market for IFR Shares; TSXV Listing Risk

Completion of the Amalgamation is subject to acceptance by the TSXV. There can be no assurance that the TSXV will grant final acceptance of the Amalgamation or that any required conditions to listing will be satisfied on a timely basis or at all. Following completion of the Amalgamation, the IFR (which is expected to be renamed "Kinjal Gas Ltd.") Shares will remain listed on the TSXV, subject to final acceptance. There can be no assurance that an active or liquid trading market for such shares will develop or be sustained. The market price of the shares may be volatile and subject to significant fluctuations in response to operating results, commodity prices, market conditions and other factors beyond the control of the Resulting Issuer.

Risks Related to Oil and Gas Industry

The oil and gas industry is subject to particular operational and economic risks.

Oil and gas exploration and production ("**E&P**") activities are subject to particular economic and industry-specific operational risks, some of which are beyond the Resulting Issuer's control, such as drilling, completion, production, equipment, gathering, treatment and transportation risks, as well as natural hazards and other uncertainties, including those relating to the physical characteristics of onshore and offshore oil or natural gas fields. The Resulting Issuer's operations may be curtailed, delayed or canceled due to bad weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment or the construction of roads to access drilling sites, works related to third-party vendors, road blocks, compliance with governmental requirements (including any delays in obtaining the relevant permits), fire, explosions, blow-outs, pipe failure, abnormally pressured formations, supply chain bottlenecks, lockdown restrictions on the general population and reduced hydrocarbons demand due to a pandemic, such as COVID-19, and environmental hazards, such as oil spills, gas leaks, ruptures or discharges of toxic gases or natural disasters preventing the Resulting Issuer from accessing the drilling sites. Drilling may be unprofitable, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient revenues to return a profit after drilling, completion, operating and other costs are considered.

The business is exposed to the effects of fluctuations and regulation of international and domestic oil prices. In addition, limitations on local pricing of the Resulting Issuer's products in Mexico may adversely affect the Resulting Issuer's results of operations.

International and domestic oil and gas prices have fluctuated significantly in recent years and are likely to continue fluctuating in the future. Factors affecting international crude oil prices include: political developments in crude oil producing regions, particularly in the Middle East, the ongoing conflicts between Russia and Ukraine; the United States, Israel, and several other countries in the Middle East; tensions between China and Taiwan; the ability of the Organization of Petroleum Exporting Countries ("**OPEC**") and other crude oil producing nations to set and maintain crude oil production levels and prices; sanctions regimes and price caps affecting major oil exporters; macroeconomic conditions, including inflation and GDP growth; global and regional supply and demand for crude oil, gas and related products; investment in new projects to add new oil production volumes to the market; global supply chain disruptions, and shipping bottlenecks; competition from other energy sources and the energy transition toward renewable alternatives, domestic and foreign government regulations, trade conflicts, weather

conditions; the effects of a pandemic, including lockdown restrictions imposed by governments; and global and local conflicts, war, or acts of terrorism. It cannot be predicted how these factors will influence the prices of oil and related oil products, and the Resulting Issuer has no control over them. Price volatility curtails the ability of industry participants to adopt certain long-term investment decisions given that returns on investments become unpredictable.

The determination by Mexican governments to fix, or indirectly intervene, to generate local crude oil prices at values below export parity could have an adverse effect on the Resulting Issuer's results of operations, financial condition, and cash flows. In the event that local prices were reduced through any of the factors described above, which the Resulting Issuer cannot control, this could affect the economic performance of the Resulting Issuer's existing and future projects, generating a loss of reserves as a result of changes in the Resulting Issuer's development plans, the Resulting Issuer's assumptions and the Resulting Issuer's estimates, and consequently affect the recovery value of certain assets. A decline in realized crude oil prices for an extended period of time (or if prices for certain products fail to keep pace with cost increases) could adversely affect both the economic viability of the Resulting Issuer's drilling projects and, consequently, the Resulting Issuer's ability to meet the Resulting Issuer's operational and financial targets. These price declines could result in changes to the Resulting Issuer's development plans, reduced capital expenditures, failure of the Resulting Issuer's joint venture partners to approve investment projects, a loss of proved developed reserves and proved undeveloped reserves, an adverse effect on the Resulting Issuer's ability to improve the Resulting Issuer's hydrocarbon recovery rates, find new reserves, develop unconventional resources, carry out certain capital expenditure plans, meet the Resulting Issuer's long-term targets and service the Resulting Issuer's financial debt obligations. A decline in realized crude oil prices could also lead to a deterioration in the Resulting Issuer's financial coverage ratios and impairment charges. It cannot be predicted whether, or to what extent, the potential consequences of such actions could affect the business, impact the Resulting Issuer's production, or affect the Resulting Issuer's financial condition and results of operations, including having enough cash to service the Resulting Issuer's financial debt obligations.

Changes in U.S. trade and other policies under the Trump administration may adversely impact the business, financial condition, and results of operations.

The administration of U.S. President Donald Trump has introduced significant changes in trade and regulatory policies, including tariffs, trade restrictions, and enforcement measures that could affect cross-border commerce and foreign business operations. In 2025, President Trump signed a series of executive orders imposing various reciprocal tariffs, and other governments have imposed and may continue to impose retaliatory tariffs, trade restrictions or other trade barriers. While the entry into force of these tariffs has been delayed or reduced after being adopted, and certain energy products (such as crude oil) have been exempted as of the date of this Information Circular, certain refined petroleum products, drilling-equipment components, and steel inputs for pipelines have been partially affected by the new tariff regime.

In addition, in 2026, the Trump administration has further escalated its trade measures, including the imposition of additional sector-specific tariffs targeting steel and aluminum derivatives, industrial equipment, machinery inputs and industrial chemicals. These measures have contributed to increased input costs, supply chain disruptions, and heightened uncertainty for companies operating in capital-intensive industries. The long-term effect of these measures on global economic growth and trade remains uncertain, and could disrupt global trade flows, and increase operational costs for companies reliant on international supply chains.

Given the expanding scope of trade restrictions and the uncertainty surrounding future policies of the Trump administration, including the manner in which the trade framework will be implemented or potentially amended, the Resulting Issuer can provide no assurances regarding the full extent of any potential impact on the Resulting Issuer's operations. To the extent that changes in the political or regulatory environment due to the imposition of tariffs or other measures negatively impact the Resulting Issuer or the markets in which the Resulting Issuer operates, the business, financial condition, and results of operations could be materially and adversely affected.

The business could be adversely affected by a decline in general economic conditions or a weakening of the broader energy industry, and inflation may adversely affect the Resulting Issuer's financial position and operating results.

A prolonged economic slowdown or recession, adverse events relating to the energy industry, or regional, national, or global economic conditions and factors, could negatively impact the Resulting Issuer's operations and therefore adversely affect the Resulting Issuer's results. The risks associated with the business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased demand for oil and natural gas, and decreased prices for oil and natural gas.

Supply chain pressures in global production, trade and logistics and demand increases may lead to price inflation in the energy sector. In addition, macroeconomic conditions in Mexico may result in cost inflation for goods and services purchased in local currency.

Inflationary factors, such as increases in the labour costs, material costs, and overhead costs, may also adversely affect the Resulting Issuer's financial position and operating results. An increase in the Resulting Issuer's costs due to inflation could offset any price increases of the Resulting Issuer's products and services resulting in an adverse effect on the Resulting Issuer's operating results, including having enough cash to service the Resulting Issuer's financial debt obligations.

Exposure to contractions in demand of crude oil and natural gas, and contractions in demand of any of their by-products.

Demand for crude oil and gas products is largely influenced by the economic activity and growth in Mexico and globally. For example, the efforts of the Federal Reserve of the United States and other central banks globally to contain inflation through increase in interest rates, could lead to lower economic growth, and even economic recession in certain economies, or at a global level. In addition, low economic growth in major emerging economies, such as China or India, could negatively impact oil demand. This could have an adverse effect on demand for crude oil and crude oil prices, and therefore negatively impact the business. Demand for the Resulting Issuer's products is subject to volatility in the future. Demand for crude oil by-products, such as gasoline, may contract under certain conditions, particularly during economic downturns, or due to governmental subsidies and/or changes in consumer preferences following from the energy transition currently underway.

A contraction of the demand of the Resulting Issuer's products would adversely affect the Resulting Issuer's revenues, causing economic losses to the Resulting Issuer. In addition, a contraction in the demand and/or prices of the Resulting Issuer's products can impact the valuation of reserves. Additionally, in periods of lower commodity prices, the Resulting Issuer may curtail production and capital spending or may defer or delay drilling wells because of lower cash generation. Continuous poor economic performance could eventually impair the Resulting Issuer's ability to repay financial debt, lead to a deterioration in financial coverage ratios and impairment charges. A contraction of crude oil demand could also affect the Resulting Issuer financially, including the Resulting Issuer's ability to pay the Resulting Issuer's suppliers for their services, or service the Resulting Issuer's financial debt, which could, in turn, lead to further operational distress.

A potential increase in crude oil supply in the global market could lead to excess supply and result in a reduction in global crude oil prices.

Crude oil is a global commodity and, as such, its price is determined, among other factors, by physical supply and demand. As a crude oil producer, the Resulting Issuer is exposed to fluctuations in crude oil prices, which have experienced significant volatility in recent years due to various factors, including the COVID-19 pandemic, geopolitical conflicts, OPEC+ production and pricing decisions, and macroeconomic conditions. For example, Brent crude oil prices ranged from below US$20/bbl during the early stages of the COVID-19 pandemic in 2020 to over US$120/bbl in 2022 following Russia's invasion of Ukraine, before moderating to levels between US$72/bbl and US$97/bbl through 2023, between US$69/bbl and US$91/bbl through 2024, and between US$60/bbl and US$82/bbl through 2025.

Currently, oil markets are in turmoil due to the ongoing conflict in the Middle East and, in particular, the *de facto* closure of the Strait of Hormuz. However, if the conflict were to end, the Resulting Issuer expects oil prices to recede. In such a scenario, several ongoing projects under development in different countries, such as Brazil, Guyana and the United States, could potentially add supply volumes to the market that, in the aggregate, could be greater than the short-term growth in crude oil demand, leading to excess supply. In such a case, crude oil prices could fall substantially, which could negatively impact the Resulting Issuer's revenues, and materially affect the business, financial condition and results of operations.

In addition, OPEC+ countries have, according to their own reports, voluntarily curtailed oil production, and therefore potentially have the ability to increase supply in the short term. If the OPEC+ countries, as a group or individually, were to unwind such curtailments at a fast pace compared to the increase in short-term oil demand, this could result in excess supply, leading to significant declines in crude oil prices compared to current levels, which could in turn negatively impact the Resulting Issuer's revenues, and materially affect the business, financial condition and results of operations.

The conflict involving Russia and Ukraine, and the associated new, additional, and/or enhanced economic and trade sanctions and restrictions that have been imposed by various countries, could have a material adverse effect on the business, financial condition and results of operations.

The conflict involving Russia and Ukraine has had, and will likely continue to have, significant international economic effects, including increased inflation, global supply chains problems, market volatility, as well as an impact on commodity prices. The conflict and its effects could exacerbate the current slowdown in the global economy, have a negative impact on commerce, and adversely affect the ability of some of the Resulting Issuer's customers exposed to the Russian and/or Ukrainian market to pay for the Resulting Issuer's products.

In addition, the conflict has resulted in the imposition of economic and trade sanctions and restrictions targeting Russia and certain Russian economic sectors and companies by the United States, the European Union, the United Kingdom and other relevant countries. The severity of these sanctions could worsen and contribute to shortages of raw materials and commodities, including crude oil transportation services by ship, which in turn could lead to higher levels of inflation and disruptions in the global supply chain, which could especially affect the energy sector, and could create supply chain difficulties in local markets.

While certain global media sources are reporting a possible negotiation for a ceasefire in Ukraine, due to the uncertainties inherent in the scale, duration and development of this conflict as well as its direct and indirect effects, it is not possible to reasonably estimate the impact this conflict will have on the global economy and financial markets, the economies of the countries in which the Resulting Issuer operates and, consequently, in the business, financial condition and results of operations.

Conflicts in the Middle East could have a material adverse effect on the business, financial condition and results of operations.

Historically, the Middle East region has been the scene of numerous armed conflicts, political tensions, and territorial disputes that have created an environment of long-term instability. Factors such as religious and geopolitical rivalries, as well as competition for strategic resources such as oil and gas, have contributed to the persistence of conflict situations. This instability has had large-scale repercussions, affecting global markets, international supply chains, and the economic security of countries and companies with interests in the region. The volatility inherent in the Middle East poses a constant risk to the global economy, as any escalation can trigger adverse effects on commodity prices, investor confidence, and international financial stability.

Since October 2023, the conflict in the Middle East has escalated significantly, and its duration, impact, and development remain unpredictable. More recently, on February 28, 2026, the United States and Israel launched coordinated military strikes against Iran, targeting strategic sites in Tehran and other locations, including senior Iranian leadership. In response, Iran has carried out attacks against Israeli territory and U.S. military bases in the Gulf, and the conflict has now involved strikes on U.S. diplomatic posts in the region and retaliatory actions against allied nations. The hostilities have increasingly taken on a regional dimension, with incidents and military actions reported across several other countries in the Middle East, heightening the risk of broader geopolitical escalation. The *de facto* closure of the Strait of Hormuz, a critical global energy transit route, has significantly disrupted maritime traffic, affecting more than 15% of global crude oil production and materially increasing oil prices: in March 2026, Brent averaged US$99.6/bbl, compared to US$69.3/bbl in February.

In addition, events of internal instability, including large-scale social protests and civil unrest, in key countries in the region could intensify volatility and cause further disruptions to supply chains, logistics, and the security of other energy routes, such as the Red Sea, with adverse effects on commodity prices, insurance premiums, the availability of critical services, and access to financing. Furthermore, the conflict has been accompanied by an increase in cyber operations and cyberattacks attributed to state-linked or affiliated actors targeting governmental, financial and energy infrastructure in the region and elsewhere, which may create additional risks for global markets and companies operating in the energy sector.

Global financial markets have reacted to the escalation, with stock indices in major regions sliding amid concerns of broader economic impact, including the potential for a global increase in interest rates and, eventually, a global recession, which could negatively impact demand for energy and energy prices. Such conflicts and tensions in the Middle East have created, and could lead to, further disruptions in markets, including significant volatility in commodities, credit availability, and financial markets in general. Due to the uncertainties inherent in the scale and duration of these events, and their direct and indirect effects, it is not reasonably possible to estimate the impact they could have on the business.

Recent escalations in tensions between Venezuela and the United States could affect the Resulting Issuer.

Political, economic, and geopolitical developments in Venezuela, including changes in sanctions and licenses applicable to the hydrocarbon sector, could alter crude oil supply, quality differentials, and trade flows, generating volatility in prices, logistics costs, and insurance costs.

The capture and detention of President Nicolás Maduro led to a period of acute political and institutional uncertainty in Venezuela, with immediate effects on administrative continuity, the applicable regulatory framework, exchange rate and control policies, and the fulfillment of contracts and concessions, particularly in strategic sectors such as hydrocarbons, energy, and infrastructure. According to international press reports, the situation continues to evolve, and the scope of its regulatory and operational effects remains uncertain.

On the other hand, a substantial improvement in political, regulatory, or market conditions that facilitates the reconstruction and expansion of Venezuela's oil industry could lead to a material increase in the global supply of crude oil and derivatives in the medium or long term, putting downward pressure on international prices. A scenario of operational normalization, lifting or relaxation of trade and capital access restrictions, and/or new investment in E&P in Venezuela could accelerate the recovery of exportable volumes from that country. The magnitude, scope, and timing of any recovery in Venezuela's oil supply are uncertain and beyond the Resulting Issuer's control, so the Resulting Issuer cannot guarantee that the market will absorb an eventual increase in supply without impacts on the industry or on the Resulting Issuer's operating and financial results.

These changes could adversely affect the Resulting Issuer's markets, prices, margins, and access to counterparties and services, with impacts that the Resulting Issuer cannot predict or control. Additionally, regulatory and macroeconomic uncertainty in Venezuela, as well as potential regional tensions, could increase the volatility of crude oil prices, increase risk premiums, financing costs, and compliance burdens, which could materially and adversely affect the Resulting Issuer's operations, results, and financial condition.

The Resulting Issuer may not be able to acquire, develop or exploit new reserves, which could decrease the volume of the Resulting Issuer's reserves over time and could, in turn, adversely affect the Resulting Issuer's financial condition and the results of the Resulting Issuer's operations.

The hydrocarbon reserves in any given reservoir decreases as such oil and gas volumes are produced and consumed, with the range of decrease depending on the characteristics of the reservoir and the production rate. Therefore, the Resulting Issuer's results of operations largely depend on the Resulting Issuer's ability to produce oil and gas from existing reserves, to discover additional oil and gas reserves, and to economically exploit oil and gas from these reserves. Unless the Resulting Issuer is successful in the Resulting Issuer's exploration of oil and gas reserves and their development, in replacing the Resulting Issuer's existing oil and gas reserves or in acquiring new reserves, the production of oil and gas and the volume of the Resulting Issuer's total reserves will decrease over time. While the Resulting Issuer has geological reports evaluating certain proved and probable reserves, as well as contingent and prospective resources in the Resulting Issuer's blocks, there is no assurance that the Resulting Issuer will continue to be successful in the exploration, appraisal, development and commercialization of oil and gas.

Drilling activities are also subject to numerous risks and may involve unprofitable efforts, not only with respect to dry wells but also with respect to wells that are productive but do not produce enough net income to derive profit after covering drilling costs and other operating costs. The construction of a well does not assure a return on investment or recovery of the costs of drilling, completion and operating costs. Lower oil and natural gas prices could also affect the Resulting Issuer's future investment and growth, including future and pending acquisitions.

The Resulting Issuer may not be able to identify commercially exploitable reservoirs or implement the Resulting Issuer's capital investment program to complete or produce more oil and gas reserves, and the wells the Resulting Issuer plans to drill may not result in the discovery or production of oil or natural gas. If the Resulting Issuer is unable to replace the Resulting Issuer's production with new reserves, or acquire new reserves, the Resulting Issuer's reserves will decline and the Resulting Issuer's financial condition, results of operations, cash flow and market value of the Resulting Issuer's shares could be negatively affected.

The oil and gas reserves estimates are based on assumptions that could be inaccurate.

Oil and gas reserves are estimates based on certain assumptions that could be inaccurate. Reserve estimates depend on the quality of engineering and geological data at the date of the estimate and the manner in which they are interpreted. In addition, reserve engineering is a subjective process for estimating oil and gas accumulations that cannot be accurately measured, and the estimates of other engineers may differ materially. A number of assumptions and uncertainties are inherent in estimating the amounts of proven reserves of oil and gas (including, but not limited to production forecasts, the time and amount of development expenditures, testing and production after the date of the estimates, among others), many of which are beyond the Resulting Issuer's control and are subject to change over time.

As a result, reserve estimates could be materially different from the amounts that are ultimately extracted, and if such amounts are significantly lower than the initial reserves estimates it could result in a material adverse effect on the Resulting Issuer's financial performance, including the Resulting Issuer's ability to service financial debt obligations, operating results and the market value of the Resulting Issuer's shares.

Exploration and development drilling may not result in commercially productive reserves.

Drilling involves numerous risks, including the risk that no commercially productive oil or gas reservoirs will be encountered. The cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled, or become costlier, as a result of a variety of factors, including (i) unexpected drilling conditions; (ii) unexpected pressure or irregularities in formations; (iii) equipment failures or accidents; (iv) construction delays; (v) hydraulic stimulation accidents or failures; (vi) adverse weather conditions; (vii) restricted access to land for drilling or laying pipelines; (viii) title defects; (ix) lack of available gathering, transportation, processing, fractionation, storage, refining or export facilities; (x) lack of available capacity on interconnecting transmission pipelines; (xi) access to, and the cost and availability of, the equipment, services, resources and personnel required to complete the Resulting Issuer's drilling, completion and operating activities; (xii) involuntary human error; and (xiii) delays imposed by or resulting from compliance with environmental and other governmental or regulatory requirements.

The Resulting Issuer's future drilling activities may not be successful and, if unsuccessful, the Resulting Issuer's proved reserves and production would decline, which could have an adverse effect on the Resulting Issuer's future results of operations and financial condition. While all drilling, whether development, extension or exploratory, involves these risks, exploratory and extension drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. If the Resulting Issuer is not successful in the Resulting Issuer's exploration or extension drilling activities, the Resulting Issuer might not be able to replace the reserves consumed as a result of the Resulting Issuer's production and therefore the Resulting Issuer's production will decline over time, which could adversely affect the Resulting Issuer's financial condition and results of operations.

Operations may pose risks to the environment.

Some of the Resulting Issuer's operations are subject to environmental risks which could materialize unexpectedly and could have a material adverse impact on the Resulting Issuer's financial condition and results of operations, including the Resulting Issuer's ability to service financial debt. These include the risk of leaks or spills of hydrocarbons, contamination of soil or water sources, fire and explosions, damages to infrastructure or the general population. There can be no assurance that future environmental issues will not result in cost increases, civil liability or administrative action, which could lead to a material adverse effect on the Resulting Issuer's financial condition, results of operations, reputation and social license to operate.

Any climate change legislation or regulations restricting greenhouse gas emissions, including the introduction of carbon pricing mechanisms, could result in increased operating costs and capital expenditures.

Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increased efficiency standards or the adoption of cap-and-trade regimes. More stringent environmental regulations can result in the imposition of costs associated with greenhouse gas emissions, either through environmental agency requirements relating to mitigation initiatives, compliance costs and operational restrictions, and/or through other regulatory measures such as greenhouse gas emissions taxation and market creation of limitations on greenhouse gas emissions that have the potential to increase the Resulting Issuer's operating costs and capital expenditures. It can be expected that a growing share of the Resulting Issuer's greenhouse gas emissions could

be subject to regulation, resulting in increased compliance costs, capital requirements and operational restrictions. Regulators may seek to limit certain oil and gas projects or make it more difficult to obtain required permits for hydrocarbon E&P. Additionally, climate activists around the globe are challenging the grant of new and existing regulatory permits. It can be expected that these challenges are likely to continue and could delay or prohibit operations in certain cases.

Compliance with legal and regulatory changes relating to climate change set out by the Mexican government, may in the future increase the Resulting Issuer's costs to operate and maintain the Resulting Issuer's facilities, install new emission controls on the Resulting Issuer's facilities and administer and manage any greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

The Resulting Issuer cannot predict the overall impact that the enactment of new environmental laws or regulations could have on the Resulting Issuer's financial results, results of operations, and cash flows and the market value of the Resulting Issuer's shares.

The energy transition could result in reduced demand for oil and gas, which may negatively impact the Resulting Issuer's long-term plans and lead to opposition from certain stakeholders.

The Resulting Issuer expects that measures taken by governments, non-governmental organizations, customers, and end users of refined hydrocarbon products to reduce emissions will continue to suppress demand for hydrocarbons and their by-products, potentially impacting oil and gas prices. For example, demand could decline further if households increasingly adopt electric vehicles, public transportation transitions to electric or renewable fuel sources, power generation shifts more extensively to renewable energy, or hydrogen and other green energy alternatives achieve widespread adoption. These developments may contribute to a decline in global oil and gas demand, potentially leading to additional asset provisions, lower earnings, project cancellations, reduced access to capital, and impairments of certain assets.

Regulations and regimes promoting alternative energy resources may also lead to a decline in demand for crude oil and natural gas, or any of their by-products, in the long-term. In addition, increased regulation of greenhouse gas emissions may create greater incentives for the use of alternative energy sources. Any long-term material adverse effect on the oil industry could adversely affect the financial and operational aspects of the business, which the Resulting Issuer cannot predict with certainty as of the date of this Information Circular.

Moreover, certain investors might decide to divest their investments in fossil fuel companies and different stakeholder groups might be included to exert pressure on commercial and investment banks to stop financing fossil fuel companies. According to press reports, in recent years some financial institutions have limited their exposure to fossil fuel projects and to investing in companies that produce fossil fuels. If this trend were to accelerate in the future, the Resulting Issuer's ability to access financing for future projects may be adversely affected. These factors could have a negative impact on the demand for the Resulting Issuer's products and services and may jeopardize or even impair the implementation and operation of the business, adversely impacting the Resulting Issuer's operating and financial results and limiting the Resulting Issuer's growth opportunities, and the Resulting Issuer's ability to service financial debt obligations.

If the Resulting Issuer fails to meet the pace and extent of society's changing demands or the Resulting Issuer's own aspirations for lower carbon energy as the energy transition unfolds, the Resulting Issuer could face reputational costs or fail in sustaining and developing the business.

The pace and extent of the energy transition could pose a risk if the Resulting Issuer's own progress towards decarbonization moves at a different speed than that of the Resulting Issuer's competitors and the economy in general. If the Resulting Issuer is slower than its competitors or the economy in general, either because it does not invest sufficient funds or because it invests in technologies that fail to reduce its carbon footprint, the Resulting Issuer's reputation may suffer and customers may prefer a different supplier, which would adversely impact demand for the Resulting Issuer's hydrocarbon products and the market value of its assets. The Resulting Issuer's failure to time the transition of its production to address climate-change related concerns could have a material adverse effect on the Resulting Issuer's earnings, cash flows and financial condition.

Adverse climate conditions may adversely affect the Resulting Issuer's results of operations and the Resulting Issuer's ability to conduct drilling operations.

The physical effects of climate change such as, but not limited to, heat waves, storms, hail, increases in temperature and sea levels, extensive droughts affecting the river basins where the Resulting Issuer operates and fluctuations in sea levels could adversely affect the Resulting Issuer's operations and supply chains. Such adverse climate conditions may lead to, among others, cost increases, drilling delays, power outages, production stoppages and difficulties in transporting the oil and gas produced by the Resulting Issuer. Any decrease in the Resulting Issuer's oil and gas production and sales could have a material adverse effect on the business, financial condition or results of operations.

Risks Related to the Resulting Issuer

The historical financial information included in this Information Circular and the past performance and experience of the Resulting Issuer's executive team may not be indicative of future results.

The business is inherently volatile due to the influence of external factors, such as domestic oil and gas demand, oil and gas prices, availability of financial resources for the business plan and its corresponding costs and government regulations. The periodic operating results could fluctuate for many reasons, including many of the risks described in this section, which are beyond the Resulting Issuer's control. Consequently, the Resulting Issuer's past financial condition, results of operations and the trends indicated by such results and financial condition may not be indicative of current or future financial conditions, or results of operations or trends. Additionally, the Resulting Issuer believes that the experience of the Resulting Issuer's executive team constitutes a differentiated source of competitive strength for the Resulting Issuer. However, the past experience of the Resulting Issuer's executive team may not be indicative of the Resulting Issuer's future results of operations. For more information regarding historical financial information, see "*Information Concerning Kinjal – Selected Consolidated Financial Information*".

The oil and gas industry is competitive and the Resulting Issuer's ability to achieve the Resulting Issuer's strategic objectives and expand the business depends on the Resulting Issuer's ability to successfully compete in the market and react to competitive forces.

The oil and gas industry is competitive and the Resulting Issuer competes with the major independent and state-owned oil and gas companies engaged in the sector, including companies that possess substantially greater financial and other resources than the Resulting Issuer does for researching and developing E&P technologies, accessing markets, equipment, midstream capacity, labour and capital required to acquire, develop and operate the Resulting Issuer's properties, as well as political relationships and connections with other stakeholders, which is key, given that the business and assets are subject to political decisions. There is also competition for the acquisition of licenses and properties in the countries in which the Resulting Issuer operates.

In addition, should the Resulting Issuer choose to bid for exploration or exploitation rights in a hydrocarbon area, or bid for midstream capacity, the Resulting Issuer could face significant competition not only from state-owned, but also from private and public companies.

As the Resulting Issuer operates in a very competitive business, the Resulting Issuer's competitors may be able to pay more for productive oil and natural gas properties and exploratory prospects and to evaluate, bid for and purchase a greater number of properties and prospects than the Resulting Issuer's financial or personnel resources permit. The Resulting Issuer's competitors may also be able to offer better compensation packages to attract and retain qualified personnel than the Resulting Issuer is able to offer. In addition, there is substantial competition for capital available for investment in the oil and natural gas industry. As a result of each of the foregoing, the Resulting Issuer may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel or raising additional capital, which could have a material adverse effect on the business, financial condition or results of operations.

The Resulting Issuer is also affected by competition for drilling rigs and the availability of related equipment, leading to higher drilling costs over the past several years. Higher commodity prices generally increase the demand for drilling rigs, supplies, services, equipment and crews, and can lead to higher costs of oilfield services, or shortages of drilling equipment, services and personnel.

The Resulting Issuer may be subject to unknown or contingent liabilities related to the Resulting Issuer's recent and future acquisitions.

The Resulting Issuer may from time to time conduct assessments of opportunities to acquire additional oil and gas assets and businesses. Any prospective acquisition could prove to be a substantial undertaking in terms of scale and may introduce new and potentially significant risks, including those related to political, financial, and geographical factors. The success of the Resulting Issuer's acquisition activities is contingent upon the Resulting Issuer's capacity to identify suitable candidates, negotiate acceptable terms of acquisition, and integrate their operations in an effective manner.

Any prospective acquisition would be accompanied by a number of risks, including the potential for a significant decline in oil and gas prices, the risk that oil and natural gas reserves acquired may not be developed as anticipated, the difficulty of assimilating the operation and staff, the possible disruption of the Resulting Issuer's ongoing business, the potential loss of significant key employees, and management's inability to maximize the Resulting Issuer's financial and strategic position through the successful integration of acquired assets and businesses. Additional challenges may include the maintenance of uniform standards, control, procedures and policies, and the deterioration of relationships with employees, customers, and contractors as a result of any integration of new management personnel.

Moreover, additional capital may be required to finance an acquisition, which could entail debt financing and expose the Resulting Issuer to leverage risk. Any acquisition could impact the Resulting Issuer's liquidity, particularly if the Resulting Issuer uses a portion of available cash to finance the acquisition, and may impact the Resulting Issuer's ability to service financial debt obligations.

There can be no assurance that the Resulting Issuer will be able to overcome these risks or any other issues related to these acquisitions. Unexpected costs and challenges may arise, and the Resulting Issuer may experience delays in realizing the benefits of an acquisition. The Resulting Issuer's capitalization and operational results may undergo significant changes, and the Resulting Issuer may not have the opportunity to thoroughly assess the economic, financial, and other pertinent information necessary for evaluating future acquisitions. If the Resulting Issuer cannot effectively manage the integration of acquisitions, it could reduce the Resulting Issuer's focus on subsequent acquisitions and current operations, potentially impacting the Resulting Issuer's financial results, reputation, and business.

In the event of an accident or other occurrence which is not covered by the Resulting Issuer's insurance policies, the Resulting Issuer may suffer significant losses which may have a material adverse effect on the business and results of operations.

Even though the Resulting Issuer considers that it has insurance coverage consistent with international standards, there is no assurance concerning the availability or sufficiency of insurance coverage with respect to a particular loss or risk. In the event of an accident or other occurrence in the business which is not covered by insurance under the Resulting Issuer's policies, the Resulting Issuer may suffer significant losses or be forced to provide compensation in a substantial amount from the Resulting Issuer's own resources, which could have a material adverse effect on the Resulting Issuer's financial condition.

There is reliance on key third-party suppliers, vendors and service providers to provide the Resulting Issuer with parts, components, services and critical resources that the Resulting Issuer needs to operate the business.

Companies operating in the energy industry, specifically the oil and gas sector, commonly rely upon various key third-party suppliers, vendors and service providers to provide them with parts, components, services, drilling rigs, completion sets, midstream capacity and other critical resources, needed to operate and expand their business. If these key suppliers, vendors and service providers fail to deliver, or are delayed in delivering, equipment, service rigs, completion sets, midstream capacity or critical resources, the Resulting Issuer may not meet the Resulting Issuer's operating targets in the expected time frame, which could have an adverse effect on the business, financial condition, results of operations, cash flows and/or prospects.

The Resulting Issuer's operations in the industry could be susceptible to the risks of performance, product quality and financial conditions of the Resulting Issuer's key suppliers, vendors and service providers. For instance, their ability to adequately and timely provide the Resulting Issuer with parts, components, services and drilling rigs, completion sets, midstream capacity and resources critical to the Resulting Issuer's operations may be affected if they are facing financial constraints or times of general financial stress and economic downturn. There can be no assurance that the Resulting Issuer will not encounter supply disruptions in the future or that the Resulting Issuer will be able to timely replace such suppliers or service providers that are

not able to meet the Resulting Issuer's needs, which might adversely affect a successful execution of the Resulting Issuer's operations, and consequently, the business, financial condition, results of operations, cash flows and/or prospects.

In addition, the Resulting Issuer's suppliers, vendors and service providers are required to comply with applicable laws and regulations, as well as with the Resulting Issuer's internal policies and standards relating to ethics, integrity, health, safety and environmental practices. Any failure by such third parties to adhere to these standards, including involvement in unethical, fraudulent or non-compliant conduct, could expose the Resulting Issuer to regulatory sanctions, legal liabilities, reputational harm and disruptions to the operations.

The Resulting Issuer's performance is largely dependent on recruiting and retaining key personnel.

The current and future performance and business operations depend on the contributions of the Resulting Issuer's executive team, and of the Resulting Issuer's first-line managers, the Resulting Issuer's engineers, technical crew and other employees. The Resulting Issuer relies on its ability to attract, train, motivate, and retain qualified and experienced administrative staff and specialists. No assurance can be given that the Resulting Issuer will be able to attract and retain personnel for key positions and replacing any of the Resulting Issuer's key employees could prove difficult and time-consuming. The loss of the services and experience of any of the Resulting Issuer's key employees, or the Resulting Issuer's inability to recruit a suitable replacement or additional staff, could have a material adverse effect on the Resulting Issuer's financial condition and operating results.

The Resulting Issuer's assets are exposed to catastrophic risks and force majeure events.

The Resulting Issuer's operations are exposed to possible unplanned interruptions caused by significant catastrophic or force majeure events, including, but not limited to: wars, labour strikes, cyclones, earthquakes, tornadoes, hurricanes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, leaks of natural gas, NGL, crude oil, refined petroleum products or other hydrocarbons, pipeline or power line ruptures or other damage, technology failures, faulty design and construction, accidents, demographic changes, government macroeconomic policies and political and social instability. These risks could, among other effects, have a significant adverse impact on the available cash flows of infrastructure assets, cause personal injury or death, property damage, or cause interruptions in the Resulting Issuer's activities. In addition, the cost of repairing or replacing damaged assets could be substantial and could include assessment, repair and maintenance costs. Repeated or prolonged interruptions in activities conducted may result in the permanent loss of customers, significant litigation or penalties in the event of regulatory or contractual non-compliance. Force majeure events that are incapable of being repaired, or are too costly to reverse or resolve, may also have a permanent material adverse effect on the Resulting Issuer. There can be no assurance that all of the Resulting Issuer's assets will be fully insured against all risks inherent in the business and activities or that all such insurance can be made available on commercially reasonable terms. If a major accident or event occurs that is not fully insured, it could have a material adverse effect on the Resulting Issuer's operations and financial condition.

Risks Related to the Mexican Economic and Regulatory Environment

The Resulting Issuer's operations are subject to extensive and evolving regulations in the countries in which the Resulting Issuer operates.

The oil and gas industry is subject to extensive regulation by federal, state and municipal governments in the jurisdictions where the Resulting Issuer operates. The Mexican hydrocarbons industries are highly regulated by federal, state and municipal governments, covering various aspects, including the award of exploration permits and exploitation concession, production and export restrictions, taxation, price controls, domestic market supply obligations and environmental matters. As a result, the business is significantly influenced by regulatory and political conditions prevailing in the countries in which the Resulting Issuer operates, as described below, and the Resulting Issuer's results of operations may be materially and adversely affected by regulatory and political changes in these countries.

The Resulting Issuer cannot assure that changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, will not adversely affect the results of the Resulting Issuer's operations. Similarly, the Resulting Issuer cannot assure that future government policies, in the countries where the Resulting Issuer currently operates or might operate in the future, will not adversely affect the oil and gas industry.

Additionally, the Resulting Issuer cannot provide assurances that the Resulting Issuer's oil and gas concessions will be extended in the future as a result of the review by the controlling entities regarding the investment plans presented for analysis or that additional requirements to obtain extensions of permits and concessions will not be imposed.

Moreover, the Resulting Issuer cannot provide assurances that the taxes, royalties and fees that regulate the oil and gas industry will not be increased in the future by municipal, state or federal governments, which could adversely affect the Resulting Issuer's results of operations and financial condition, including the Resulting Issuer's ability to service financial debt obligations.

There is also no assurance that regulations or taxes (including royalties) enacted by state or municipal governments will not conflict with federal law and regulations, and that such taxes or regulations will not adversely affect the Resulting Issuer's results of operations or financial condition.

The Mexican government retains the authority to design and implement energy policies, which have previously included export restrictions, price controls, production incentives and preferential policies for state-owned enterprises.

In Mexico, the Mexican government has pursued policies to increase state control over the energy sector, benefiting Pemex and CFE.

Additionally, Pemex is expected to be the principal counterparty for the processing and offtake of the Resulting Issuer's natural gas production, including under the GPSA, and is SMB's partner under the Misión PSC. Private-sector counterparties have in the past experienced delays in collecting amounts owed by Pemex, and the Resulting Issuer may experience similar difficulties and delays. Any such controversies, limitations or export restrictions or any other measures imposed by Mexican authorities could have a material adverse effect on the Resulting Issuer's future business, financial condition, results of operations, cash flows and/or prospects and, as a consequence, the market value of the Resulting Issuer's shares may decline.

Oil and gas exploitation concessions, exploration permits and production and exploration contracts in Mexico are subject to certain conditions and may be revoked or not renewed.

Each of the CS.06 Contract and the A10.CS Contract has a primary term of thirty (30) years, and each of the Misión PSC and the Tecolutla Contract has a primary term of twenty-five (25) years, and each may be renewed for up to two (2) additional periods of up to five (5) years each, subject to the terms and conditions set out in the applicable contract. The power and authority to extend the term of existing and future contracts lies with SENER. Under the existing contracts, for a contract to be eligible for an extension, the contractor must (i) be in compliance with the terms of such contract, (ii) submit an amendment proposal to the development plan, and (iii) commit to maintain 'sustained regular production' throughout each extension.

No assurance can be given that the Resulting Issuer's contracts will be renewed in the future by the SENER (or any substitute authority thereto) based on the investment plans submitted to that effect, that such authority will not impose additional requirements for the renewal of such contract, or that the Resulting Issuer will continue to have a good business relationship with the new and future administrations.

A global or regional financial crisis and unfavorable credit and market conditions may negatively affect the Resulting Issuer's liquidity, customers, business, and results of operations.

The effects of a global or regional financial crisis and related turmoil in the global financial system may have a negative impact on the business, financial condition and results of operations.

The effects of a global economic crisis on the Resulting Issuer's customers cannot be predicted. Weak global and local economic conditions could lead to reduced demand or lower prices for energy, hydrocarbons and related oil products and petrochemicals, which could have a negative effect on the Resulting Issuer's revenues. Economic factors such as unemployment, inflation and the unavailability of credit could also have a material adverse effect on the demand for energy and, therefore, on the business financial condition and results of operations. The financial and economic situation in Mexico or in other countries in Latin America may also have a negative impact on the Resulting Issuer and third parties with whom the Resulting Issuer does, or may do, business.

Economic conditions and government policies in Mexico and elsewhere may have a material impact on the Resulting Issuer's operations.

A deterioration in Mexico's economic condition, social instability, political unrest, changes in governmental policies, or other adverse social developments in Mexico could adversely affect the business. More generally, in the past, Mexico has experienced several periods of slow or negative economic growth, high inflation, high interest rates, currency devaluation and other economic problems. These problems may worsen or reemerge, as applicable, in the future and could adversely affect the business. A worsening of international financial or economic conditions, such as a slowdown in growth or even a recession in Mexico's trading partners, including the United States, or the emergence of a new financial crisis, could have adverse effects on the Mexican economy and the business.

Also, the Mexican government has had significant influence in the Mexican economy in the past and will likely continue to do so. Changes in the legal framework and policies may adversely affect the business and the value of the Resulting Issuer's securities.

Criminal activity in Mexico could affect the Resulting Issuer's operations.

In recent years, Mexico has experienced a period of increasing criminal activity, primarily due to the activities of drug cartels and related criminal organizations. In addition, the development of the illicit market in fuels in Mexico has led to increases in theft and illegal trade in the fuels that the Resulting Issuer produces. In response, the Mexican government has implemented various security measures, and has strengthened its military and police forces. Despite these efforts, criminal activity continues to exist in Mexico, and could worsen in 2026, if criminal groups seek to take advantage of the upcoming elections to expand their control over the local governments and markets. These activities, their possible escalation and the violence associated with them, in an extreme case, may have a negative impact on the Resulting Issuer's financial condition and results of operations.

Economic and political developments in Mexico may adversely affect Mexican economic policy and, in turn, the Resulting Issuer's operations.

As of the date of this Information Circular, Movimiento de Regeneración Nacional *(Morena),* the political party of Mexican President Claudia Sheinbaum, holds a majority of seats in the Mexican House of Representatives *(Camara de Diputados)* and holds the largest number of seats in the Mexican Senate *(Senado de la República)* relative to any other party. In recent years, the Mexican Executive Branch and Congress have applied significant pressure on the Judicial Branch, particularly on Mexico's Supreme Court of Justice. This concentration of power, along with any political or economic changes resulting from these developments, could have a negative impact on the business, financial position, or operating results.

On September 15, 2024, a constitutional reform was enacted in Mexico, introducing significant changes to the judicial system, including the popular election of judges, magistrates, and Supreme Court justices. The Mexican Judicial Reform (as defined under "*Information Concerning Kinjal – Oil and Gas Regulatory Framework in Mexico – Mexican Judicial Reform*") led to nationwide judicial strikes, disrupting judicial proceedings and potentially causing delays in litigation and contract enforcement. This reform creates regulatory uncertainty that may impact the business operations and legal protections in Mexico.

Economic conditions in Mexico are closely linked to the economic conditions in the United States due to the countries' geographic proximity and the high degree of economic activity between the two countries generally, including the trade facilitated by the United States-Mexico-Canada Agreement *(USMCA).* As a result, political and economic developments in the United States, including but not limited to the recent developments regarding tariffs imposed by the United States on imports from Mexico, can also have an impact on the exchange rate between the U.S. Dollar and the Mexican Peso, economic conditions in Mexico and the global capital markets.

The administration of U.S. President Donald Trump has introduced significant changes in trade policies, including the imposition of new tariffs on imports from Canada, Mexico, and China, with additional measures under consideration. These tariffs, along with potential retaliatory actions by these and other countries, could disrupt global trade flows, and increase operational costs for companies reliant on international supply chains.

Additionally, on January 20, 2025, President Trump issued an executive order directing the U.S. Secretary of State to recommend the designation of certain international cartels and transnational criminal organizations as Foreign Terrorist Organizations and Specifically Designated Global Terrorists. The U.S. Department of Justice subsequently issued memoranda prioritizing enforcement actions against cartels and transnational criminal organizations, including those operating in Mexico. These designations may impose additional compliance and operational challenges for companies, such as the Resulting Issuer, with activities in Mexico.

Other events and changes, and any political and economic instability in Mexico, could have a material adverse effect on the country's economy. The extent of such an impact cannot be accurately predicted. The Resulting Issuer cannot provide any assurances that political developments in Mexico will not adversely affect the Mexican economy or the oil and gas industry and, in turn, the business.

The Mexican nation owns the hydrocarbons reserves located in the subsoil in Mexico.

The Mexican Constitution provides that the Mexican nation, and not the Resulting Issuer, owns all petroleum and other hydrocarbon reserves located in the subsoil in Mexico. Article 27 of the Mexican Constitution provides that the Mexican government will carry out E&P activities through contracts with third parties or allocations awarded to State Public Enterprises *(empresas públicas del Estado).* The Mexican Hydrocarbons Law, allow oil and gas companies to explore and extract the petroleum and other hydrocarbons reserves located in Mexico, subject to the entry into agreements pursuant to a competitive bidding process. After the repeal of the Mexican Hydrocarbons Law, the Mexican Hydrocarbons Sector Law stipulates that the SENER may exceptionally enter into agreements for the exploration and extraction of petroleum and other hydrocarbons, subject to a competitive bidding process. Access to crude oil and natural gas reserves is essential to an oil and gas company's sustained production and generation of income, and the Resulting Issuer's ability to generate income would be materially and adversely affected if the Mexican government were to restrict or prevent the Resulting Issuer from exploring or extracting any of the crude oil and natural gas reserves that was assigned to the Resulting Issuer or if the Resulting Issuer is unable to compete effectively with other oil and gas companies in future bidding rounds for additional E&P rights in Mexico.

Health crises such as the COVID-19 pandemic could have a significant adverse effect on the business operations.

The COVID-19 pandemic had a significant adverse impact on the global economy and the Resulting Issuer. The COVID-19 pandemic resulted in the imposition of local, municipal and national governmental *"shelter-in-place"* and other quarantine measures, border closures and other travel restrictions, closure of non-essential businesses, suspension of visas, nation-wide lockdowns, closing of public and private institutions, extension of holidays, among many others, causing unprecedented commercial disruption in a number of jurisdictions, including Mexico.

Security and Community Relations in Mexico

Certain regions of Mexico, including areas in which Kinjal's assets are located, have experienced criminal activity, security challenges and localized social unrest. Kinjal's operations may be exposed to risks associated with theft of equipment or hydrocarbons, vandalism, extortion, road blockages, disruption of transportation routes or other security-related incidents.

Security conditions may affect the ability of personnel and contractors to access field locations, mobilize equipment or conduct operations safely and efficiently. Additional security measures may be required, which could increase operating costs and cause delays in development activities.

Oil and gas operations in Mexico also require cooperation with local communities and landowners. Land access agreements, surface use arrangements and community engagement processes are essential to the development and operation of assets. Disputes with landowners, ejidos, local communities or other stakeholders could result in delays, additional costs, work stoppages or reputational impacts.

There can be no assurance that Kinjal will be able to maintain constructive relationships with local communities or that security conditions will not deteriorate in a manner that materially and adversely affects operations, timelines or capital expenditures.

Risks Specific to SMB and the Misión Field

The acquisition of SMB by Kinjal requires prior authorization from SENER under the Misión PSC. There is no assurance that such authorization will be granted on a timely basis or at all. A failure to obtain SENER approval would prevent completion of the SMB Acquisition and may prevent or delay completion of the Transaction. Kinjal has taken measures to manage this risk, including through the structuring of contingent risk insurance coverage, but no assurance can be given that such measures will be available or sufficient. See "*Information Concerning Kinjal – General Development of the Business – Mexican Asset Transactions*".

SMB's ability to monetize its production entitlement under the Misión PSC is dependent on the execution of a satisfactory GPSA with Pemex governing the processing and redelivery of wet gas production. The GPSA has not been executed as of the date of this Information Circular and its terms, including the pricing mechanism applicable to SMB's gas entitlement, remain subject to negotiation between Tecpetrol and Pemex. The applicable pricing mechanism may affect the economic viability of certain planned development activities. This matter has not been fully resolved as of the date of this Information Circular.

Pemex holds a 51% participating interest in the Misión PSC and retains meaningful rights under the Misión Joint Operating Agreement including rights with respect to Operating Committee Resolutions. Pemex's financial condition, strategic priorities and operational capacity may affect its ability or willingness to support the development program contemplated by Kinjal, including its participation in cash calls and approval of work programs and budgets.

The fields within the Misión PSC area are mature assets operating under a depletion drive mechanism with declining reservoir pressures across most fields. Maintaining and increasing production is dependent on the timely execution of an active infill drilling and recompletion program. Delays in executing the planned development program, whether due to regulatory, operational, commercial, security-related or other factors, could result in production declining more rapidly than management anticipates.

Field operations in the Burgos Basin are subject to security constraints that may periodically restrict personnel access to certain installations and can result in deferred production, increased operating costs and limitations on the pace of development activity. SMB has implemented remote monitoring and automated field management systems to mitigate the impact of access restrictions, but no assurance can be given that security conditions will not deteriorate or that operational disruptions will not occur.

The dissolution of the CNH and transfer of upstream regulatory functions to SENER in 2025 introduced a period of institutional transition that continues to evolve as SENER develops its operational capacity and issues implementing regulations. While the Misión PSC and all prior CNH approvals remain valid under the transitional provisions of the applicable legislation, there is no assurance that SENER's administration of the contract will be equivalent in all respects to prior CNH practice, or that new regulatory requirements will not impose additional obligations on the contractor.

EFFECT OF THE AMALGAMATION

If the Amalgamation is completed, IFR Subco and Kinjal will amalgamate under the OBCA and continue as Amalco, a wholly-owned subsidiary of IFR. Former holders of Kinjal Shares will receive post-consolidation IFR Shares in exchange for their Kinjal Shares, and former holders of Kinjal Warrants will receive post-consolidation warrants of IFR in accordance with the Definitive Agreement. IFR will remain the publicly listed corporation and reporting issuer and, subject to Shareholder and regulatory approval, is expected to change its name to "Kinjal Gas Ltd.".

IFR Shareholders will continue to hold IFR Shares following completion of the Amalgamation, subject to the Share Consolidation, the name change and dilution resulting from the issuance of IFR Shares and other securities in connection with the Transaction. The business of IFR following completion of the Transaction will be that of the Resulting Issuer. See "*Information Concerning the Resulting Issuer*".

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No director, executive officer, employee, or former director, executive officer or employee of the Corporation, nor any associate or affiliate of any such person, is or has been at any time since the beginning of the last completed financial year indebted to

the Corporation, nor has any such indebtedness been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, except as otherwise disclosed in this Information Circular.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, including under "The Transaction - Interests of Certain Persons in the Transaction" and in the disclosure relating to the Transaction Bonus, the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's most recently completed financial year or in any Transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, including under "*The Transaction - Interests of Certain Persons in the Transaction*" and in the disclosure relating to the Transaction Bonus, no director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate or affiliate of any such person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the approval of the Transaction and related matters and any interest arising solely from the ownership of IFR Shares.

LEGAL MATTERS

Certain legal matters in connection with the Transaction will be passed upon, on behalf of IFR, by DLA Piper Canada and, with respect to Mexican law matters, by DLA Piper (Mexico). Certain legal matters in connection with the Transaction will be passed upon on behalf of Kinjal by Torkin Manes LLP and, with respect to Mexican law matters, by DLA Piper (Mexico). As of the date of this Information Circular, the partners and associates of each such firm, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of IFR or Kinjal, as applicable.

AUDITOR, REGISTRAR, AND TRANSFER AGENT OF IFR

MNP LLP, at its offices located at 2000, 112 - 4th Avenue SW Calgary, Alberta, T2P 0H3, has served as auditor of IFR since 2023.

Computershare Trust Company of Canada, at its offices located at 800 – 324 8 Avenue SW, Calgary, Alberta, T2P 2Z2, is the registrar and transfer agent for the IFR Shares. Computershare Trust Company of Canada or another Computershare affiliate may act as proxy processing agent or depositary in connection with the Meeting and the Transaction, as applicable.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are the matters set out in the Notice of Meeting accompanying this Information Circular.

Report and Financial Statements

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the years ended December 31, 2025, and December 31, 2024, and the reports of the auditor thereon, copies of which are available on SEDAR+.

Fixing the Number of Directors

Shareholders of the Corporation will be asked to consider and, if thought advisable, to approve an ordinary Resolution fixing the number of directors to be elected at the Meeting at four (4), such number to remain in effect until completion of the Transaction, or the next annual meeting of the Corporation, in the following form:

BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION, THAT:

1. the number of directors of the Corporation to be elected at the Meeting be fixed at four (4), such number to remain in effect until completion of the Transaction; and

2. any one (1) director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such acts and things and to execute and deliver all such documents as such director or officer may determine to be necessary or desirable to give effect to this Resolution.

The IFR Board unanimously recommends that Shareholders vote FOR the Resolution fixing the number of directors at four (4).

In order to be effective, an ordinary Resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the Resolution. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the Resolution fixing the number of directors**.

Shareholders will also be asked to consider and, if deemed advisable, to pass an ordinary Resolution fixing the number of directors of the Corporation at eight (8), conditional upon and effective upon completion of the Transaction. The IFR Board unanimously recommends that Shareholders vote FOR the Resolution fixing the number of Resulting Issuer directors at eight (8).

Election of Directors

Shareholders will be asked to elect Tony Kinnon, Margaret Souleles, Henry Bustard and Ignacio Quesada as directors of the Corporation, to hold office until the earlier of (i) completion of the Transaction, at which time the election of the Resulting Issuer directors contemplated below will become effective, and (ii) the next annual meeting of Shareholders, or until their successors are otherwise elected or appointed.

BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION, THAT:

1. each of the following persons be elected as a director of the Corporation, to hold office until the earlier of (i) completion of the Transaction, at which time the election of the Resulting Issuer directors will become effective, and (ii) the next annual meeting of Shareholders, or until such person's successor is elected or appointed or unless such office is earlier vacated in accordance with the articles or by-laws of the Corporation or applicable law:

   Tony Kinnon,

   Margaret Souleles,

   Henry Bustard, and

   Ignacio Quesada;

2. the Shareholders acknowledge that the director nominees named above will serve as directors of the Corporation until completion of the Transaction, at which time the eight Resulting Issuer directors elected conditionally under a separate resolution will take office; and

3. any one (1) director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such acts and things and to execute and deliver all such documents as such director or officer may determine to be necessary or desirable to give effect to this Resolution.

Information concerning the proposed directors of the Corporation and the Resulting Issuer is set out in "Information Concerning the Resulting Issuer – Directors, Officers and Promoters".

If the Transaction is not completed, the composition of the board of directors of IFR may be addressed in accordance with applicable law, the constating documents of IFR and the requirements of the TSXV, including through resignations, appointments or the calling of a further meeting of Shareholders, as applicable.

Appointment of Auditor

The shareholders of the Corporation will be asked to vote for a Resolution for the appointment of MNP LLP as auditor of the Corporation in the following form:

BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION, THAT:

1. MNP LLP be appointed as auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders or until its successor is duly appointed;

2. the board of directors of the Corporation be authorized to fix the remuneration of the auditor; and

3. any one (1) director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such acts and things and to execute and deliver all such documents as such director or officer may determine to be necessary or desirable to give effect to this Resolution.

The IFR Board unanimously recommends that Shareholders vote FOR the Resolution appointing MNP LLP as auditor.

In order to be effective, an ordinary Resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the Resolution. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the Resolution appointing MNP LLP as auditor**.

Transaction Resolution

Shareholders will be asked to consider and, if deemed advisable, approve the Transaction Resolution in the form set forth below. The Transaction Resolution approves the proposed reverse takeover transaction involving IFR and Kinjal, including the three-cornered amalgamation pursuant to which IFR Subco will amalgamate with Kinjal under the *Business Corporations Act* (Ontario) (the "**OBCA**"), the issuance of post-consolidation IFR Shares and post-consolidation IFR warrants pursuant thereto, and the other matters contemplated by the Definitive Agreement.

BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION, THAT:

1. the proposed reverse takeover transaction involving the Corporation and Kinjal Corporation ("**Kinjal**"), including the three-cornered amalgamation pursuant to which 1001550109 Ontario Inc., a wholly-owned subsidiary of the Corporation incorporated under the OBCA ("**IFR Subco**"), will amalgamate with Kinjal under section 174 of the OBCA, all as more particularly described in the Information Circular, be and is hereby authorized, approved and adopted;

2. the amalgamation agreement, dated April 16, 2026, among the Corporation, IFR Subco and Kinjal, as may be amended, supplemented or restated from time to time in accordance with its terms (the "**Definitive Agreement**"), and the transactions contemplated thereby, be and are hereby authorized, approved and adopted;

3. the issuance by the Corporation of post-consolidation common shares of the Corporation to former holders of Kinjal Shares pursuant to the Definitive Agreement, the issuance by the Corporation of warrants or other securities to former holders of Kinjal Warrants, Kinjal Subscription Receipts, Kinjal SAFEs or other securities of Kinjal, and the supplementary listing of up to 28,910,852 Resulting Issuer Warrants on the TSXV, in each case as contemplated by the Definitive Agreement and described in the Information Circular, be and are hereby authorized and approved;

4. notwithstanding that this Resolution has been passed by Shareholders, the board of directors of the Corporation be and is hereby authorized, without further notice to or approval of Shareholders, to amend, supplement or otherwise modify the Definitive Agreement, to the extent permitted by the Definitive Agreement, and to determine not to proceed with the Amalgamation or any of the other transactions contemplated by the Definitive Agreement;

5. any one (1) director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver, whether under corporate seal or otherwise, all such agreements, instruments, certificates, notices, filings and other documents, including all stock exchange, securities, regulatory and corporate filings, and to do all

such other acts and things as such director or officer may determine to be necessary or desirable to give effect to this Resolution, the Definitive Agreement and the transactions contemplated thereby, such determination to be conclusively evidenced by the execution and delivery of any such document or the doing of any such act or thing; and

6. all actions previously taken by the directors or officers of the Corporation in connection with the Definitive Agreement, the Amalgamation and the transactions contemplated thereby be and are hereby ratified, approved and confirmed.

The IFR Board unanimously recommends that Shareholders vote FOR the Transaction Resolution.

In order to be effective, the Transaction Resolution requires approval by not less than 66⅔% of the votes validly cast on the Transaction Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the Transaction Resolution.**

Share Consolidation and Name Change

Shareholders will be asked to consider and, if deemed advisable, approve a special Resolution authorizing an amendment to the articles of IFR to consolidate all of the issued and outstanding IFR Shares on the basis of thirteen (13) pre-consolidation IFR Shares for one (1) post-consolidation IFR Share and to change the name of IFR to "Kinjal Gas Ltd.", or such other name as may be accepted by the TSXV and approved by the Board, in each case to be effective in connection with completion of the Transaction.

BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION, THAT:

1. the articles of the Corporation be amended to consolidate all of the issued and outstanding common shares of the Corporation on the basis of thirteen (13) pre-consolidation common shares for one (1) post-consolidation common share, or such lesser consolidation ratio as may be determined by the board of directors of the Corporation and accepted by the TSX Venture Exchange, to be effective in connection with completion of the Transaction;

2. the articles of the Corporation be amended to change the name of the Corporation to "Kinjal Gas Ltd.", or such other name as may be accepted by the TSX Venture Exchange and approved by the board of directors of the Corporation, to be effective in connection with completion of the Transaction;

3. the board of directors of the Corporation be and is hereby authorized, in its sole discretion and without further approval of Shareholders, to determine the effective time of the share consolidation and name change, to determine not to proceed with the share consolidation or name change, and to revoke this special Resolution before it is acted upon;

4. any one (1) director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver articles of amendment and all such other agreements, instruments, certificates, notices, filings and documents, including all filings with the Registrar of Corporations under the *Business Corporations Act* (Alberta), the TSX Venture Exchange and any applicable securities regulatory authority, and to do all such other acts and things as such director or officer may determine to be necessary or desirable to give effect to this Resolution, such determination to be conclusively evidenced by the execution and delivery of any such document or the doing of any such act or thing; and

5. all actions previously taken by the directors or officers of the Corporation in connection with the matters authorized by this Resolution be and are hereby ratified, approved and confirmed.

The IFR Board unanimously recommends that Shareholders vote FOR the share consolidation and name change Resolution.

In order to be effective, the share consolidation and name change Resolution noted above requires approval by not less than 66⅔% of the votes validly cast on such Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the share consolidation and name change Resolution noted above**.

Fixing the Number of Resulting Issuer Directors

Shareholders of the Corporation will be asked to consider and, if thought advisable, to approve an ordinary Resolution fixing the number of directors of the Resulting Issuer at eight (8), conditional upon the completion of the Transaction, in the following form:

BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION, THAT:

1. the number of directors of the Corporation be fixed at eight (8), conditional upon the completion of the Transaction; and

2. any one (1) director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such acts and things and to execute and deliver all such documents as such director or officer may determine to be necessary or desirable to give effect to this Resolution.

The IFR Board unanimously recommends that Shareholders vote FOR the Resolution fixing the number of Resulting Issuer directors at eight (8) conditional upon completion of the Transaction.

In order to be effective, an ordinary Resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the Resolution. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the Resolution fixing the number of directors**.

Election of Resulting Issuer Directors

Shareholders will be asked to elect, conditional upon and effective upon completion of the Transaction, the following eight (8) persons as directors of the Corporation, who will constitute the board of directors of the Corporation as the Resulting Issuer, to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed:

Warren Levy

James Edmiston

Brooks Klimley

Miles Lewis

Tony Kinnon

Arnaud de Limelette

Ignacio Quesada

Guadelupe Rodriguez

The IFR Board unanimously recommends that Shareholders vote FOR the election of each of the Resulting Issuer director nominees named above. Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the election of each of the Resulting Issuer director nominees.

The IFR Board unanimously recommends that Shareholders vote FOR the Resolution electing the directors.

In order to be effective, an ordinary Resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the Resolution. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the Resolution electing the directors**.

Approval of Omnibus Equity Incentive Plan

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve an ordinary Resolution approving the omnibus equity incentive plan of the Resulting Issuer (the "**Omnibus Plan**"), to become effective upon completion of the Transaction.

Under TSXV policies, the Corporation is required to obtain shareholder approval of the Omnibus Plan on an annual basis. The Board determined that it is desirable to have a wide range of incentive Awards to attract, retain and motivate Employees, Directors, Officers and Consultants of the Corporation (as such terms are defined in the Omnibus Plan). The Omnibus Plan permits the grant of Options, DSUs, RSUs, PSUs, and Other Share-Based Awards to eligible Participants (as defined in the Omnibus Plan). The following summary of the Omnibus Plan is qualified in its entirety by reference to the full text of the Omnibus Plan, attached as Appendix "I" to this Information Circular.

Purpose

The purpose of the Omnibus Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward those Directors, Officers, Employees and Consultants who may be granted Awards under the Omnibus Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation, and to enable and encourage such Directors, Officers, Employees and Consultants to acquire Common Shares as long-term investments and proprietary interests in the Corporation.

Types of Awards

The Omnibus Plan provides for the grant of Awards which may be denominated or settled in Common Shares, cash or in such other forms as provided for in the Omnibus Plan. All Awards will be evidenced by an agreement or other instrument or document (an "**Award Agreement**").

Plan Administration

The Omnibus Plan will be administered by the Board, which may delegate its authority to any duly authorized committee of the Board (the "**Plan Administrator**"). The Plan Administrator has sole and complete authority, in its discretion, to:

(a) determine the Participants to whom grants of Awards under the Omnibus Plan may be made;

(b) make grants of Awards under the Omnibus Plan, whether relating to the issuance of Common Shares or otherwise (including any combination of Options, RSUs, PSUs, DSUs or Other Share-Based Awards), in such amounts, to such Participants and, subject to the provisions of the Omnibus Plan, on such terms and conditions as it determines, including, without limitation:

(i) the time or times at which Awards may be granted,

(ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to the Corporation, including any conditions relating to the attainment of specified performance goals,

(iii) the number of Common Shares to be covered by any Award,

(iv) the price, if any, to be paid by a Participant in connection with the purchase of Common Shares covered by any Awards,

(v) whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any, and

(vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine; provided that the Plan Administrator may not permit the acceleration of vesting of any Options granted to Persons employed to provide Investor Relations Activities without the prior written approval of the Exchange;

(c) establish the form or forms of Award Agreements;

(d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Omnibus Plan;

(e) construe and interpret the Omnibus Plan and all Award Agreements;

(f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and

(g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Plan.

Common Shares Available for Awards

The Omnibus Plan is a "rolling up to 10% and fixed up to 10%" Security Based Compensation Plan, as defined in TSXV Policy 4.4 - *Security Based Compensation*. The Omnibus Plan is a: (a) "rolling" plan pursuant to which the number of Common Shares that are issuable pursuant to the exercise of Options (including the existing Options) granted under the Omnibus Plan shall not exceed 10% of the issued and outstanding Common Shares as at the date of any Option grant; and (b) "fixed" plan under which the number of Common Shares that are issuable pursuant to all Awards granted under the Omnibus Plan other than Options granted pursuant to the "rolling" component of the Omnibus Plan and under any other security based compensation arrangement, in aggregate is a maximum of 7,856,378 Common Shares, assuming completion of the Transaction, in each case, subject to adjustment as provided in the Omnibus Plan and any subsequent amendment to the Omnibus Plan.

Notwithstanding any other provision of the Omnibus Plan, the Plan must include a mechanism that permits the Corporation to make payment in cash if it does not have a sufficient number of listed shares available under the Omnibus Plan to satisfy its obligations in respect of dividend equivalents payable to Participants. See Article 9 of the Omnibus Plan attached as Appendix "I".

The aggregate number of Common Shares: (a) issued to Consultants within any one-year period, under all of the Corporation's security based compensation arrangements may not exceed two percent (2%) of the Corporation's total issued and outstanding Common Shares; (b) issued to any one (1) individual within any one-year period, under all of the Corporation's security based compensation arrangements may not exceed five percent (5%) of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval has been obtained; (c) issued to Persons employed to provide investor relations services within any one-year period, under all of the Corporation's security based compensation arrangements, may not exceed two percent (2%) of the Corporation's total issued and outstanding Common Shares; (d) issuable to Insiders (as defined in the Omnibus Plan) at any time under all of the Corporation's security based compensation arrangements may not exceed ten percent (10%) of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval has been obtained; and (e) issued to Insiders within any one-year period, under all of the Corporation's security based compensation arrangements may not exceed ten (10%) of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval has been obtained.

Blackout Period

In the event that the Award Date (as defined in the Omnibus Plan) occurs, or an Award expires, during a Black-Out Period (as defined herein), the effective Award Date for such Award, or expiry of such Award, as the case may be, will be no later than ten (10) business days after the last day of the Black-Out Period, and the Market Price (as defined in the Omnibus Plan) with respect to the grant of such Award shall be calculated based on the volume weighted average price ("**VWAP**") of the five (5) business days after the last day of the Black-Out Period. For the purposes hereof, a "**Black-Out Period**" means that period during which a trading black-out period is imposed by the Corporation to restrict trades in the Corporation's securities by a Participant.

Description of Awards

Subject to the provisions of the Omnibus Plan and such other terms and conditions as the Plan Administrator may prescribe, including with respect to performance and vesting conditions, the Plan Administrator may, from time to time, grant the following types of Awards to any Participant.

Options

An Option entitles a holder thereof to purchase a Common Share at an exercise price set at the time of the grant, such price must in all cases be not less than the Market Price on the relevant date. Each Option will expire on the expiry date specified in the Award Agreement (which shall not be later than the tenth (10th) anniversary of the date of grant) or, if not so specified, means the tenth (10th) anniversary of the date of grant.

A Participant or the Personal Representative of the Participant (as defined in the Omnibus Plan) may elect to exercise such Options on a cashless basis, which means the exercise of an Option where the Corporation has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to the Participant to purchase the Common Shares underlying the Option and then the brokerage firm sells a sufficient number of Common Shares to cover the exercise price of the Option in order to repay the loan made to the Participant and receives an equivalent number of Common Shares from the exercise of the Options as were sold to cover the loan and the Participant then receives the balance of the Common Shares or the cash proceeds from the balance of the Common Shares.

Other than a person conducting investor relations activities, a Participant or the Personal Representative of the Participant may elect to exercise an Option without payment of the aggregate exercise price of the Common Shares to be purchased pursuant to the exercise of the Option (a "**Net Exercise**") by delivering a net exercise notice to the Plan Administrator. Upon receipt by the Plan Administrator of a net exercise notice from a Participant or Personal Representative of a Participant, the Corporation shall calculate and issue to such Participant or Personal Representative of such Participant that number of Common Shares as is determined by application of the following formula:

$$X = [Y(A-B)]/A$$

Where:

X = the number of Common Shares to be issued to the Participant upon the Net Exercise

Y = the number of Common Shares underlying the Options being exercised

A = the VWAP as at the date of the net exercise notice, if such VWAP is greater than the exercise price

B = the exercise price of the Options being exercised

Deferred Share Units

A DSU is a unit that vests one (1) year or more following a grant but does not settle until a future date after the vesting, generally as established in the Award Agreement, or if not so established, then upon termination of service with the Corporation. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price on the relevant date.

DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU be settled prior to, or later than one (1) year following, the date of the applicable Participant's separation from service. Subject to the terms of the Omnibus Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant will redeem each vested DSU for a Common Share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, DSUs will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date in respect of which normal cash

dividends are paid on Common Shares. Dividend equivalents will vest in proportion to the DSUs to which they relate and will be settled in the same manner as the DSUs.

Restricted Share Units

An RSU is a unit equivalent in value to a Common Share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The number of RSUs (including fractional RSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price of a Common Share on the relevant date.

The Plan Administrator will have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to the terms of the Omnibus Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant will redeem each vested RSU for a Common Share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, RSUs will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents will vest in proportion to the RSUs to which they relate and will be settled in the same manner as the RSUs.

Performance Share Units

The Plan Administrator will issue performance goals prior to the date of grant to which such performance goals pertain. The performance goals may be based upon the achievement of corporate, divisional or individual goals and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or other agreement with a Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Each PSU will consist of a right to receive a Common Share, cash payment, or a combination thereof, upon the achievement of such performance goals during such performance periods as the Plan Administrator may establish.

Other Share-Based Awards

Each Other Share-Based Award shall consist of a right (a) which is other than an Award or right described above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Omnibus Plan; *provided*, *however*, that such right will comply with applicable law. Subject to the terms of the Omnibus Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards.

Effect of Termination on Awards

The following table describes the impact of certain events upon the Participants under the Omnibus Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement:

Event Provisions	**Provisions**
Termination for cause	Forfeiture of any unexercised Option or other Award.
Resignation	Forfeiture of any unexercised Option or other Award
Termination without cause	Any Option or other Award that is not vested as of the termination date shall be cancelled. Vested Options or other Awards may be exercised at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) ninety (90) days after the termination date (or such other period as may be determined by the Board, provided such period is not more than one year following the termination date).

Event Provisions	Provisions
Death	Any Option or other Award that has not vested as of the date of the death of such Participant shall terminate. Vested Options or other Awards may be exercised at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the six (6) month anniversary of the date of the death of the Participant.
Disability	Any Option or other Award that has not vested as of the date of the disability of such Participant shall terminate. Vested Options or other Awards may be exercised at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the six (6) month anniversary of the date of disability of the Participant.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant or as set out in the Omnibus Plan, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause:

(a) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Omnibus Plan);

(b) outstanding Awards to vest and become exercisable, realizable or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control;

(c) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction, the Plan Administrator determines, in good faith, that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Corporation without payment);

(d) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or

(e) any combination of the foregoing. In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, and unless otherwise determined by the Plan Administrator or as set out in the Omnibus Plan, if, as a result of a Change in Control, the Common Shares will cease trading on a stock exchange, the Corporation may terminate all of the Awards granted under the Omnibus Plan at the time of and subject to the completion of the Change in Control by paying to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably.

Assignability

Except as required by law, the rights of a Participant under the Omnibus Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant. For greater certainty, the Plan Administrator does not have the authority to permit the transfer of any Award, as all Awards are non-transferable.

Amendment, Suspension or Termination of the Omnibus Plan

The Plan Administrator may from time to time, without notice and without approval of the Shareholders, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards granted pursuant thereunder as it, in its discretion, determines

appropriate, provided, however, that no such amendment, modification, change, suspension or termination shall be made without Exchange approval, if applicable, and provided further that: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Omnibus Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or Exchange requirements; and (b) any amendment that would cause an Award held by a U.S. taxpayer to be subject to the additional tax penalty under the U.S. tax code will be null and void with respect to the U.S. taxpayer unless his or her consent is obtained.

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Omnibus Plan for the purposes of making:

(a) any amendments to the general vesting provisions of each Award;

(b) any amendment regarding the effect of termination of a participant's employment or engagement;

(c) any amendments to add covenants of the Corporation for the protection of Participants, provided that the Plan Administrator must be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;

(d) any amendments not inconsistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator must be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and non-employee directors; or

(e) any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator must be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Notwithstanding the foregoing and subject to any rules of the Exchange, shareholder approval will be required for any amendment, modification or change that:

(a) increases the percentage of Common Shares reserved for issuance under the Omnibus Plan, except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(b) increases or removes the ten percent (10%) limits on Common Shares issuable or issued to Insiders;

(c) reduces the exercise price of an Award, except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(d) extends the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within five (5) Business Days following the expiry of such a blackout period);

(e) permits an Award to be exercisable beyond ten (10) years from its date of grant (except where an expiry date would have fallen within a blackout period);

(f) increases or removes the non-employee director participation limits; provided, however, that nothing in the Omnibus Plan shall permit any amendment that would result in the term of any Option exceeding ten (10) years from its date of grant;

(g) permits Awards to be transferred to a person;

(h) changes the eligible participants of the Omnibus Plan; or

(i) deletes or reduces the range of amendments which require shareholder approval.

The Board has unanimously approved the Omnibus Plan and recommends that Shareholders vote FOR the Resolution regarding the Omnibus Plan. The complete text of the Resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"WHEREAS the policies of the TSX Venture Exchange require annual shareholder approval for the implementation of the omnibus equity incentive plan of the corporation."

RESOLVED THAT:

1. the Omnibus Plan, in the form attached as Appendix "I" to the management information circular dated October 1, 2026, of the Corporation, is hereby authorized and approved conditional upon the completion of the Transaction; and

2. any one (1) officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this Resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE OMNIBUS PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE OMNIBUS PLAN.

Approval of Transaction Bonus / Bonus Shares

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve an ordinary Resolution approving the transaction completion bonus consideration in the aggregate amount of $190,000 approved by the Board of Directors of the Corporation in respect of services provided in connection with the Transaction (the "**Transaction Bonus**"), to be satisfied by the issuance from treasury of an aggregate of 3,087,500 pre-consolidated common shares of the Corporation at a deemed issue price of $0.06153846 per common share (the "**Bonus Shares**").

The Transaction Bonus is payable only if the Transaction is completed. No Bonus Shares will be issued, and no entitlement to the Transaction Bonus will arise, unless and until the Transaction is completed. The issuance of the Bonus Shares is subject to receipt of all required approvals, including approval of the TSX Venture Exchange and, if applicable, Shareholder approval.

The Bonus Shares are proposed to be issued as follows:

Recipient	Position	Bonus Amount	Number of Bonus Shares (Pre-consolidated)	Number of Bonus Shares (Post-consolidated)
Tony Kinnon	Chief Executive Officer and Director	$114,000	1,852,500	142,500
Margaret Souleles	Chief Financial Officer and Director	$76,000	1,235,000	95,000
Total		$190,000	3,087,500	237,500

Tony Kinnon and Margaret Souleles are directors and officers of the Corporation and have declared their respective interests in the Transaction Bonus. The independent directors of the Corporation have approved the Transaction Bonus and the issuance of the Bonus Shares, subject to receipt of all required approvals. Tony Kinnon and Margaret Souleles abstained from voting on the approval of the Transaction Bonus where required under applicable corporate law.

The votes attached to the 2,682,500 IFR Shares held by Tony Kinnon and the 2,611,158 IFR Shares held by Margaret Souleles, being an aggregate of 5,293,658 IFR Shares and representing approximately 13.90% of the issued and outstanding IFR Shares, will be excluded from the vote on the Transaction Bonus / Bonus Shares Resolution. The number and percentage of excluded IFR Shares will be confirmed based on the IFR Shares held or controlled by the recipients as of the record date for the Meeting.

In order to be effective, the Transaction Bonus / Bonus Shares Resolution must be approved by the affirmative vote of a majority of the votes cast by disinterested Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

At the Meeting, disinterested Shareholders will be asked to consider and, if deemed advisable, pass the following ordinary resolution:

"WHEREAS the board of directors of the Corporation has approved transaction completion bonus consideration in the aggregate amount of $190,000 in respect of services provided in connection with the Transaction, to be satisfied by the issuance of common shares of the Corporation;

AND WHEREAS the Corporation is seeking the approval of disinterested Shareholders for the Transaction Bonus and the issuance of the Bonus Shares in accordance with the policies of the TSX Venture Exchange;

RESOLVED THAT:

1. the transaction completion bonus consideration in the aggregate amount of $190,000 (the "Transaction Bonus"), to be satisfied by the issuance from treasury of an aggregate of 3,087,500 pre-consolidation common shares of the Corporation at a deemed issue price of $0.06153846 per pre-consolidation common share (the "Bonus Shares"), equivalent to 237,500 post-consolidation common shares at a deemed issue price of $0.80 per post-consolidation common share following the proposed 13:1 Share Consolidation, be and is hereby authorized and approved, with the Bonus Shares to be issued as follows:

    (a) 1,852,500 pre-consolidation common shares, equivalent to 142,500 post-consolidation common shares, to Tony Kinnon in satisfaction of $114,000 of the Transaction Bonus; and

    (b) 1,235,000 pre-consolidation common shares, equivalent to 95,000 post-consolidation common shares, to Margaret Souleles in satisfaction of $76,000 of the Transaction Bonus;

2. the Transaction Bonus and the issuance of the Bonus Shares shall be conditional upon completion of the Transaction and receipt of all required approvals, including approval of the TSX Venture Exchange, and no entitlement to the Transaction Bonus shall arise and no Bonus Shares shall be issued unless and until the Transaction is completed; and

3. any one (1) officer or director of the Corporation, other than a recipient of the Transaction Bonus, be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents, to make any non-material amendments required by the TSX Venture Exchange, and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this Resolution, the execution of any such document or the doing of any such act or thing being conclusive evidence of such determination.

Approval of the Continuance of the Corporation

Continuance under the OBCA

The Corporation presently exists under, and the rights of shareholders of the Corporation are governed as to matters of corporate law by, the ABCA. However, management believes that following completion of the Transaction, it will be more efficient and cost effective for the Corporation to be governed by the laws of the Province of Ontario.

The ABCA provides that, subject to certain requirements, a company may, if it is authorized by the shareholders of the company and by the Registrar (the "**Alberta Registrar**") under the ABCA, make an application to the appropriate official or public body of another jurisdiction requesting that the company be continued into that other jurisdiction as if the company had been incorporated under the laws of that other jurisdiction. At the Meeting, the Corporation is seeking the authorization of the

continuance (the "**Continuance**") by the Shareholders of the Corporation. If the Continuance is authorized by Shareholders, the Corporation intends to file with the Ministry of Government and Consumer Services (Ontario) the OBCA articles of continuance (the "**Articles of Continuance**") substantially in the form of the draft articles of continuance attached as Appendix "J" to this Information Circular.

Comparison of Shareholder Rights under the ABCA and the OBCA

While it is not practical to summarize all aspects of the rights of shareholders of corporations governed by the OBCA in comparison to the ABCA in this Information Circular, certain principal aspects of the two statutes differ in ways which may affect shareholders, and such differences are summarized below. The summary is not an exhaustive review of the differences between the two statutes and is qualified in all respects by the provisions of the OBCA and the ABCA. Reference should be made to the full text of both statutes for particulars of the differences. Shareholders should consult their professional advisors with respect to the detailed provisions of the OBCA and their rights thereunder and the implications of the Continuance which may be of particular importance to them.

Amendments to Charter Documents

Under the ABCA, a company may resolve to alter its notice of articles or articles by a special Resolution of its shareholders, unless the ABCA specifies a different type of Resolution or unless the ABCA does not specify the type of Resolution and the articles of the company specify a different type of Resolution. The articles of a company may specify the minimum number of votes that are required to pass a special Resolution, but such number may not be less than two-thirds or more than three-fourths of the votes cast thereon. The articles of the Corporation currently specify that a special Resolution must be passed by at least two-thirds of the votes cast thereon.

Under the OBCA, a corporation may from time to time amend its articles by special Resolution of its shareholders, except where, among other things, the directors of a corporation are authorized by the articles to divide any class of unissued shares into series and determine the designation, rights, privileges, restrictions and conditions thereof, in which case the directors may authorize the amendment of the articles to provide for such designation, rights, privileges, restrictions and conditions. A special Resolution must be passed by at least two-thirds of the votes cast thereon. The directors of a corporation may, subject to any restriction in the articles, by-laws or a unanimous shareholder agreement of a corporation, make, amend or repeal any by-laws of the corporation, but any such action of the directors is subject to the later confirmation by Resolution passed by a majority of the votes cast by the shareholders entitled to vote on the Resolution.

Rights of Dissent

Under both the ABCA and the OBCA, shareholders have substantially the same rights of dissent if a corporation resolves to effect certain fundamental changes. Under the OBCA, shareholders have an additional dissent right if a corporation resolves to amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of shares of the corporation, and shareholders of a class or series have additional dissent rights, subject to certain exemptions, if a corporation resolves to amend its articles in circumstances where the class or series is entitled to a separate vote.

Record Date for Notice of and Voting at Shareholders' Meetings

Under both the ABCA and the OBCA, the directors of the corporation may set a date as the record date for the purpose of, among other things, determining shareholders entitled to notice of and to vote at a meeting of shareholders. Under the ABCA, subject to certain exceptions, the record dates for notice of and voting at a meeting of shareholders must not be more than two (2) months or less than 21 days prior to the date of the meeting. Under the OBCA, subject to certain exceptions, the record dates for notice of and voting at a meeting of shareholders must not be more than sixty (60) days or less than thirty (30) days prior to the date of the meeting.

Place of Shareholders' Meetings

Under the ABCA, a general meeting of a company must be held in Alberta, unless the location is provided for in the articles of the company or, if the articles do not restrict the company from approving a location outside of Alberta for the holding of the general meeting, the location for the meeting is (a) approved by the Resolution of the shareholders required by the articles for that purpose, (b) if no Resolution is required for that purpose by the articles, approved by ordinary Resolution of the

shareholders, or (c) approved in writing by the Alberta Registrar before the meeting is held. Under the OBCA, subject to the articles and any unanimous shareholder agreement, a meeting of the shareholders of a corporation may be held at such place in or outside Ontario as the directors determine.

Quorum for Shareholders' Meetings

Under the ABCA, the quorum for the transaction of business at a meeting of the shareholders of a company is the quorum established by the articles of the company, or, if no quorum is established by the memorandum or articles, two (2) shareholders entitled to vote at the meeting whether present in person or by proxy. Under the OBCA, unless the by-laws of the corporation otherwise provide, the holders of a majority of the shares entitled to vote at a meeting of shareholders, whether present in person or represented by proxy, constitute a quorum. The articles of the Corporation currently provide that quorum for a meeting of shareholders shall be two shareholders, who are either present or represented by proxy, holding at least five percent (5%) of the outstanding shares of the Corporation entitled to vote at the meeting.

Share Capital

Under the ABCA and the OBCA, there are no provisions for the shares of a corporation to have par value and, accordingly, the proposed Articles of Continuance provide for only non-par value shares.

Residency of Directors

Neither the ABCA nor the OBCA has residency requirements for directors.

Number of Directors

Under the ABCA, the number of directors is, in the case of an offering corporation, the greater of (a) three (3), and (b) the number of directors elected or appointed in accordance with the ABCA and the articles of the company. If the articles of a company so provide, the directors of a company may appoint one or more additional directors, if, after such appointment, the total number of directors would not then be greater than one and one-third times the number of directors elected at the annual meeting of shareholders.

Under the OBCA, the number of directors of a corporation is the number set out in its articles. Where a minimum and maximum number of directors is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders is the number determined from time to time by special Resolution of the shareholders, or if the special Resolution empowers the directors to determine the number, by Resolution of the directors. Where such a special Resolution so empowers the directors to determine the number of directors within the minimum and maximum number of directors provided for in the articles, the directors may appoint one (1) or more additional directors if, after such appointment, the total number of directors would not then be greater than one and one-third times the number of directors elected at the annual meeting of shareholders.

Cumulative Voting

Under the ABCA, shareholders do not have cumulative voting rights with respect to the election of directors. Under the OBCA, cumulative voting rights are permitted, but are not required. Under the OBCA, if the articles provide for cumulative voting rights in the election of directors, the articles must fix the number of directors instead of providing for a minimum and maximum number of directors. There is no provision for cumulative voting in the proposed Articles of Continuance. Accordingly, at future meetings of the Corporation, upon a vote with respect to the election of directors, shareholders may cast one vote for each Common Share held by that shareholder.

Removal of Directors

Under the ABCA, directors of a company may generally be removed by a special Resolution of the shareholders. Under the OBCA, subject to provisions regarding cumulative voting, directors of a corporation may generally be removed by an ordinary Resolution of the shareholders.

Effects of Continuance

General

The Continuance does not create a new legal entity, nor will it prejudice or affect the continuity of the Corporation. The Continuance will not result in any change in the business of the Corporation. The five (5) current directors of the Corporation will continue to be the directors of the Corporation, and the officers of the Corporation will continue to be those persons appointed as officers by the directors of the Corporation.

Under the OBCA, upon Continuance, the Corporation will become a corporation to which the OBCA applies as if it had been incorporated under the OBCA. The Corporation will continue to: (i) possess all property, rights, privileges and franchises of the Corporation and be subject to all the liabilities, including civil, criminal or quasi-criminal, and all contracts, disabilities and debts of the Corporation; (ii) be subject to the enforcement by or against the Corporation of a conviction, or ruling, order or judgment in favour of or against the Corporation; and (iii) be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against the Corporation. Furthermore, any Common Shares issued before the Continuance will be deemed to have been issued in compliance with the OBCA and with the Articles of Continuance, and the Continuance will not deprive a holder of Common Shares of any right or privilege that such holder claims under, or relieve such holder of any liability in respect of, an issued Common Share.

Articles of Continuance

As a corporation existing under the ABCA, the constating documents of the Corporation consist of articles and by-laws. The articles of the Corporation set out, among other things, the name of the Corporation, the respective names and addresses of the directors of the Corporation, the registered office and the records office of the Corporation, and describe the authorized share structure of the Corporation. The by-laws dictate the Corporation's internal governance, outlining how decisions are made, who has authority, and how meetings are run. Upon the Continuance becoming effective, the articles filed under the ABCA will be replaced by the Articles of Continuance, and the by-laws will be adopted by the continued corporation.

Authorized Capital

The number of common shares that the Corporation is authorized to issue will remain unaltered at an unlimited number of common shares. The rights, privileges, restrictions and conditions which presently attach to the common shares will be substantially the same as the rights, privileges, restrictions and conditions which will attach to such common shares after the Continuance as set out in the Articles of Continuance.

Number of Directors

Under the OBCA, the articles of a corporation may provide for a minimum and maximum number of directors. The shareholders may adopt an amendment to the articles of a corporation to increase or, subject to the provisions of the OBCA, decrease the minimum or maximum number of directors. The Articles of Continuance provide that the Corporation will have a minimum of one (1) director and a maximum of fifteen (15) directors. Subject to certain restrictions, the OBCA permits the directors to appoint additional directors to fill vacancies. A director appointed or elected to fill a vacancy holds office for the unexpired term of the director's predecessor. Until changed, the number of directors of the Corporation will be eight (8).

Shareholder Approval of the Continuance

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, the following Resolution (the "**Continuance Resolution**"):

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Corporation be, and it hereby is, authorized and empowered to continue (the "**Continuance**") under the *Business Corporations Act* (Ontario) (the "**OBCA**") from under the *Business Corporations Act* (Alberta) (the "**ABCA**");

2. the application by the Corporation to the Registrar (the "**Alberta Registrar**") under the ABCA to authorize the Continuance is hereby ratified, confirmed and approved;

3. the Corporation be, and it hereby is, authorized and empowered to make an application to the Ministry of Government and Consumer Services (Ontario) for a certificate of continuance (the "**Certificate of Continuance**") and to send to the Minister, together with any other prescribed documents, articles of continuance (the "**Articles of Continuance**") in substantially the same form as the draft articles of continuance attached as Appendix "J" to the information circular subject to such changes therein, if any, as any one (1) officer or any one (1) director of the Corporation shall consider necessary to ensure the Articles of Continuance conform to the laws of Ontario or desirable and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation;

4. any one (1) officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, the Articles of Continuance and to deliver or to cause to be delivered the Articles of Continuance, in duplicate, to the Director together with any other prescribed documents;

5. subject to the issuance of the Certificate of Continuance, the Corporation be, and it hereby is, authorized and empowered to file with the Alberta Registrar a copy of the Certificate of Continuance;

6. subject to the issuance of the Certificate of Continuance and without affecting the validity of the incorporation or existence of the Corporation by and under its notice of articles and articles or of any act thereunder, the Corporation be, and it hereby is, authorized to approve and adopt, in substitution for the existing notice of articles and articles of the Corporation, the Articles of Continuance;

7. notwithstanding that this special Resolution has been passed by the shareholders of the Corporation in the manner required by the provisions of the ABCA, the directors of the Corporation be, and they hereby are, empowered to not proceed with the Continuance at any time prior to the issue of the Certificate of Continuance without further approval of the shareholders of the Corporation; and

8. any one (1) officer or any director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other certificates, undertakings and other documents, all in such form and containing such terms and conditions, as any one (1) of them shall consider necessary or desirable in connection with the Continuance and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the Continuance or to give effect to the intent of the foregoing paragraphs of this Resolution.

In order to be passed, the Continuance Resolution requires the approval of not less than two-thirds of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation unanimously recommend that shareholders vote in favour of the Continuance Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Continuance Resolution.

If the Continuance is approved at the Meeting, subject to the completion of the Transaction, and subject to the discretion of the directors of the Corporation to decide otherwise, the Corporation will seek approval of the Director under the OBCA for the continuance of the Corporation under the OBCA. The Corporation intends to file the Articles of Continuance pursuant to section 180 of the OBCA as soon as practicable after completion of the Transaction. Subject to appropriate shareholder approval and the requisite filings, the Continuance will be effective on the date of the certificate of continuance, which will be issued by the Minister under the OBCA upon receipt of the Articles of Continuance pursuant to subsection 180(4) of the OBCA. The Corporation will file with the Alberta Registrar a copy of such certificate of continuance, and, upon such filing, the Alberta Registrar will publish a notice that the Corporation has been continued into the Province of Ontario under the OBCA.

The Continuance Resolution provides that, notwithstanding the approval of the Continuance Resolution, the directors of the Corporation are authorized, in their sole discretion, to abandon the application for a certificate of continuance, or determine not to proceed with the Continuance, without further approval of the shareholders of the Corporation.

Dissent Rights

Pursuant to section 191 of the ABCA, Shareholders of the Corporation have a right of dissent with respect to the Continuance Resolution. A Shareholder wishing to exercise such right of dissent must strictly comply with the provisions of section 191 of the ABCA. The full text of section 191 of the ABCA is attached as Schedule 1 to Appendix "H" to this Information Circular.

The following summary does not purport to provide a comprehensive statement of the procedures to be followed by a Shareholder seeking to exercise a right of dissent. The statutory provisions dealing with the right of dissent are technical and complex, and a failure to strictly comply with the provisions of section 191 of the ABCA may result in the loss of any right of dissent. Any Shareholder who desires to exercise a right of dissent should seek independent legal advice.

A registered Shareholder of the Corporation wishing to dissent with respect to the Continuance Resolution (a "**Dissenting Shareholder**") must give written notice of dissent (a "**Notice of Dissent**") to the Corporation with respect to all of the Common Shares held by such Dissenting Shareholder at least two (2) days prior to the date of the Meeting, or any adjournment thereof, in accordance with section 242 of the ABCA. The Notice of Dissent must set out the particulars of all of such Dissenting Shareholder's shareholdings in the Corporation and a statement identifying the registered and beneficial owner of the common shares with respect to which the Notice of Dissent is being delivered (the "**Notice Shares**"). A Dissenting Shareholder must send the Notice of Dissent specifying an objection to the Continuance Resolution to Computershare Trust Company of Canada, 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6. A Dissenting Shareholder may not withdraw his Notice of Dissent once delivered unless the Corporation consents.

A vote against the Continuance Resolution, an abstention from voting in respect of the Continuance Resolution, or the execution or exercise of a proxy to vote against the Continuance Resolution does not constitute a Notice of Dissent. A shareholder need not vote against the Continuance Resolution in order to dissent. However, a shareholder who consents to or votes in favour of the Continuance Resolution or otherwise acts inconsistently with the dissent will cease to be entitled to exercise any right of dissent.

Only registered shareholders of the Corporation are entitled to dissent. A person who is the beneficial owner of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wishes to dissent must make arrangements for all of the Common Shares beneficially owned by such person to be registered in his or her name prior to the time the Notice of Dissent is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such person's common shares to dissent with respect to all of those Common Shares on such person's behalf. Such registered holder must identify the person on whose behalf the dissent is being exercised in the applicable Notice of Dissent and must dissent with respect to all of the Common Shares registered in such registered holder's name of which the person identified in the Notice of Dissent is the beneficial owner.

If the Corporation decides to proceed with the Continuance, the Corporation will send a notice of intention to act to each Dissenting Shareholder who has filed a Notice of Dissent stating that the Continuance Resolution has been passed and informing such Dissenting Shareholder of the Corporation's intention to act on the Continuance Resolution. Within one (1) month of the date of such notice of intention to act, a Dissenting Shareholder must send to the Corporation or the Corporation's transfer agent a written statement (a "**Written Statement**") that such Dissenting Shareholder requires the Corporation to purchase such Dissenting Shareholder's Notice Shares, together with the certificates, if any, representing the Notice Shares. If applicable, the Written Statement must be signed by the beneficial owner on whose behalf the Notice of Dissent was given.

Upon delivery of the Written Statement and, if applicable, the certificates representing the Notice Shares, the Dissenting Shareholder is deemed to have sold and the Corporation is deemed to have purchased the Notice Shares at the fair value of the Notice Shares immediately before the passing of the Resolution entitling the Dissenting Shareholder to a right of dissent, excluding any appreciation or depreciation in anticipation of such Resolution (unless such exclusion would be inequitable) (the "**Payout Value**").

If the Corporation and a Dissenting Shareholder agree on the amount of the Payout Value, then the Corporation must promptly pay such amount to the Dissenting Shareholder. If the Corporation and a Dissenting Shareholder do not agree on the amount of the Payout Value, the Dissenting Shareholder or the Corporation may apply to the Court of the King's Bench of Alberta (the "**Court**") which may: (a) determine the Payout Value, or order that the Payout Value of those Notice Shares be established by arbitration or by reference to the registrar, or a referee, of the Court; (b) join in the application of any other Dissenting Shareholder; and (c) make consequential orders and give such directions it considers appropriate.

A Dissenting Shareholder who has sent a Written Statement may not vote or exercise or assert any rights of a shareholder ("**voting shareholder rights**") in respect of such Dissenting Shareholder's common shares, other than the right to receive payment for those common shares from the Corporation. A Dissenting Shareholder may regain such Dissenting Shareholder's voting shareholder rights if, among other things, the Dissenting Shareholder's right of dissent terminates due to a failure to comply with Section 191 of the ABCA or the directors of the Corporation abandon the Continuance Resolution.

OTHER MATTERS

IFR Management knows of no amendments, variations or other matters to come before the Meeting, other than the matters referred to in the notice of the Meeting; however, if any other matter properly comes before the Meeting, the accompanying form of proxy will be voted on such matter in accordance with the best judgementof the person(s) voting the proxy.

ADDITIONAL INFORMATION

IFR files reports and other information with applicable securities regulatory authorities. These reports and other information are available under IFR's profile on SEDAR+ at www.sedarplus.ca. Shareholders may also contact the Chief Financial Officer of IFR by e-mail at msouleles@internationalfrontier.com, or at such other contact information as may be provided in this Information Circular, to request copies of documents or additional information concerning IFR.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular and its sending to Shareholders have been approved by the Board of Directors.

DATED at Calgary, Alberta, this 1st day of October, 2026

BY ORDER OF THE BOARD OF DIRECTORSOF INTERNATIONAL FRONTIER RESOURCES CORPORATION

signed "Tony Kinnon"
President, Chief Executive Officer and Chairman

APPENDIX "A"
DEFINITIVE AGREEMENT

See attached.

REDACTED SEDAR FILING COPY

AMALGAMATION AGREEMENT

April 16, 2026

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION 6

1.1 Definitions 6
1.2 Currency 17
1.3 Headings 17
1.4 Number and Gender 17
1.5 Date for Any Action 17
1.6 Meanings 17
1.7 Knowledge 17
1.8 Attornment 17
1.9 Limitation 18
1.10 Schedules 18

ARTICLE 2 AMALGAMATION AND RELATED MATTERS 18

2.1 General 18
2.2 Agreement to Amalgamate 18
2.3 Effective Time of the Amalgamation 18
2.4 IFR Meeting Matters 18
2.5 Information Circular 19
2.6 Public Announcement 19
2.7 Transaction Events 19
2.8 Articles and By-Laws of Amalco 20
2.9 Directors and Officers of Amalco 20
2.10 Share Certificates 20
2.11 No Fractional Shares 21
2.12 Dissent Rights 21

ARTICLE 3 CONSIDERATIONS AND CAPITALIZATION 22

3.1 Issuance of IFR Shares 22
3.2 Post-Closing Capitalization 22
3.3 Escrow and Resale Restrictions 23

ARTICLE 4 SHAREHOLDERS AND CORPORATE APPROVALS 24

4.1 IFR Shareholder Approval 24
4.2 IFR Circular 25
4.3 Kinjal Shareholder Approval 26
4.4 TSXV Acceptance 26
4.5 Other Regulatory Approvals 27
4.6 No Court Approval Required 27
4.7 Withholding Taxes 27
4.8 Tax Matters 28

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF KINJAL 28

5.1 Organization and Qualification 28
5.2 Corporate Authority and Enforceability 28
5.3 Capitalization 28
5.4 Subsidiaries 29
5.5 No Conflict; Required Consents 29
5.6 Reporting Status and Securities Law Matters 29
5.7 Financial Statements 30
5.8 Absence of Undisclosed Liabilities 30
5.9 Absence of Certain Changes 30
5.10 Material Contracts 30
5.11 Mexican Asset Transactions 30

5.12 Compliance with Laws. 31
5.13 Concurrent Financing 31
5.14 Litigation 32
5.15 Tax Matters 32
5.16 Employment Matters 32
5.17 Brokers 32
5.18 Disclosure 32
5.19 TSXV and Securities Law Compliance 32
5.20 Letter Qualification 32
5.21 Corruption and Sanctions 33
5.22 Environmental Matters 33
5.23 Books and Records; Disclosure 33
5.24 Collateral Benefits 33
5.25 United States Securities Law Matters 33
5.26 Survival 33

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF IFR 34

6.1 Directors' Approvals 34
6.2 Organization and Good Standing 34
6.3 Authority Relative to this Agreement 34
6.4 No Violation 35
6.5 Governmental Approvals 36
6.6 Capitalization 36
6.7 Ownership of Subsidiaries 37
6.8 Reporting Status and Securities Laws Matters 37
6.9 IFR Filings 38
6.10 Forward-Looking Information 38
6.11 Financial Statements 38
6.12 Independent Auditors 39
6.13 Minute Books 39
6.14 No Undisclosed Liabilities 39
6.15 No Material Change 40
6.16 Litigation 40
6.17 Taxes 41
6.18 Privacy Protection 42
6.19 Property 42
6.20 Sufficiency of Assets 43
6.21 Rights of Other Persons 43
6.22 No Voting Control 43
6.23 IFR Material Contracts 44
6.24 Authorizations 44
6.25 Environmental Matters 45
6.26 Compliance with Laws 45
6.27 United States Securities Law Matters 46
6.28 Employment & Labour Matters 46
6.29 Intellectual Property 47
6.30 Related Party Transactions 48
6.31 Brokers 48
6.32 Insurance 48
6.33 No Shareholder Rights Plan 48
6.34 Collateral Benefit 49
6.35 Arrangements with Shareholders 49
6.36 Competition Act 49
6.37 Survival 49
6.38 Disclosure Letter Qualification 49

ARTICLE 7 COVENANTS OF THE PARTIES 50

7.1 Conduct of Business – Kinjal 50
7.2 Conduct of Business - IFR 50
7.3 Regulatory Approvals and TSXV Matters 51
7.4 IFR Shareholder Approval 51
7.5 Kinjal Shareholder Approval 51
7.6 Mexican Asset Transactions and Regulatory Approvals 51
7.7 Concurrent Financing 52
7.8 Escrow and Lock-Up 52
7.9 Public Announcements 52
7.10 Notice and Cure Provisions 52
7.11 Access to Information 54
7.12 Non-Solicitation 54
7.13 Further Assurances 54
7.14 Post-Closing Governance of IFR 54

ARTICLE 8 CONDITIONS PRECEDENT 55

8.1 Mutual Conditions Precedent 55
8.2 Conditions Precedent in Favour of IFR and Subco 56
8.3 Conditions Precedent in Favour of Kinjal 56
8.4 Satisfaction and Waiver of Conditions 57

ARTICLE 9 CLOSING 57

9.1 Closing 57
9.2 Closing Deliveries of Kinjal 58
9.3 Closing Deliveries of IFR and Subco 58

ARTICLE 10 TERMINATION 59

10.1 Termination 59
10.2 Effect of Termination 59

ARTICLE 11 SURVIVAL AND INDEMNIFICATION 60

11.1 Survival 60
11.2 Indemnification by Kinjal 60
11.3 Indemnification by IFR 60
11.4 Limitations 60

ARTICLE 12 GENERAL PROVISIONS 60

12.1 Notices 60
12.2 Amendments 61
12.3 Expenses 62
12.4 Time of the Essence 62
12.5 Injunctive Relief 62
12.6 Waiver 62
12.7 Entire Agreement 62
12.8 Successors and Assigns 63
12.9 Severability 63
12.10 Governing Law 63
12.11 Rules of Construction 63
12.12 No Liability 63
12.13 Counterparts 63

Schedules

Schedule “A”“”– Articles of Amalgamation

Schedule “B”“” – Proposed IFR Directors

Schedule “C”“” – Proposed IFR Officers

AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of the 16th day of April, 2026, among, **INTERNATIONAL FRONTIER RESOURCES CORP.**, a corporation existing under the *Business Corporations Act* (Alberta) ("**IFR**"), **1001550109 ONTARIO INC.**, a corporation incorporated under the *Business Corporations Act* (Ontario) ("**Subco**"), and **KINJAL CORPORATION.**, a corporation incorporated under the *Business Corporations Act* (Ontario) ("**Kinjal**").

RECITALS

1. IFR is a reporting issuer in each of the provinces and territories of Canada in which it is required to be so under applicable securities laws, and its common shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "IFR.V".

2. Subco is a wholly owned subsidiary of IFR, incorporated for the sole purpose of effecting the Amalgamation (as defined herein), and has not carried on any business other than the activities incidental thereto.

3. Kinjal has negotiated and entered into, or expects to enter into, certain agreements relating to the acquisition of certain oil and gas interests in Mexico which transactions are subject to, and conditional upon, the approval of the Secretary of Energy of Mexico (SENER).

4. IFR, Subco and Kinjal have agreed to complete a transaction that is intended to constitute a "Reverse Takeover" (or similar transaction) under the policies of the TSXV (the "**Transaction**") pursuant to which Subco and Kinjal will amalgamate under Section 174 of the OBCA to form one corporation that will be a wholly owned subsidiary of IFR.

5. Pursuant to the Amalgamation all of the issued and outstanding securities of Kinjal will be exchanged for securities in the capital of IFR in accordance with the terms and conditions of this Agreement.

6. The Parties wish to set out the terms and conditions upon which the Amalgamation and the other transactions contemplated herein will be completed.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Amalco**" means the corporation resulting from the amalgamation of Subco and Kinjal.

"**Applicable Law**" includes all applicable statutes, regulations, rules, policies, and orders, including TSXV rules and policies and applicable securities laws.

"**Amalgamation**" means the amalgamation of Subco and Kinjal under the OBCA pursuant to Articles of Amalgamation to be filed in accordance with this Agreement.

"**Amalgamation Agreement**" or "**Agreement**" means this agreement, together with the Schedules attached hereto, the IFR Disclosure Letter and the Kinjal Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**ASEA**" means the Mexican Security, Energy and Environment Agency (Agencia de Seguridad, Energía y Ambiente).

"**Associate**" has the meaning specified in the *Securities Act* (Alberta).

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence, certificate, grant, agreement, classification, restriction, registration or similar authorization of, from or required by any Governmental Authority having jurisdiction over the Person or any Law applicable to the Person.

"**Breaching Party**" has the meaning specified in Section 7.10(c).

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario or Calgary, Alberta, as the context requires.

"**Change of Control**" the procedure via which SENER approves the sale of control of a block or blocks to a third party. This approval is required prior to a new company assuming legal, operating or financial control of a license contract.

"**Closing**" means the closing of the Amalgamation and the transactions described herein.

"**Closing Date**" means the date of Closing on which all conditions precedent set forth in Article 8 have been satisfied or waived in accordance with this Agreement, or on such other date as the Parties may agree in writing.

"**Concurrent Financing**" means the concurrent financing to be conducted by Kinjal through the issuance of Kinjal Subscription Receipts at a price of $0.80 per Kinjal Subscription Receipt, for minimum gross proceeds of $27,000,000.

"**Contract**" means any legally binding agreement, commitment, contract, franchise, licence, obligation or undertaking (written or oral) to which any Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

"**Dissent Rights**" means the rights of dissent in respect of the Amalgamation available to registered holders of Kinjal Shares pursuant to Section 185 of the OBCA

"**Dissenting Shareholder**" means a registered holder of Kinjal Shares who has validly exercised Dissent Rights in respect of the Amalgamation in strict compliance with the OBCA.

"**Effective Time**" the time shown on the certificate of amalgamation issued under the OBCA in respect of the Amalgamation.

"**Encumbrance**" means any mortgage, charge, easement, encroachment, lien, burden, assignment by way of security, security interest, servitude, pledge, hypothecation, conditional sale agreement, security agreement, title retention agreement, financing statement, option, right of pre-emption, right of first refusal or right of first offer, privilege, obligation to assign, license, sublicense trust, royalty, carried, working, participation or net profits interest or other third party interest or other encumbrance or any agreement, option, right or privilege capable of becoming any of the foregoing;

"**Energia Mexicana**" means Energía Mexicana S.A.P.I. de C.V., a corporation organized under the laws of Mexico and wholly owned by PetroFrontera.

"**Environmental Laws**" means all Laws and agreements with any Governmental Authority and all other statutory requirements relating to public health or the protection of the environment and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements.

"**Escrow Agreements**" has the meaning specified in Section 3.3(b).

"**Exchange Ratio**" means, at the relevant time, the number of IFR common shares to be issued in exchange for each issued and outstanding common share of Kinjal, being one (1) IFR Post Consolidated Share for each one (1) Kinjal Share.

"**Fair Market Value**" means the volume weighted average trading price of the IFR Shares on the TSXV (or other recognized stock exchange on which the IFR Shares are primarily traded) for the 20 day trading day window immediately preceding the date of evaluation.

"**Fairness Opinion**" means an opinion of a qualified financial advisor, to the effect that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the Amalgamation and the Transaction is fair, from a financial point of view, to the IFR Shareholders.

"**Fundamental Representations**" means, in respect of Kinjal, the representations given in Sections 5.1, 5.2, 5.3, and 5.17 and in respect of IFR, the representations given in Sections 6.2, 6.3, 6.6, and 6.31.

"**Governmental Authority**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the TSXV.

"**IFR**" means International Frontier Resources Corporation.

"**IFR Board**" means the board of directors of IFR, as constituted from time to time.

"**IFR Board Recommendation**" has the meaning specified in Section 4.2(c)(i).

"**IFR Business**" means the current business of IFR, being the exploration and development of oil and natural gas projects, directly or indirectly through the IFR Subsidiaries and through its equity interest in Tonalli, in Mexico, Canada and the United States.

"**IFR Business Assets**" means all tangible and intangible assets, properties, Authorizations, rights or other privileges (whether contractual or otherwise) owned (either directly or indirectly), leased, licensed, granted, loaned, operated or being developed or used, including all vendor lists, customer lists, Intellectual Property and related technologies, real property, fixed assets, facilities, equipment, inventories and accounts receivable, by IFR and the IFR Subsidiaries in connection with the IFR Business.

"**IFR Broker Warrants**" means the issued and outstanding broker warrants of IFR that entitle the holders thereof to acquire IFR Shares in accordance with their terms.

"**IFR Circular**" means the notice of the IFR Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the IFR Shareholders in connection with the IFR Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"**IFR Consolidation**" means the consolidation of the issued and outstanding IFR Shares on a 13 pre-consolidated for 1 post-consolidated basis.

"**IFR Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by IFR to Kinjal with this Agreement.

"**IFR Expense Advance**" has the meaning specified in Section 12.3.

"**IFR Filings**" means all documents of IFR publicly filed under the profile of IFR on the System for Electronic Document Analysis Retrieval (SEDAR) since January 1, 2024.

"**IFR Financial Statements**" has the meaning specified in Section 6.11.

"**IFR Lease Documents**" has the meaning specified in Section 6.19(f).

"**IFR Leased Properties**" has the meaning specified in Section 6.19(f).

"**IFR Material Adverse Effect**" means any change, event, occurrence, effect, state of fact or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances, is or would reasonably be expected to cause a material and adverse effect to the business, operations, results of operations, cash flows, assets, capitalization, financial condition, prospects or liabilities (contingent or otherwise), of IFR and the IFR Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstance resulting from or arising in connection with:

(i) any change generally affecting the industries or markets in which IFR and the IFR Subsidiaries operate, including changes in commodity prices;

(ii) any change in general economic, business, political or market conditions or in financial or capital markets in Canada, the United States or Mexico;

(iii) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Authority in Canada, the United States or Mexico;

(iv) any change, effect, event or development arising from or out of any change or proposed change in Law, IFRS or accounting rules or the interpretation thereof applicable to the industries or markets in which IFR or any of the IFR Subsidiaries operate (and any changes resulting therefrom);

(v) any act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof), riots, insurrection, civil disorder, military conflicts, political instability or other armed conflict or any governmental response to any of the foregoing, in each case, whether occurring within or outside of Canada;

(vi) any natural disaster, pandemic (including the COVID-19 virus), outbreaks of illness or public health emergencies as declared by the World Health Organization (and the worsening thereof) or other acts of God;

(vii) any material change in the market price or trading volume of any securities of IFR (provided, however, that the causes underlying such failure may, to the extent not otherwise excluded from the definition of IFR Material Adverse Effect, be considered to determine whether such causes constitute an IFR Material Adverse Effect);

(viii) the failure of IFR to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flow for any period (provided, however, that the causes underlying such failure may, to the extent not otherwise excluded from the definition of IFR Material Adverse Effect, be considered to determine whether such causes constitute an IFR Material Adverse Effect);

(ix) the execution, announcement or performance of this Agreement or the transactions contemplated hereby, including any drop in the market price of the IFR Shares or any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of IFR or the IFR Subsidiaries with IFR's employees, customers, suppliers, partners and other Persons with which IFR or any of the IFR Subsidiaries has business relations;

(x) any matter which has been disclosed by IFR in the IFR Disclosure Letter or in the IFR Filings; or

(xi) compliance with this Agreement and any action taken (or omitted to be taken) by IFR that is consented to by Kinjal expressly in writing or that is taken (or omitted to be taken) upon the written request of Kinjal,

provided, however, that with respect to clauses (i) through to and including (vi), such matter does not have a materially disproportionate effect on IFR and the IFR Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industry in which IFR and the IFR Subsidiaries operate, and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "**IFR Material Adverse Effect**" has occurred.

"**IFR Intellectual Property Rights**" has the meaning specified in Section 6.29(a).

"**IFR Material Contract**s" means all material contracts of IFR.

"**IFR Meeting**" means the special meeting of the IFR Shareholders, including any adjournment or postponement of such special meeting, called for the purpose of considering and, if deemed advisable, approving the Transaction and such other matters as are required in connection with the Transaction, including, without limitation, the issuance of IFR Shares pursuant to the Amalgamation, any required name change of IFR, the election of directors of the Resulting Issuer and any other matters required under applicable Law or TSXV policies, all in accordance with the terms of this Agreement.

"**IFR Option Plan**" means the share option plan first approved on June 26, 2003, as amended, and as last approved by the IFR Shareholders on October 14, 2020.

"**IFR Optionholder**" means a holder of one or more IFR Options.

"**IFR Options**" means the outstanding options to purchase IFR Shares issued pursuant to the IFR Option Plan, as listed in the IFR Disclosure Letter.

"**IFR Owned Properties**" has the meaning specified in 6.19(a).

"**IFR Post Consolidated Financing Warrants**" means a warrant to acquire one (1) IFR Post Consolidated Share at a price of $1.05 per share for a period of three years following the date of issuance in accordance with their respective terms.

"**IFR Post Consolidated Shares**" means the IFR Shares following the IFR Consolidation.

"**IFR Shareholder Approval**" has the meaning specified in Section 4.1(a)(i).

"**IFR Shareholders**" means the registered or beneficial holders of IFR Shares immediately before the Effective Time.

"**IFR Shares**" means the common shares in the capital of IFR.

"**IFR Subsidiaries**" means, collectively, PetroFrontera, and Energía Mexicana, and any other Subsidiary of IFR from time to time.

"**IFR Warrants**" means the issued and outstanding warrants of IFR that entitle the holders thereof to acquire IFR Shares in accordance with their terms.

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, applicable as at the date on which the calculation is made or required to be made, applied on a consistent basis.

"**Intellectual Property**" means domestic and foreign:

(i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications;

(ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing;

(iii) copyrights, copyright registrations and applications for copyright registration;

(iv) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trademarks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing;

(v) software; and

(vi) any other intellectual property and industrial property.

"**Jaguar 2.3**" means Jaguar Exploración y Producción 2.3, S.A.P.I. de C.V., a corporation organized under the laws of Mexico.

"**Jaguar Farm-Out Agreement**" means the definitive farm-out agreement to be entered into among Kinjal (or, following the Effective Time, Amalco), Jaguar 2.3 and Pantera 2.2 pursuant to which Kinjal will acquire the right to earn 100% of Jaguar 2.3's working interest in the CNH-R02-L03-CS-06/2017 License Contract and 100% of Pantera 2.2's working interest in the CNH-R02-L02-A10.CS/2017 License Contract, in accordance with the terms and conditions set forth therein, including the satisfaction of specified work commitments, drilling obligations and regulatory approvals, as such agreement may be amended, supplemented or restated from time to time in accordance with this Agreement.

"**Jaguar Tonalli Share Purchase Agreement**" means the definitive share purchase agreement to be entered into between Kinjal and Jaguar 2.3 pursuant to which Kinjal will acquire Jaguar's 57.37% of Tonalli.

"**Kinjal Board**" means the board of directors of Kinjal as constituted from time to time.

"**Kinjal Business**" means the business of Kinjal relating to the exploration and development of oil and natural gas projects in Mexico.

"**Kinjal Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by Kinjal to IFR with this Agreement.

"**Kinjal Material Adverse Effect**" means any change, event, occurrence, effect, state of fact or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances, is or would reasonably be expected to have a material and adverse effect on the business, operations, results of operations, cash flows, assets, capitalization, financial condition, prospects or liabilities (contingent or otherwise) of Kinjal and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstance resulting from or arising in connection with:

(i) any change generally affecting the industries or markets in which Kinjal and its Subsidiaries operate, including changes in commodity prices;

(ii) any change in general economic, business, political or market conditions or in financial or capital markets in Canada, the United States or Mexico;

(iii) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Authority in Canada, the United States or Mexico;

(iv) any change, effect, event or development arising from or out of any change or proposed change in Law, IFRS or accounting rules or the interpretation thereof applicable to the industries or markets in which Kinjal or any of its Subsidiaries operate (and any changes resulting therefrom);

(v) any act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof), riots, insurrection, civil disorder, military conflicts, political instability or other armed conflict or any governmental response to any of the foregoing, in each case, whether occurring within or outside of Canada or Mexico;

(vi) any natural disaster, pandemic (including the COVID-19 virus), outbreaks of illness or public health emergencies as declared by the World Health Organization (and the worsening thereof) or other acts of God;

(vii) any material change in the market price or trading volume of any securities of IFR following the announcement of this Agreement (provided, however, that the causes underlying such change may, to the extent not otherwise excluded from the definition of Kinjal Material Adverse Effect, be considered to determine whether such causes constitute a Kinjal Material Adverse Effect);

(viii) the failure of Kinjal to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flow for any period (provided, however, that the causes underlying such failure may, to the extent not otherwise excluded from the definition of Kinjal Material Adverse Effect, be considered to determine whether such causes constitute a Kinjal Material Adverse Effect);

(ix) the execution, announcement or performance of this Agreement or the transactions contemplated hereby, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of Kinjal or any of its Subsidiaries with employees, customers, suppliers, joint venture partners, governmental authorities (including SENER) or other Persons with which Kinjal or any of its Subsidiaries has business relations;

(x) any matter disclosed in the Kinjal Disclosure Letter; or

(xi) compliance with this Agreement and any action taken (or omitted to be taken) by Kinjal that is expressly consented to in writing by IFR or taken (or omitted to be taken) at the written request of IFR,

provided, however, that with respect to clauses (i) through (vi), such matter does not have a materially disproportionate effect on Kinjal and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industry in which Kinjal and its Subsidiaries operate, and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Kinjal Material Adverse Effect" has occurred.

"**Kinjal Financing Unit**" means a unit in the capital of Kinjal automatically issuable upon the conversion of the Kinjal Subscription Receipts, with each Kinjal Financing Unit being comprised of 1 Kinjal Share, and one-half of one Kinjal Warrant.

"**Kinjal SAFEs**" means the simplified agreements for future equity issued by Kinjal which shall entitle the holder thereof to convert such Kinjal SAFE into Kinjal Subscription Receipts immediately prior to the Effective Time, in accordance with Section 2.7(a)(ii).

"**Kinjal Shares**" means the common shares in the capital of Kinjal.

"**Kinjal Subscription Receipts**" means subscription receipts in the capital of Kinjal issued in connection with the Concurrent Financing, with each Kinjal Subscription Receipt automatically convertible into 1 Kinjal Financing Unit immediately prior to the completion of the Amalgamation.

"**Kinjal Warrants**" means common share purchase warrants of Kinjal to be issued on exchange of the Kinjal Subscription Receipts, with each Kinjal Warrant entitling the holder thereof to acquire one Kinjal Share at a price of $1.05 per share in accordance with their respective terms.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority, as amended.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Mexican Assets**" means the oil and gas assets located in Mexico to be acquired by Kinjal as contemplated in the Mexican asset Transactions.

"**Mexican Asset Transactions**" means, collectively, the transactions described in:(i) the SMB Mission Agreement; (ii) the Jaguar Farm-Out Agreement; and (iii) the Jaguar Tonalli Share Purchase Agreement, in each case subject to the receipt of all required governmental, regulatory and third-party approvals, including approvals from SENER and the satisfaction or waiver of the applicable conditions precedent set forth in the respective definitive agreements.

"**Mexican Definitive Agreements**" means all material definitive agreements relating to the Mexican Asset Transactions.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*.

"**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

"**Money Laundering Laws**" has the meaning specified in Section 6.26(e).

"**Notice**" has the meaning specified in Section 12.1.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Officer**" has the meaning specified in the *Securities Act* (Alberta).

"**Ordinary Course**" means, with respect to an action taken by a Party or any Subsidiary, that such action is consistent with the past practices of such Party or such Subsidiary and is taken in the ordinary course of the normal day-to-day operations of the business of such Party or such Subsidiary, or as commercially reasonable in light of changed circumstances of such Party or such Subsidiary but excludes non-arm's length transactions.

"**Outside Date**" means September 30, 2026, or such later date as may be agreed to in writing by the Parties, provided that where the Transaction has not occurred by the Outside Date: (i) where the only condition to closing that is incapable of being satisfied by such Outside Date (prior to such postponement) is the obtaining of any required Regulatory Approval, then either Party, provided it is not then in breach of this Agreement in any material respect, may on written notice to the other Party, extend the Outside Date by any period of days up to the Final Outside Date; provided further that in no event shall the Outside Date be postponed or extended without the prior written consent of Kinjal (such consent not to be unreasonably withheld) to a date later than December 31, 2026 (the "**Final Outside Date**").

"**Permitted Encumbrances**" means (i) Encumbrances for Taxes not yet due and delinquent; (ii) inchoate or statutory Encumbrances of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the assets of IFR, provided that such Encumbrances are related to obligations not due or delinquent and in respect of which adequate holdbacks are being maintained as required by Applicable Law; (iii) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of IFR, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance; and (iv) Encumbrances listed in the IFR Disclosure Letter.

"**PetroFrontera**" means Petro Frontera S.A.P.I. de C.V., a corporation organized under the laws of Mexico, and a wholly owned subsidiary of IFR.

"**Pantera 2.2**" means Pantera Exploración y Producción 2.2, S.A.P.I de C.V., a corporation organized under the laws of Mexico.

"**Parties**" means IFR, Kinjal, and Subco, and "**Party**" any one of them.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Authority), syndicate or other entity, whether or not having legal status.

"**Regulatory Approvals**" means all governmental consents, approvals, authorizations and filings required in connection with the Transaction, the Amalgamation and the Mexican Asset Transactions, including without limitation approval from SENER in respect of the Change of Control resulting from the Transaction.

"**SENER**" means the Secretary of Energy of Mexico.

"**SMB**" means Servicios Múltiples de Burgos, S.A. de C.V., a corporation organized under the laws of Mexico.

"**SMB Mission Agreement**" means the definitive agreement to be entered into among Kinjal (or, following the Effective Time, Amalco), Tecpetrol de Mexico S.A. de C.V. and Industrial Perforadora de Campeche S.A. de C.V. pursuant to which Kinjal will acquire the right to earn 100% of the issued and outstanding shares of SMB including SMB's forty-nine percent working interest in the CNH-M3- MISIÓN/2018 Production Sharing Contract.

"**Resulting Issuer**" means IFR after completion of the Transaction.

"**Securities Authority**" means any securities commission or similar regulatory authority in Canada and any of the provinces and territories thereof, having jurisdiction over the subject matter.

"**Securities Laws**" means any applicable Canadian provincial securities laws and any other applicable securities laws.

"**Tax Act**" means the *Income Tax Act* (Canada), RSC 1985 c1 (5th supp), as amended, including the regulations promulgated thereunder.

"**Taxes**" means, with respect to any person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, government pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, goods and services taxes, harmonized sales taxes, customs duties or other taxes of any kind whatsoever imposed or charged by any governmental authority and any instalments in respect thereof, together with any tax indemnity obligation , interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, and whether disputed or not and "**Tax**" means any such Taxes.

"**Terminating Party**" has the meaning specified in Section 7.10(c).

"**Termination Notice**" has the meaning specified in Section 7.10(c).

"**Tonalli**" means Tonalli Energía, S.A.P.I. de C.V., a corporation organized under the laws of Mexico, in which PetroFrontera currently holds a forty-two point six three percent (42.63%) ownership interest and Jaguar 2.3 holds the remaining ownership interest prior to completion of the Jaguar Tonalli Share Purchase Agreement.

"**Transaction**" has the meaning specified in the Recitals.

"**Transfer Agent**" means Computershare Trust Company of Canada, or such successor or affiliate thereof duly appointed under this Agreement to act as transfer agent, registrar, dividend disbursing agent and proxy paying agent for the Shares, with responsibilities including maintaining shareholder records, processing transfers, distributing dividends, and facilitating proxy voting.

"**TSXV**" has the meaning specified in the Recitals.

"**TSXV Acceptance**" means TSXV conditional acceptance and TSXV final acceptance, as applicable, for the Amalgamation and related matters contemplated in this Agreement.

1.2 Currency.

All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 Headings.

The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. References to sections and articles refer to sections and articles of this Agreement unless otherwise stated. Unless the context otherwise requires, the terms used herein beginning with initial capitals shall have the respective meanings specified or referred to herein or in the Schedules hereto, as the case may be, and all grammatical variations of such terms shall have corresponding meanings.

1.4 Number and Gender.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

1.5 Date for Any Action.

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Meanings.

Words and phrases used herein and defined in the OBCA or the ABCA, as applicable, shall have the same meaning herein as in the OBCA or the ABCA, as applicable, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires, "include", "includes" and "including" shall be deemed to be followed by the words "without limitation".

1.7 Knowledge.

Where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of Kinjal or words to like effect in this Agreement, such shall mean the actual knowledge of any of the senior officers of Kinjal after due inquiry. Where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of IFR or words to like effect in this Agreement, such shall mean the actual knowledge of any of the senior officers of IFR after due inquiry.

1.8 Attornment.

The parties hereby irrevocably and unconditionally consent to and submit to the exclusive jurisdiction of the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby.

1.9 Limitation.

Any statement or undertaking of an obligation herein to the effect that a Person "shall not directly or indirectly do or permit" any action, event or outcome to occur shall be deemed to be qualified and limited to the extent that any such action, event or outcome is within such Person's control or can be achieved with reasonable effort and expense.

1.10 Schedules.

The following Schedules are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form part hereof:

Schedule "A"– Articles of Amalgamation

Schedule "B" – Proposed IFR Directors

Schedule "C" – Proposed IFR Officers

ARTICLE 2
AMALGAMATION AND RELATED MATTERS

2.1 General.

The Amalgamation and this Agreement are intended, subject to their terms and conditions, to result in the business combination of IFR and Kinjal. To this end, each of IFR and Kinjal covenants and agrees that it shall (and shall cause its respective Subsidiaries to) use all reasonable efforts to satisfy each of the conditions precedent to be satisfied by it as soon as practical and in any event before the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Transaction in accordance with the terms and conditions of this Agreement, and applicable Law and to cooperate with each other in connection therewith.

2.2 Agreement to Amalgamate

(a) Upon the terms and subject to the conditions set forth in this Agreement, Subco and Kinjal agree to amalgamate pursuant to Section 174 of the OBCA to form Amalco, and to cause articles of amalgamation to be filed under the OBCA giving effect to such amalgamation.

(b) The Amalgamation shall be implemented as a three-cornered amalgamation pursuant to which Subco and Kinjal shall amalgamate and continue as one corporation, and Amalco shall be a wholly owned subsidiary of IFR immediately following the Effective Time.

2.3 Effective Time of the Amalgamation

The Amalgamation shall become effective at the Effective Time.

2.4 IFR Meeting Matters.

Subject to the terms and conditions of this Agreement, and subject to all necessary regulatory and corporate approvals, IFR shall promptly call and hold the IFR Meeting and shall cause the IFR Circular and all other documentation required in connection with the IFR Meeting to be sent to each holder of record of IFR

Shares, and shall use its commercially reasonable best efforts to obtain the IFR Shareholder Approval as soon as is reasonably practical, but in no event later than June 30, 2026.

2.5 Information Circular.

(a) IFR shall, subject to the prior review and written approval of Kinjal (such approval not to be unreasonably withheld), prepare the IFR Circular (including supplements or amendments thereto) in accordance with applicable Law and cause the IFR Circular (including supplements or amendments thereto) to be filed and distributed in accordance with applicable Law.

(b) Kinjal shall furnish to IFR all information regarding Kinjal as may be required to be included in the IFR Circular pursuant to applicable Law.

(c) Each of Kinjal and IFR shall:

(i) ensure that all information provided by it or on its behalf that is contained in the IFR Circular does not contain any misrepresentation; and

(ii) promptly notify the other Party if, at any time before the Closing Date, it becomes aware that the IFR Circular, any document delivered to the shareholders of IFR in connection with the IFR Meeting or any other document contemplated by Section 2.5 contains a misrepresentation or that otherwise requires an amendment or a supplement to those documents.

2.6 Public Announcement.

Immediately after the execution of this Agreement, Kinjal and IFR shall issue a joint public announcement, announcing the entering into of this Agreement, which announcement shall address all matters required by TSXV policies and shall be in form and substance acceptable to each of them, acting in a commercially reasonable manner. No Party shall issue any news release or public statements inconsistent with such public announcement.

2.7 Transaction Events

(a) Upon the terms and subject to the terms and conditions of this Agreement, on the Closing Date, the following events shall occur in the following sequential order:

(i) IFR shall have held the IFR Meeting;

(ii) each Kinjal SAFE shall be cancelled, and each holder of Kinjal SAFEs shall, for each USD$1.00 invested, be issued 2.141749552 Kinjal Subscription Receipts;

(iii) each whole Kinjal Subscription Receipt shall be automatically exchanged for one (1) Kinjal Share and one-half of one Kinjal Warrant, with each whole Kinjal Warrant exercisable to acquire one Kinjal Share in accordance with its terms;

(iv) IFR shall file articles of amendment to complete the IFR Consolidation and to change its corporate name to "Kinjal Gas Ltd." or such other name as may be approved by the parties hereto;

(v) IFR shall file the Articles of Amalgamation, and in accordance therewith, at the Effective Time:

(A) Subco and Kinjal shall amalgamate and continue as one corporation under the OBCA under the name "Kinjal Corporation." or such other name as the Parties may agree and as may be accepted by applicable regulatory authorities;

(B) the separate corporate existence of Subco and Kinjal shall cease and Amalco shall possess all the property, rights, privileges and franchises and be subject to all liabilities and obligations of Subco and Kinjal in accordance with the OBCA;

(C) each Kinjal Share outstanding immediately prior to the Effective Time shall be cancelled, and each holder of Kinjal Shares shall be issued one (1) IFR Post Consolidated Share;

(D) each Kinjal Warrant outstanding immediately prior to the Effective Time shall be cancelled, and each holder of Kinjal Warrants shall be issued one (1) IFR Post Consolidated Financing Warrant for each one (1) whole Kinjal Warrant; and

(E) each issued and outstanding share of Subco shall be converted into one common share of Amalco, and all such shares shall be held by IFR.

(b) For greater certainty, nothing in this Agreement shall result in any direct or indirect transfer of ownership of PetroFrontera, Tonalli, or Energia Mexicana, at the Effective Time. The Amalgamation constitutes a share exchange transaction at the IFR level only and does not effect a transfer of any assets or subsidiaries of IFR.

2.8 Articles and By-Laws of Amalco

The articles of amalgamation of Amalco shall be in the form attached as Schedule "A" (the "**Articles of Amalgamation**"), and the by-laws of Amalco shall be the by-laws of Subco as in effect immediately prior to the Effective Time, until amended in accordance with applicable Law. A copy of the by-laws of Subco may be examined at the following address 151 Yonge Street, Suite 1500, Toronto, Ontario, M5C 2W7.

2.9 Directors and Officers of Amalco

The directors and officers of Amalco immediately following the Effective Time shall be those individuals described in Schedule "A" attached hereto.

2.10 Share Certificates

(a) At the Effective Time:

(i) the register of transfers of the Kinjal Shares shall be closed;

(ii) subject to Section 2.12, the Kinjal Shareholders shall cease to be holders of Kinjal Shares and shall be deemed to be the registered holders of the IFR Shares to which they are entitled, calculated in accordance with the provisions hereof;

(iii) IFR, as the registered holder of the Subco common shares, shall cease to be the holder of Subco common shares and shall be deemed to be the registered holder of Amalco common shares in accordance with the provisions hereof and may surrender the certificate or certificates representing the Subco common shares and, upon such surrender, shall be entitled to receive a share certificate representing the number of Amalco common shares to which it is entitled calculated in accordance with the provisions hereof; and

(iv) Any share certificate formerly representing Kinjal Shares shall cease to represent a right or claim of any kind or nature whatsoever.

(b) Certificates or direct registration statements representing IFR Shares issuable to each Kinjal Shareholder pursuant to the Amalgamation will be issued on the Closing Date and mailed to the Kinjal Shareholders, as soon as practicable, but in any event no later than three (3) Business Days, following the Closing Date;

(c) IFR agrees that, after the Effective Time and subject to the satisfaction or waiver of the conditions herein contained in favour of IFR, IFR shall provide to the Transfer Agent an irrevocable direction to issue the maximum number of IFR Shares issuable pursuant to the Amalgamation so as to permit the issuance of the IFR Shares to Kinjal Shareholders as contemplated herein.

(d) The issuance of IFR Shares pursuant to the Amalgamation shall be subject to any escrow, pooling or resale restrictions required by the TSXV or applicable securities Laws.

(e) The delivery of IFR Shares shall be subject to conditional approval of the TSXV and satisfaction of all applicable listing conditions.

2.11 No Fractional Shares

(a) No fractional IFR Shares shall be issued pursuant to the Amalgamation.

(b) Where the aggregate number of IFR Shares to be issued to a former holder of Kinjal Shares pursuant to the Exchange Ratio would otherwise result in a fraction of an IFR Share, the number of IFR Shares issuable to such holder shall be rounded down to the nearest whole IFR Share.

(c) No cash payment shall be made in lieu of any fractional IFR Share, and any fractional entitlement shall be cancelled without compensation.

(d) For greater certainty, the elimination of fractional shares in accordance with this Section is solely for administrative convenience and shall not be considered a material modification of the consideration payable pursuant to this Agreement.

2.12 Dissent Rights

(a) Each Dissenting Shareholder shall be entitled to be paid the fair value of their Kinjal Shares in accordance with the OBCA.

(b) Dissenting Shareholders shall not be entitled to receive IFR Shares in respect of the Kinjal Shares so held as prescribed by Section 2.7, unless such holder fails to perfect or otherwise

withdraws such dissent rights in accordance with the OBCA, in which case such Kinjal Shares shall be deemed to have been exchanged for IFR Shares pursuant to Section 2.7(a)(v)(C).

(c) Kinjal shall give IFR (i) prompt notice of any written notices of exercise of Dissent Rights, withdrawals of such notices, and any other instruments served pursuant to the OBCA and received by Kinjal; and (ii) the opportunity to participate in all negotiations and proceedings with respect to such rights. Without the prior written consent of IFR, except as required by Applicable Law, Kinjal shall not make any payment with respect to any such rights or offer to settle or settle any such rights.

(d) IFR shall not be liable to any Dissenting Shareholder for any amount.

ARTICLE 3
CONSIDERATIONS AND CAPITALIZATION

3.1 Issuance of IFR Shares

(a) At the Effective Time, IFR shall issue to the holders of Kinjal Shares, in accordance with Article 2 and the Exchange Ratio, such number of IFR Shares as each such holder is entitled to receive pursuant to the terms of this Agreement.

(b) All IFR Shares issued pursuant to the Amalgamation shall:

(i) be duly authorized and validly issued in accordance with the ABCA;

(ii) be fully paid and non-assessable;

(iii) be issued in compliance with all applicable securities Laws;

(iv) be subject to any escrow, pooling, resale restriction, or hold period required by the TSXV or applicable securities Laws; and

(v) rank pari passu in all respects with the IFR Shares outstanding immediately prior to the Effective Time.

(c) IFR shall take all steps necessary to ensure that the IFR Shares issued pursuant to the Amalgamation are conditionally approved for listing on the TSXV prior to Closing, subject only to satisfaction of customary listing conditions.

(d) IFR represents and warrants that it has sufficient authorized but unissued IFR Shares to complete the issuance contemplated by this Agreement.

3.2 Post-Closing Capitalization

(a) Immediately following the Effective Time and after giving effect to:

(i) the IFR Consolidation;

(ii) the completion of the Concurrent Financing;

(iii) the issuance of IFR Post Consolidated Shares and IFR Post Consolidated Financing Warrants to the holders of Kinjal Shares and Kinjal Warrants pursuant to the Exchange Ratio in accordance with this Agreement,

the issued and outstanding IFR Shares (on a non-diluted basis) shall be held approximately as follows:

Former holders of IFR Shares	4.18%
Former holders of Kinjal Shares	35.65%
Former Holders of Kinjal Subscription Receipts	60.17%
Total	100.00%

(b) The parties acknowledge and agree that the foregoing ownership percentages are estimates only and are subject to adjustment based on the final number of IFR Shares issued and outstanding at the Effective Time and upon completion of the Concurrent Financing, and any other issuances contemplated herein. The final capitalization of IFR immediately following Closing shall be reflected in a capitalization certificate delivered at Closing, which shall set out in reasonable detail the issued and outstanding share capital of IFR on both a basic and, if required by the TSXV, a fully diluted basis.

(c) The final percentages shall be calculated based on the final number of IFR Post Consolidated Shares issued and outstanding at Closing.

3.3 Escrow and Resale Restrictions

(a) The parties acknowledge and agree that the transactions contemplated by this Agreement are expected to constitute a "Reverse Takeover" under the policies of the TSXV and that, as a condition to final acceptance of the Amalgamation and the listing of the IFR Shares issuable hereunder, the TSXV will require certain escrow, resale restriction and pooling arrangements.

(b) Without limiting the generality of the foregoing, all persons who are determined by the TSXV to be "Principals" of IFR upon completion of the Amalgamation (including, without limitation, directors, officers, promoters, control persons and other persons designated by the TSXV) shall enter into escrow agreements in the form required by TSXV Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions (the "**Escrow Agreements**"), pursuant to which such persons shall deposit with the escrow agent such number of IFR Shares as may be required by the TSXV.

(c) Any IFR Shares issued pursuant to the Amalgamation that are determined by the TSXV to constitute "Vendor Consideration" shall be subject to resale restrictions in accordance with TSXV Policy 5.4, including the applicable release schedule prescribed by the TSXV for Tier 1 or Tier 2 issuers, as applicable.

(d) The parties acknowledge that the IFR Shares issued pursuant to the Amalgamation, the Concurrent Financing may also be subject to statutory hold periods and resale restrictions under applicable securities Laws, and the certificates or direct registration statements representing such securities shall bear such legends as may be required by applicable securities Laws and the policies of the TSXV.

(e) IFR shall use commercially reasonable efforts to obtain conditional and final acceptance of the Amalgamation and all related transactions by the TSXV and to satisfy all escrow and resale restriction requirements imposed by the TSXV in connection therewith.

(f) Each party shall execute and deliver, and shall cause its respective directors, officers, securityholders and other applicable persons to execute and deliver, all documents, instruments and agreements reasonably required by the TSXV in connection with escrow, pooling, resale restrictions, legends, hold periods and listing approval.

(g) The obligations set out in this Section shall survive Closing and shall remain in effect in accordance with the terms of the applicable Escrow Agreements, TSXV policies and securities Laws.

ARTICLE 4
SHAREHOLDERS AND CORPORATE APPROVALS

4.1 IFR Shareholder Approval

(a) IFR shall,

(i) convene and conduct the IFR Meeting in accordance with the constating documents of IFR and all applicable Laws for the purpose of considering and, if deemed advisable, approving the Transaction and such other matters as are required in connection with the Transaction, including, without limitation, the issuance of IFR Shares pursuant to the Amalgamation, any required name change of IFR, the election of directors of the Resulting Issuer and any other matters required under applicable Law or TSXV policies (collectively, the "**IFR Shareholder Approval**"). IFR shall hold the IFR Meeting as soon as reasonably practicable and in any event on or prior to the Outside Date, subject to Kinjal's compliance with its obligations under Section 4.2(f), and shall not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the IFR Meeting without the prior written consent of Kinjal, such consent not to be unreasonably withheld or delayed, except where required for quorum purposes or as required by applicable Law or a Governmental Authority;

(ii) use commercially reasonable efforts to solicit proxies in favour of the IFR Shareholder Approval and against any resolution submitted by any IFR Shareholder that is inconsistent with the Transaction or the completion of any of the transactions contemplated by this Agreement, and shall reasonably consider the input of Kinjal with respect to the solicitation of proxies;

(iii) fix a record date for the purpose of determining the IFR Shareholders entitled to receive notice of and vote at the IFR Meeting in accordance with applicable Law;

(iv) consult with Kinjal in fixing the date of the IFR Meeting, provide Kinjal with reasonable advance notice of the IFR Meeting and permit representatives and legal counsel of Kinjal to attend the IFR Meeting;

(v) promptly advise Kinjal, at such times as Kinjal may reasonably request and, in any event, on each of the last ten (10) Business Days prior to the IFR Meeting, of the

aggregate tally of proxies received by IFR in respect of the IFR Shareholder Approval;

(vi) promptly notify Kinjal of receipt by IFR of any written communication from any IFR Shareholder in opposition to the Transaction or the IFR Shareholder Approval

(vii) not change the record date for determining IFR Shareholders entitled to vote at the IFR Meeting in connection with any adjournment or postponement thereof unless required by Law or with the prior written consent of Kinjal; and

(viii) at the request of Kinjal, provide Kinjal with a list of registered IFR Shareholders and, to the extent available, non-objecting beneficial owners, together with their respective addresses and holdings of IFR Shares, and shall use commercially reasonable efforts to cause its registrar and transfer agent to furnish such additional information as Kinjal may reasonably request for the purpose of communicating with IFR Shareholders in connection with the Transaction.

(b) IFR shall, from time to time, require its registrar and transfer agent to furnish Kinjal with updated lists of IFR Shareholders and related ownership information as Kinjal may reasonably request in connection with the Transaction.

4.2 IFR Circular

(a) IFR shall promptly prepare, in consultation with Kinjal, the IFR Circular and any other documents required under applicable Law or TSXV policies in connection with the IFR Meeting and the Transaction. IFR shall file and mail the IFR Circular to IFR Shareholders in accordance with applicable Law so as to permit the IFR Meeting to be held on or prior to the Outside Date.

(b) IFR shall ensure that the IFR Circular complies in all material respects with applicable Law and does not contain any misrepresentation, except with respect to information relating solely to Kinjal and its affiliates that is provided in writing by or on behalf of Kinjal for inclusion in the IFR Circular. The IFR Circular shall provide IFR Shareholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be considered at the IFR Meeting.

(c) Without limiting the foregoing, the IFR Circular shall include:

(i) a statement that the board of directors of IFR has determined that the Transaction is in the best interests of IFR and recommends that IFR Shareholders vote in favour of the IFR Shareholder Approval (the "**IFR Board Recommendation**");

(ii) disclosure regarding any support agreements or lock-up agreements entered into by directors, officers or significant shareholders of IFR in connection with the Transaction;

(iii) disclosure regarding the anticipated composition of the board of directors of the Resulting Issuer;

(iv) financial statement disclosure, pro forma financial information and reserves disclosure required under applicable securities Laws and TSXV policies.

(d) IFR shall indemnify and save harmless Kinjal and its representatives from and against any liabilities, claims, losses, costs or expenses arising directly or indirectly from any misrepresentation contained in the IFR Circular, other than information relating solely to Kinjal and its affiliates that was provided in writing by Kinjal for inclusion in the IFR Circular.

(e) IFR shall not be responsible for any information in the IFR Circular relating solely to Kinjal, its affiliates, or the securities to be issued to former Kinjal shareholders that is provided by or on behalf of Kinjal for inclusion in the IFR Circular.

(f) IFR shall provide Kinjal and its legal counsel with a reasonable opportunity to review and comment on drafts of the IFR Circular and shall give reasonable consideration to any comments provided by Kinjal.

(g) Kinjal shall, as soon as reasonably practicable and in any event within twenty-five (25) Business Days of the date hereof, provide IFR with all information regarding Kinjal and its affiliates required by applicable Law for inclusion in the IFR Circular, including financial statements, pro forma financial information and reserves disclosure. Kinjal shall ensure that such information does not contain any misrepresentation.

(h) Kinjal shall indemnify and save harmless IFR and its representatives from and against any liabilities, claims, losses, costs or expenses arising directly or indirectly from any misrepresentation contained in the IFR Circular to the extent such misrepresentation relates to information concerning Kinjal or its affiliates provided by or on behalf of Kinjal for inclusion therein.

(i) Kinjal shall not be responsible for any information in the IFR Circular relating solely to IFR.

(j) Each Party shall promptly notify the other if it becomes aware that the IFR Circular contains a misrepresentation or requires amendment or supplement, and the Parties shall cooperate in preparing any required amendment or supplement. IFR shall promptly file and disseminate any such amendment or supplement in accordance with applicable Law.

4.3 Kinjal Shareholder Approval

(a) Kinjal shall, in accordance with the OBCA take all necessary steps to obtain approval of the Amalgamation by the holders of Kinjal Shares as required under the OBCA and its constating documents ("**Kinjal Shareholder Approval**").

(b) Unless otherwise agreed, such approval may be obtained by written resolution signed by holders of not less than the required percentage of Kinjal Shares entitled to vote thereon, in accordance with the OBCA.

(c) Kinjal shall deliver evidence of such approval to IFR prior to Closing.

4.4 TSXV Acceptance

(a) The Amalgamation and the issuance of IFR Shares pursuant thereto are subject to the conditional and final acceptance of the TSXV.

(b) IFR shall promptly prepare and file all required documentation with the TSXV and shall use commercially reasonable efforts to obtain:

(i) conditional acceptance of the Amalgamation and related transactions prior to Closing; and

(ii) final acceptance following satisfaction of all TSXV conditions.

(iii) Kinjal shall cooperate fully with IFR in connection with all filings and submissions required by the TSXV.

4.5 Other Regulatory Approvals

(a) Each party shall use commercially reasonable efforts to obtain all other regulatory approvals required in connection with the transactions contemplated by this Agreement, including any required securities regulatory approvals or Mexican governmental approvals relating to the Mexican Asset Transactions.

(b) Each party shall promptly notify the other of any material communication received from any regulatory authority relating to the transactions contemplated hereby.

4.6 No Court Approval Required

The parties acknowledge and agree that the Amalgamation is being effected as a three-cornered amalgamation pursuant to Section 174 of the OBCA and does not require approval by any court under the ABCA or the OBCA.

4.7 Withholding Taxes

(a) IFR, Subco, Amalco and the transfer agent of IFR (collectively, the "**Withholding Parties**") shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement, including any IFR Shares issued in exchange for Kinjal Shares and any amounts payable to a Dissenting Shareholder, such amounts as any Withholding Party is required to deduct or withhold with respect to such payment under the Tax Act or any applicable provincial, state, local or foreign tax Law.

(b) To the extent that amounts are so deducted or withheld and remitted to the appropriate Governmental Authority, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction or withholding was made.

(c) If any withholding is required in respect of the issuance of IFR Shares, the applicable Withholding Party shall be entitled to withhold such number of IFR Shares otherwise issuable to the applicable holder, or require such holder to provide cash, in each case as may be necessary to satisfy such withholding obligation, and IFR shall be entitled to sell, or cause to be sold, on behalf of such holder such number of IFR Shares as is necessary to satisfy such withholding obligation, and shall remit the net proceeds (after deduction of the required withholding amount) to such holder.

(d) Each holder of Kinjal Shares shall provide such information and documentation as may reasonably be requested to determine applicable withholding obligations.

4.8 Tax Matters

Each of IFR, Subco and Kinjal acknowledges and agrees that neither IFR nor Kinjal is making any representation or warranty to any holder of Kinjal Shares or IFR Shares regarding the tax consequences of the Transaction or the Amalgamation. Each such holder is urged to consult its own tax advisors regarding the tax consequences of the Transaction under applicable Law. Any summary of tax consequences included in the IFR Circular is for general information only and is not intended to constitute legal or tax advice.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF KINJAL

Kinjal represents and warrants to IFR and Subco as follows, and acknowledges that IFR and Subco are relying upon such representations and warranties in entering into this Agreement:

5.1 Organization and Qualification

Kinjal is a corporation duly incorporated and validly existing under the OBCA and has all requisite corporate power and authority to own its assets and carry on its business as currently conducted and as proposed to be conducted. Kinjal is duly qualified or licensed to carry on business in each jurisdiction in which the nature of its activities or properties makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have a Kinjal Material Adverse Effect.

5.2 Corporate Authority and Enforceability

(a) Kinjal has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of Kinjal.

(c) This Agreement constitutes a valid and binding obligation of Kinjal, enforceable against Kinjal in accordance with its terms, subject to applicable bankruptcy, insolvency and other Laws affecting creditors' rights generally and to general principles of equity.

(d) No other corporate proceedings on the part of Kinjal are necessary to authorize this Agreement and the consummation of the transactions contemplated hereby other than the Kinjal Shareholder Approval.

5.3 Capitalization

(a) The authorized share capital of Kinjal consists of an unlimited number of common shares.

(b) As of the date hereof:

(i) 27,414,394.27 Kinjal Shares are issued and outstanding, fully paid and non-assessable;

(ii) no Kinjal options are outstanding;

(iii) no Kinjal Warrants are outstanding;

(iv) no other securities convertible into or exercisable for Kinjal Shares are outstanding except as disclosed in the Kinjal Disclosure Letter.

(c) All issued and outstanding Kinjal Shares have been duly authorized and validly issued and are fully paid and non-assessable.

(d) Except as disclosed in the Kinjal Disclosure Letter, there are no outstanding options, warrants, convertible securities, shareholder agreements, pre-emptive rights, rights of first refusal or other agreements or commitments requiring Kinjal to issue, sell or repurchase any securities.

(e) All Kinjal Shares and other securities of Kinjal have been issued in compliance with applicable securities Laws and are not subject to any pre-emptive rights, rights of first refusal or similar rights, except as disclosed in the Kinjal Disclosure Letter. No Person has any agreement, option, warrant, right or privilege capable of becoming an agreement for the purchase or acquisition of any securities of Kinjal except as disclosed in the Kinjal Disclosure Letter.

5.4 Subsidiaries

Kinjal does not own, directly or indirectly, any shares or other equity interests in any corporation, partnership or other entity.

5.5 No Conflict; Required Consents

The execution and delivery of this Agreement and the completion of the transactions contemplated hereby do not and will not:

(a) violate any provision of the constating documents of Kinjal;

(b) conflict with or result in a breach of any material contract to which Kinjal is a party;

(c) violate any applicable Law; or

(d) require any consent or approval except as disclosed in the Kinjal Disclosure Letter, including any regulatory approvals required in connection with the Mexican Asset Transactions.

5.6 Reporting Status and Securities Law Matters

(a) Kinjal is not a reporting issuer or the equivalent under the Securities Laws of any jurisdiction and is not in default of any requirement of applicable Securities Laws. No securities commission, stock exchange or other regulatory authority has issued any cease trade order, stop order, or similar order or threatened to do so with respect to any securities of Kinjal.

(b) All securities of Kinjal have been duly authorized and validly issued in compliance with applicable Securities Laws and are not subject to any statutory or contractual pre-emptive rights, rights of first refusal, rights of first offer, registration rights or similar rights except as disclosed in the Kinjal Disclosure Letter. No person has any agreement, option, warrant, right, conversion privilege or other right capable of becoming an agreement for the

purchase or acquisition of any securities of Kinjal except as expressly disclosed in the Kinjal Disclosure Letter.

5.7 Financial Statements

To the extent financial statements of Kinjal are included in the IFR Circular:

(a) such financial statements have been prepared in accordance with IFRS as issued by the IASB, consistently applied;

(b) they fairly present, in all material respects, the financial position of Kinjal as of the dates indicated and the results of operations and cash flows for the periods indicated;

(c) there are no material liabilities not reflected therein except as disclosed.

(d) Kinjal acknowledges that IFR will rely on such financial information for purposes of TSXV and securities law disclosure.

5.8 Absence of Undisclosed Liabilities

Except as disclosed in the Kinjal Disclosure Letter or reflected in financial statements provided to IFR, Kinjal does not have any material liabilities, whether accrued, contingent or otherwise, that would reasonably be expected to have a Kinjal Material Adverse Effect.

5.9 Absence of Certain Changes

Since December 5, 2025, there has not occurred:

(a) any Kinjal Material Adverse Effect;

(b) any material change in the business, operations, assets or financial condition of Kinjal;

(c) any issuance of securities other than as disclosed;

(d) any entry into a material contract outside the ordinary course of business.

5.10 Material Contracts

(a) The Kinjal Disclosure Letter sets forth a complete list of all material contracts of Kinjal.

(b) Each such contract is valid and in good standing and, to the knowledge of Kinjal, no party is in material default thereunder.

5.11 Mexican Asset Transactions

(a) Kinjal has, or prior to Closing, will have delivered to IFR true, complete and correct copies of all Mexican Definitive Agreements including all amendments, side letters and material correspondence relating thereto.

(b) Each of the Mexican Definitive Agreements to which Kinjal or any of its Subsidiaries is a party constitutes a legal, valid and binding obligation of Kinjal or such Subsidiary, as applicable, enforceable in accordance with its terms, subject only to applicable bankruptcy,

insolvency, fraudulent conveyance and other Laws affecting creditors' rights generally and to general principles of equity.

(c) Except as disclosed in the Kinjal Disclosure Letter:

(i) neither Kinjal nor, to the knowledge of Kinjal, any other party thereto is in material default under any Mexican Definitive Agreement;

(ii) no written notice of termination, material default or material dispute has been received by Kinjal in respect of any Mexican Definitive Agreement;

(iii) no event has occurred which, with the giving of notice or the lapse of time or both, would constitute a material default thereunder;

(iv) other than the approval required from the SENER in connection with the change of control resulting from the transactions contemplated by this Agreement and such other approvals as are disclosed in the Kinjal Disclosure Letter, no material governmental consent, approval, authorization or filing is required in order for Kinjal or its applicable Subsidiaries to consummate the Mexican Asset Transactions or to maintain the Mexican Definitive Agreements in full force and effect following Closing;

(v) the transaction contemplated herein is exempt from the requirement of Mexican anti-monopoly controls; and

(vi) the Mexican Definitive Agreements represent all material agreements pursuant to which Kinjal or its Subsidiaries will acquire or hold interests in the Mexican Assets.

5.12 Compliance with Laws.

(a) Kinjal complies in all material respects with all applicable Laws, including corporate, tax, environmental, securities and regulatory Laws.

5.13 Concurrent Financing

(a) The Concurrent Financing, if completed, shall be conducted in compliance with applicable securities Laws and TSXV policies;

(b) all subscription agreements entered into in connection therewith shall be valid and binding obligations of Kinjal;

(c) all securities issued pursuant to the Concurrent Financing shall be duly authorized and validly issued;

(d) Kinjal shall be responsible for all fees and expenses payable to agents, underwriters or brokers engaged in connection with the Concurrent Financing; and

(e) Kinjal shall use commercially reasonable efforts to complete the Concurrent Financing substantially on the terms disclosed to Kinjal.

5.14 Litigation

There are no actions, suits, investigations or proceedings pending or, to the knowledge of Kinjal, threatened against Kinjal that would reasonably be expected to have a Kinjal Material Adverse Effect.

5.15 Tax Matters

Kinjal has filed all material tax returns required to be filed and has paid all material taxes due. Kinjal is not subject to any pending material tax audit.

5.16 Employment Matters

Kinjal is not party to any collective bargaining agreement. There are no outstanding labour disputes. All employment arrangements are disclosed in the Kinjal Disclosure Letter.

5.17 Brokers

Except as set forth in Section 5.17 of the Kinjal Disclosure Letter, no broker, finder or financial advisor is entitled to any fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by Kinjal.

5.18 Disclosure

No representation or warranty of Kinjal contained in this Agreement, and no statement contained in any certificate or schedule delivered pursuant hereto, contains any untrue statement of a material fact or omits to state a material fact necessary to make such statements not misleading.

5.19 TSXV and Securities Law Compliance

Kinjal acknowledges that the transactions contemplated hereby are expected to constitute a Reverse Takeover under TSXV policies. Kinjal will provide IFR with all information reasonably required for purposes of preparing the IFR Circular and obtaining TSXV acceptance. All information provided by Kinjal for inclusion in the IFR Circular or other public disclosure documents does not contain any misrepresentation within the meaning of applicable securities Laws.

5.20 Letter Qualification

(a) The representations and warranties of Kinjal contained in this Agreement are subject to the qualifications, limitations and exceptions set forth in the Kinjal Disclosure Letter. The Kinjal Disclosure Letter forms an integral part of this Agreement and is incorporated herein by reference.

(b) Any matter disclosed in the Kinjal Disclosure Letter shall be deemed to qualify the representations and warranties of Kinjal to which such disclosure specifically relates and any other representation or warranty of Kinjal to the extent that the relevance of such disclosure to such other representation or warranty is reasonably apparent on its face.

(c) The inclusion of any information in the Kinjal Disclosure Letter shall not be deemed to constitute an admission by Kinjal that such information is material or that such information is required to be disclosed pursuant to this Agreement, nor shall it establish a standard of materiality for purposes of this Agreement.

5.21 Corruption and Sanctions

Neither Kinjal nor any of its directors, officers, employees or agents has, directly or indirectly, engaged in any conduct that would violate applicable anti-corruption, anti-bribery, anti-money laundering or sanctions Laws in Canada, Mexico or any other applicable jurisdiction. Kinjal has implemented policies and procedures reasonably designed to ensure compliance with such Laws.

5.22 Environmental Matters

Kinjal is in compliance in all material respects with all applicable environmental Laws in each jurisdiction in which they operate. There are no outstanding notices of violation, environmental orders, remediation obligations or environmental claims that would reasonably be expected to result in a Kinjal Material Adverse Effect.

5.23 Books and Records; Disclosure

The minute books and corporate records of Kinjal and its Subsidiaries are complete and accurate in all material respects. The Kinjal Disclosure Letter, when read together with this Agreement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein not misleading.

5.24 Collateral Benefits

There are no collateral agreements, side agreements or arrangements between Kinjal and any holder of Kinjal Shares relating to the Transaction other than as disclosed in the Kinjal Disclosure Letter.

5.25 United States Securities Law Matters

Kinjal has not engaged in any distribution of securities in the United States in violation of the U.S. Securities Act or applicable U.S. state securities laws. No registration under the U.S. Securities Act is required in connection with the issuance of IFR Shares pursuant to the Amalgamation.

5.26 Survival

(a) The representations and warranties of Kinjal contained in this Article shall survive the Closing Date and shall remain in full force and effect for a period of twenty-four (24) months following the Closing Date.

(b) Notwithstanding the foregoing:

(i) the Fundamental Representations shall survive indefinitely; and

(ii) any claim based upon fraud or willful misconduct shall survive without limitation.

(c) No claim for breach of any representation or warranty may be made unless written notice specifying in reasonable detail the nature of the claim is delivered prior to the expiry of the applicable survival period.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF IFR

IFR represents and warrants to Kinjal and Subco as follows, and acknowledges that Kinjal and Subco are relying upon such representations and warranties in entering into this Agreement:

6.1 Directors' Approvals

As of the date hereof:

(a) If required, IFR expects to receive, prior to mailing the IFR Circular, a written Fairness Opinion to the effect that, as of the date of such opinion, and subject to the assumptions and limitations set out therein, the consideration to be received by the IFR Shareholders in connection with the Transaction is fair, from a financial point of view, to the IFR Shareholders, and such written Fairness Opinion will be included in the IFR Circular;

(b) the IFR Board has, after consultation with its financial and legal advisors, unanimously:

(i) determined that the consideration to be received by the IFR Shareholders pursuant to the Transaction is fair and that the Transaction is in the best interests of IFR;

(ii) resolved to recommend to the IFR Shareholders that they vote in favour of the Transaction; and

(iii) approved the Amalgamation pursuant to the execution and performance of this Agreement.

6.2 Organization and Good Standing

(a) IFR is a corporation duly incorporated and validly existing under the ABCA and has all requisite corporate power and authority to own its assets and carry on its business as currently conducted.

(b) IFR is duly qualified or licensed to carry on business in each jurisdiction where required, except where failure to be so qualified would not reasonably be expected to have an IFR Material Adverse Effect.

(c) Subco is a corporation duly incorporated and validly existing under the OBCA and has been incorporated solely for the purpose of effecting the Amalgamation. Subco has not carried on any business other than activities incidental to the transactions contemplated by this Agreement.

6.3 Authority Relative to this Agreement

(a) IFR has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by IFR as contemplated by this Agreement, and to perform its obligations hereunder and under such agreements and instruments.

(b) The execution and delivery of this Agreement by IFR and the performance by IFR of its obligations under this Agreement have been duly authorized by the IFR Board and, except

for obtaining the IFR Shareholder Approval and any required approval of the TSXV in the manner contemplated herein, no other corporate proceedings on its part are necessary to authorize this Agreement, other than, with respect to the IFR Circular and other matters relating thereto, the approval of the IFR Board.

(c) This Agreement has been duly executed and delivered by IFR, and constitutes a legal, valid and binding obligation of IFR, enforceable against IFR in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

6.4 No Violation

Other than as set forth in the IFR Disclosure Letter, neither the authorization, execution and delivery of this Agreement by IFR nor the completion of the transactions contemplated by this Agreement, nor the performances of its obligations hereunder or thereunder, nor compliance by IFR with any of the provisions hereof or thereof will, in respect of IFR and any of its Subsidiaries, result in a violation or breach of, constitute a default (or an event which, with notice or lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to purchase or sale under, any provision of the following:

(a) their respective constating documents;

(b) any Authorization or IFR Material Contract to which IFR or any of the IFR Subsidiaries is a party or to which any of them or any of their respective properties or assets, may be subject or by which IFR or any of the IFR Subsidiaries is bound;

(c) result (with or without notice or the passage of time) in a violation or breach of or constitute a default under any provisions of any Laws applicable to IFR or any of the IFR Subsidiaries or any of their respective property or assets;

(d) cause the suspension or revocation of any Authorization currently in effect and held by IFR or any of the IFR Subsidiaries;

(e) except as disclosed in the IFR Disclosure Letter, give rise to any rights of first refusal or trigger any change in control provisions under any note, bond, mortgage, indenture, Contract, licence, franchise or Authorization to which IFR or any of the IFR Subsidiaries is a party; or

(f) result in the imposition of any Encumbrances (other than Permitted Encumbrances) upon any assets of IFR or the assets of any of its Subsidiaries,

(g) except, in the case of clauses (b), (c), (d) and (f) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances (other than Permitted Encumbrances) which, or any consents, approvals or notices which if not given or received, would not, individually or in the aggregate, have an IFR Material Adverse Effect, or significantly impede the ability of IFR to consummate the transactions contemplated by the Agreement.

6.5 Governmental Approvals

The execution, delivery and performance by IFR of this Agreement requires no consent, waiver or approval or any action by or in respect of, or filing with, or notification to, any Governmental Authority other than:

(a) compliance with any applicable Securities Laws and stock exchange rules and regulations, including any filings or approvals required thereby;

(b) receipt of any required Regulatory Approvals, unless waived by Kinjal at its discretion; and

(c) any actions, filings or notifications, the absence of which would not reasonably be expected to have, individually or in the aggregate, an IFR Material Adverse Effect.

6.6 Capitalization

(a) The authorized share capital of IFR consists of an unlimited number of IFR Shares, an unlimited number of preferred shares issuable in series and up to 4,999,000 restricted shares. As of the date hereof, there are issued and outstanding 38,085,397 IFR Shares, no preferred shares and no restricted shares.

(b) As of the date hereof 3,700,000 IFR Shares are issuable upon the exercise of IFR Options, the exercise prices, expiration dates and other material terms of which (including the vesting schedules) are set forth in the IFR Disclosure Letter.

(c) As of the date hereof 8,165,000 IFR Shares are issuable upon the exercise of IFR Warrants, the exercise prices, expiration dates and other material terms of which (including the vesting schedules) are set forth in the IFR Disclosure Letter.

(d) As of the date hereof 1,633,000 IFR Shares are issuable upon the exercise of IFR Broker Warrants, the exercise prices, expiration dates and other material terms of which (including the vesting schedules) are set forth in the IFR Disclosure Letter

(e) As of the date hereof 3,087,500 IFR Shares are issuable to certain officers of IFR as bonus consideration payable to such officers of IFR in connection with the completion of the transactions contemplated herein.

(f) IFR has provided a true and complete copy of all Contracts, agreements, instruments, plans as the case may be, governing the IFR Options.

(g) Except as set forth in the IFR Disclosure Letter, and except for IFR Options there are no securities, options, warrants, stock appreciation rights, restricted stock units, conversion privileges, calls, entitlements or other rights, agreements, arrangements, subscriptions, rights, entitlements, understandings or commitments (pre-emptive, contingent or otherwise) of any character whatsoever to which IFR or any of the IFR Subsidiaries is a party or by which any of IFR or any of the IFR Subsidiaries may be bound, obligating or which may obligate IFR or any of the IFR Subsidiaries to issue, grant, deliver, extend or enter into any such security, option, warrant, stock appreciation right, restricted stock unit, conversion privilege, capital stock, equity interest or other right, agreement, arrangement or commitment.

(h) All outstanding IFR Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all IFR Shares issuable upon the exercise, conversion or settlement, as the case may be, of IFR Options in accordance with their respective terms have been duly authorized for issuance and, upon issuance, will be validly issued as fully paid and non assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. All securities of IFR have been issued in compliance with all applicable Laws and Securities Laws.

(i) There are no securities of IFR or any of the IFR and the IFR Subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities other than the IFR Shares having the right to vote generally) with the holders of IFR Shares on any matter. There are no outstanding contractual or other obligations of IFR or any of the IFR Subsidiaries to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any outstanding securities of any of its Subsidiaries. There are no outstanding bonds, debentures or other evidences of indebtedness of IFR or any of the IFR Subsidiaries having the right to vote generally with the holders of the outstanding IFR Shares on any matters.

(j) Neither IFR nor any of the IFR Subsidiaries has any obligations, liabilities and indebtedness that would, in accordance with IFRS, be classified as debt on a balance sheet except as disclosed in the IFR Financial Statements.

6.7 Ownership of Subsidiaries

(a) the IFR Disclosure Letter includes complete and accurate lists of all Subsidiaries owned, directly or indirectly, by IFR, each of which is wholly owned by IFR, except as disclosed in the IFR Disclosure Letter.

(b) All of the issued and outstanding shares and other ownership interests in the IFR Subsidiaries are duly authorized, validly issued, fully paid and, where the concept exists, non-assessable, and all such shares and other ownership interests held directly or indirectly by IFR are legally and beneficially owned free and clear of all Encumbrances (other than Permitted Encumbrances), and, except as disclosed in the IFR Disclosure Letter, there are no outstanding options, warrants, rights, entitlements, understandings or commitments (pre-emptive, contingent or otherwise) or outstanding contractual or other obligations of IFR or any of the IFR Subsidiaries regarding the right to purchase or acquire, or securities convertible into or exchangeable for, any such shares or other ownership interests of any of IFR's Subsidiaries.

(c) Other than as disclosed in the IFR Disclosure Letter, there are no Contracts, commitments, understandings or restrictions which require any IFR Subsidiaries to issue, sell or deliver any shares or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares or other ownership interests. Except for ownership of equity interests in the Subsidiaries and other than those ownership interests disclosed in the IFR Disclosure Letter, IFR, does not own, directly or indirectly, any equity interests of any kind in any other Person.

6.8 Reporting Status and Securities Laws Matters

(a) IFR is a "reporting issuer" or the equivalent and not on the list of reporting issuers in default under applicable Securities Laws of British Columbia and Alberta.

(b) IFR is in compliance, in all material respects, with all applicable Securities Laws and there are no current, pending or, to the knowledge of IFR, threatened proceedings before any Securities Authority or other Governmental Authority relating to any alleged non-compliance with Securities Laws.

(c) The IFR Shares are listed on, and IFR is in compliance in all material respects with, the rules and policies of the TSXV.

(d) No de-listing, suspension of trading in or cease trading order with respect to any securities of IFR and, to the knowledge of IFR, no inquiry or investigation (formal or informal) of any Securities Authority or the TSXV is in effect or ongoing or, to the knowledge of IFR, expected to be implemented or undertaken.

6.9 IFR Filings

(a) IFR has filed all documents required to be filed by it in accordance with applicable Securities Laws with the Securities Authorities and/or the TSXV since January 1, 2020.

(b) IFR has timely filed or furnished all the IFR Filings required to be filed or furnished by IFR with any Governmental Authority (including "documents affecting the rights of securityholders" and "material contracts" required to be filed by Part 12 of National Instrument 51-102 – *Continuous Disclosure Obligations*).

(c) Each of the IFR Filings complied as filed in all material respects with applicable Securities Laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation. IFR has not filed any confidential material change report which, at the date of this Agreement, remains confidential.

6.10 Forward-Looking Information

With respect to forward-looking information contained in the IFR Filings:

(a) IFR had, at the time of disclosure of such forward-looking information, a reasonable basis for such forward-looking information; and

(b) all material forward-looking information is identified as such, and all IFR Filings containing material forward-looking information caution users of forward-looking information that actual results may vary from the forward-looking information.

6.11 Financial Statements

(a) The consolidated annual audited financial statements of IFR as at and for the years ended December 31, 2024 and December 31, 2025 (including the notes thereto) and related management's discussion (collectively, the "**IFR Financial Statements**") were prepared in accordance with IFRS consistently applied, except:

(i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of IFR's independent auditors, or in the case of unaudited interim statements, are subject to normal period-end

adjustments and may omit notes which are not required by applicable Laws in the unaudited statements).

(ii) and present fairly, in all material respects, the consolidated financial position, financial performance and cash flows of IFR for the dates and periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of IFR on a consolidated basis, except as described in the IFR Financial Statements.

(b) There has been no material change in IFR's accounting policies, except as described in the IFR Financial Statements, since December 31, 2025.

(c) The financial books, records and accounts of IFR and the IFR Subsidiaries since December 31, 2025, in all material respects:

(i) have been maintained in accordance with applicable Law and IFRS on a basis consistent with prior years;

(ii) are stated in reasonable detail and accurately and fairly reflect the material transactions, acquisitions and dispositions of the assets of IFR and the IFR Subsidiaries; and

(iii) accurately and fairly reflect the basis for the IFR Financial Statements.

6.12 Independent Auditors

IFR's current auditors are independent with respect to IFR within the meaning of the rules of professional conduct applicable to auditors in Canada and there has never been a "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the current or, to the best knowledge of IFR, any predecessor auditors of IFR during the last three years.

6.13 Minute Books

The corporate minute books of IFR and the IFR Subsidiaries contain minutes of all meetings and resolutions of its boards of directors and committees of its board of directors (other than those portions of minutes of meetings reflecting discussions of the Transaction) and shareholders, maintained according to applicable Laws and are complete and accurate in all material respects.

6.14 No Undisclosed Liabilities

IFR and the IFR Subsidiaries have no outstanding material indebtedness, liabilities or obligations, whether accrued, absolute, contingent or otherwise, and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically identified in the IFR Financial Statements, or those which relate to the proposed Transaction or those which have been incurred in the Ordinary Course and which are not material since the date of the most recent the IFR Financial Statements.

6.15 No Material Change

Since December 31, 2024, except as disclosed in the IFR Filings and except for the Transaction or any action taken in accordance with this Agreement:

(a) IFR and each of its Subsidiaries has conducted its business only in the Ordinary Course;

(b) there has not occurred any IFR Material Adverse Effect;

(c) neither IFR nor any of the IFR Subsidiaries has received a notice, judgment, decree, ruling or other similar requirement from SENER or ASEA, or which would have an IFR Material Adverse Effect;

(d) except as set out in the IFR Disclosure Letter, there has not been any acquisition or sale by IFR or the IFR Subsidiaries of any material property or assets;

(e) there has not been any incurrence, assumption or guarantee by IFR or the IFR Subsidiaries of any material debt for borrowed money, any creation or assumption by IFR or the IFR Subsidiaries of any Encumbrance (other than a Permitted Encumbrance) or any making by IFR or the IFR Subsidiaries of any material loan, advance or capital contribution to or investment in any other Person;

(f) there has been no dividend or distribution of any kind declared, paid or made by IFR or any IFR Shares;

(g) IFR has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding IFR Shares;

(h) except as disclosed in the IFR Disclosure Letter, there has not been any material increase in or material modification of the compensation payable to or to become payable by IFR or the IFR Subsidiaries to any of their respective directors, officers or employees or any grant to any such Persons of any increase in severance or change in control entitlements; and

(i) IFR has not removed any auditor or director or terminated any senior officer.

6.16 Litigation

(a) Except as disclosed in the IFR Disclosure Letter, there is no notice, claim, action, suit, grievance, complaint, proceeding, arbitration, charge, audit, indictment or investigation that is pending or has been commenced or, to the knowledge of IFR, is threatened affecting IFR or the IFR Subsidiaries or affecting any of their property or assets (whether owned or leased) at law or in equity, which would reasonably be expected to cause, individually or in the aggregate, an IFR Material Adverse Effect, or would significantly impede the ability of IFR to consummate the Transaction.

(b) Neither IFR, its Subsidiaries nor any of their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree material to IFR and the IFR Subsidiaries on a consolidated basis.

6.17 Taxes

(a) IFR and each of its Subsidiaries has duly and timely filed all material tax returns required to be filed prior to the date hereof with the appropriate Governmental Authority and all such tax returns are true and correct in all material respects.

(b) Except as disclosed in the IFR Disclosure Letter, IFR and each of its Subsidiaries has duly and timely paid all material Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Authority other than Taxes that are being or have been contested in good faith and in respect of which adequate reserves have been provided in the most recently published consolidated financial statements of IFR (where required in accordance with applicable accounting standards).

(c) IFR and each of its Subsidiaries has duly and timely collected all material amounts of all Taxes required to be collected and has duly and timely paid and remitted the same to the appropriate Governmental Authority when required by Laws to do so.

(d) IFR and each of its Subsidiaries has duly and timely paid and remitted all requisite royalties payments to all Governmental Authority and/or any owner of any property operated by IFR.

(e) There are no material proceedings, investigations, audits or claims now pending against IFR or the IFR Subsidiaries in respect of any Taxes and no Governmental Authority has asserted in writing, nor to the knowledge of IFR, has threatened to assert against IFR or the IFR Subsidiaries any deficiency or claim for Taxes or interest thereon or penalties in connection therewith.

(f) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any tax return by, or any payment of Taxes by, IFR or any of the IFR Subsidiaries.

(g) To the knowledge of IFR, there are no material Encumbrances (other than Permitted Encumbrances) for Taxes upon any property or assets of IFR and the IFR Subsidiaries (whether owned or leased), except Encumbrances for current Taxes not yet due.

(h) Neither IFR nor any of the IFR Subsidiaries are a party to any agreement, understanding or arrangement relating to allocating or sharing any material amount of Taxes.

(i) Except as set forth in the IFR Disclosure Letter, IFR and each of its Subsidiaries has duly and timely withheld from any amount paid or credited by it to or for the account or benefit of any Person, including any employees and any non-resident Person, the amount of all material Taxes and other deductions required by any Laws to be withheld from any such amount and has duly and timely remitted the same to the appropriate Governmental Authority.

(j) IFR is a "taxable Canadian corporation" for the purposes of the Tax Act.

(k) All tax credits, refunds, rebates, overpayments and similar adjustments of Taxes claimed by IFR and each of its Subsidiaries have been validly claimed and correctly calculated as

required by applicable Laws, and each such entity has retained all documentation prescribed by applicable Laws and in accordance with applicable Laws to support such claims.

6.18 Privacy Protection

(a) To its knowledge, IFR and the IFR Subsidiaries have complied, in all material respects, with all applicable privacy legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted access to any information protected by privacy Laws, except in accordance with such Laws.

(b) In all material respects IFR and the IFR Subsidiaries limit the collection, use, disclosure and processing of personal information to the scope of the consent collected and/or the contractual agreements in place governing the collection, use or disclosure of such personal information.

6.19 Property

(a) The IFR Disclosure Letter includes a complete and accurate list of all material real property owned by IFR or the IFR Subsidiaries ("**IFR Owned Properties**").

(b) IFR or one its Subsidiaries have good and marketable title in fee simple to all IFR Owned Properties free of any Encumbrances other than Permitted Encumbrances; none of IFR or any of the IFR Subsidiaries is the owner of, or subject to any agreement or option to own any real or immovable property or any interest in real or immovable property, other than the IFR Owned Properties and the IFR Leased Properties (as defined below); and none of IFR or any of the IFR Subsidiaries has received written notice that any of the IFR Owned Properties is subject to any decree of or order by a Governmental Authority to be sold or is being condemned, expropriated or otherwise taken by any public authority, nor to the knowledge of IFR has any such condemnation, expropriation or taking been proposed.

(c) Prior to the date hereof, IFR has disposed of all of its right, title and interest in and to the significant discovery licenses located in the Northwest Territories and the mineral title interests located in Glacier County, Montana, and neither IFR nor any of the IFR Subsidiaries has any continuing interest therein. Other than the foregoing, neither IFR nor any of the IFR Subsidiaries is party to, or bound by, any agreement to sell, transfer or acquire any interest in any real property.

(d) Other than as set out in the IFR Disclosure Letter, neither IFR nor any of the IFR Subsidiaries is party to, or bound by, any agreement to sell, transfer or acquire any interest in any real property.

(e) Tonalli is a subsidiary of PetroFrontera, and Jaguar 2.3 is the registered operator of the Tecolutla Block pursuant to the applicable license contract with SENER.

(f) Each material property currently leased or subleased by IFR or the IFR Subsidiaries from a third party (collectively, the "**IFR Leased Properties**") is listed in the IFR Disclosure Letter, identifying the documents under which such leasehold interests are held (collectively, the "**IFR Lease Documents**"). IFR or the IFR Subsidiaries, as applicable, holds good and valid leasehold interests in IFR Leased Properties, free and clear of all Encumbrances other than Permitted Encumbrances. Each of the IFR Lease Documents is

valid, binding and in full force and effect as against IFR and the IFR Subsidiaries, as applicable, and, to the knowledge of IFR, as against the other parties thereto. To the knowledge of IFR, and except as disclosed in the IFR Disclosure Letter, neither IFR, its Subsidiaries nor any of the other parties to the IFR Lease Documents, is in material breach or violation or default (in each case, with or without notice or lapse of time or both) under any of the IFR Lease Documents which breach, violation or default has not been cured, and IFR and the IFR Subsidiaries has not received or given any notice of default under any such agreement which remains uncured.

(g) To the knowledge of IFR, IFR and each of its Subsidiaries, as applicable, has good and valid title to, or a valid and enforceable leasehold interest in, all of its and their respective other material assets and property not listed above in paragraph (d) and IFR's and the Subsidiaries' ownership of or leasehold interest in any such property is not subject to any Encumbrances, except for Permitted Encumbrances.

(h) The IFR Leased Properties are adequately serviced by utilities (or well water with adequate septic systems, if any) having adequate capacities for the normal operations of IFR's and its Subsidiaries' facilities.

(i) IFR is in compliance with all requirements under any IFR Material Contract or License concerning any of the IFR Owned Properties or IFR Leased Properties, including contracts and obligations owing to any Governmental Authority or other property owner.

(j) IFR has all necessary rights, by contract or otherwise to find, develop and produce hydrocarbons on all of the IFR Owned Properties and IFR Leased Properties, as currently conducted in the Ordinary Course of IFR Business.

6.20 Sufficiency of Assets

(a) IFR and the IFR Subsidiaries have valid, good and marketable title to all material personal property owned by them and principally used in respect of the IFR Business, free and clear of all Encumbrances other than Permitted Encumbrances.

(b) The assets and property owned, leased or licensed by IFR and the IFR Subsidiaries are sufficient, in all material respects, for conducting the business, as currently conducted, of IFR.

6.21 Rights of Other Persons

Except as set forth in the IFR Disclosure Letter, no Person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by IFR or any of the IFR Subsidiaries, or any part thereof.

6.22 No Voting Control

Except as disclosed in the IFR Disclosure Letter, neither IFR nor any of the IFR Subsidiaries is party to any agreement nor, to the knowledge of IFR, is there any agreement (other than the voting and support agreements entered into with respect to this Agreement), which in any manner affects the voting control of any securities of IFR or any of the IFR Subsidiaries.

6.23 IFR Material Contracts

(a) The IFR Disclosure Letter lists or identifies all IFR Material Contracts to which IFR is a party and IFR has made available to Kinjal for inspection true and complete copies of all IFR Material Contracts.

(b) All of the IFR Material Contracts are in full force and effect, and IFR or one of its Subsidiaries is entitled to all rights and benefits thereunder in accordance with the terms thereof. IFR or its applicable Subsidiaries has not waived any material rights under a IFR Material Contract and except as disclosed in the IFR Disclosure Letter, IFR is not aware of any event, notice, regulation, material default or breach existing in respect thereof on the part of IFR or its applicable Subsidiaries or, to the knowledge of IFR, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any such IFR Material Contracts.

(c) All of the IFR Material Contracts are valid and binding obligations of IFR or one of its Subsidiaries, as the case may be, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(d) As at the date hereof, except as set forth in the IFR Disclosure Letter, neither IFR nor any of the IFR Subsidiaries has received written notice that any party to a IFR Material Contract intends to cancel, terminate or otherwise modify or not renew such IFR Material Contract, and to the knowledge of IFR, no such action has been threatened.

(e) Entering into of this Agreement will not trigger any change of control or similar provisions in any of the IFR Material Contracts except as disclosed in the IFR Disclosure Letter.

6.24 Authorizations

(a) The IFR Disclosure Letter sets forth all material Authorizations necessary for the conduct of the IFR Business.

(b) IFR and the IFR Subsidiaries have obtained and are in material compliance with all material Authorizations required by applicable Laws, necessary to conduct their current business as now being conducted.

(c) All material Authorizations for IFR and the IFR Subsidiaries are in full force and effect and, to the knowledge of IFR, no suspension or cancellation thereof has been threatened or is contemplated.

(d) No material Authorizations of IFR or any of the IFR Subsidiaries will be materially affected by, or terminate or lapse by reason of, the transactions contemplated by this Agreement or any of the other agreements contemplated hereunder or executed herewith.

(e) To the knowledge of IFR, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or failure to be in compliance with such Authorizations as are necessary to conduct the business of IFR and the IFR Subsidiaries as it is currently being conducted.

6.25 Environmental Matters

(a) IFR and each of the IFR Subsidiaries have, in all material respects, carried on its businesses and operations in compliance with all applicable Environmental Laws.

(b) Neither IFR nor any of the IFR Subsidiaries have received any order, request or written notice from any Person either alleging a violation of any Environmental Law or requiring that IFR or any of the IFR Subsidiaries carry out work, incur any costs or assume any liabilities, related to a material violation of Environmental Laws or of any agreements with any Governmental Authority with respect to or pursuant to Environmental Laws.

(c) To the knowledge of IFR, except in the Ordinary Course of the IFR Business, there are no hazardous substances or other conditions that could reasonably be expected to result in liability of or adversely affect IFR or any of the IFR Subsidiaries under or related to any Environmental Law on, at, in, under or from any of the IFR Leased Properties (including the workplace environment) currently or, to the knowledge of IFR, previously owned, leased or operated by IFR or any of the IFR Subsidiaries.

(d) There are no pending claims or, to the knowledge of IFR, threatened claims, against IFR or any of the IFR Subsidiaries arising out of any Environmental Laws.

6.26 Compliance with Laws

(a) IFR and each of the IFR Subsidiaries has complied with and is not in violation of, in any material respect, any applicable Laws.

(b) Neither IFR nor any of the IFR Subsidiaries have received any written notices or other written correspondence from any Governmental Authority:

(i) regarding any violation (or any investigation, inspection, audit, or other proceeding by any Governmental Authority involving allegations of any violation), or potential violation, of any Law (other than Environmental Laws) or

(ii) of any circumstances that may have existed or currently exist which could lead to a loss, suspension, or modification of, or a refusal to issue or re-issue, any material Authorization

(iii) other than where such correspondence would not reasonably be expected to have an IFR Material Adverse Effect or significantly impact the ability of IFR to consummate the Transaction.

(c) To the knowledge of IFR, no material investigation, inspection, audit or other proceeding by any Governmental Authority involving allegations of any material violation of any Law (other than Environmental Laws) is threatened or contemplated.

(d) Neither IFR, the IFR Subsidiaries nor, to the knowledge of IFR, any of their respective directors, executives, representatives, agents or employees:

(i) has used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal;

(ii) has used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officials or employees;

(iii) has violated or is violating any provision of the *United States Foreign Corrupt Practices Act of 1977*, the *Corruption of Foreign Public Officials Act* (Canada) or any similar Laws of other jurisdictions;

(iv) has established or maintained, or is maintaining, any illegal fund of corporate monies or other properties; or

(v) has made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature.

(e) The operations of IFR and the IFR Subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial record-keeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any Governmental Authority or any arbitrator or Governmental Authority involving IFR or any of the IFR Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of IFR, threatened.

(f) None of IFR or any of the IFR Subsidiaries or, to the knowledge of IFR, any director, officer, agent, employee or affiliate of IFR or any of the IFR Subsidiaries has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department, the Government of Canada or any other relevant sanctions authority (collectively, "**Sanctions**") imposed upon any such Person, and IFR and the IFR Subsidiaries are not in violation of any of the Sanctions or Law or executive order relating thereto, or are conducting business with any person subject to any Sanctions.

(g) IFR and the IFR Subsidiaries have obtained all necessary approvals from all applicable Governmental Authorities to conduct their operations including all proposed operations and are conducting and have at all times conducted such operations in compliance with such approvals.

6.27 United States Securities Law Matters

(a) IFR does not have, nor is it required to have, any class of securities registered pursuant to Section 12(b) or 12(g) of the *U.S. Exchange Act*, nor is IFR subject to any reporting obligation (whether active or suspended) pursuant to Section 15(d) of the *U.S. Exchange Act*; and

(b) IFR is not an investment company registered or required to be registered under the U.*S. Investment Company Act of 1940*, as amended, and is a "foreign private issuer" (as such term is defined in Rule 3b-4 under the U.S. Exchange Act).

6.28 Employment & Labour Matters

(a) The IFR Disclosure Letter sets forth a complete list of all employees of IFR and the IFR Subsidiaries, together with their titles, service dates, current salaries or hourly rate of pay,

and bonus targets, as of the date of this Agreement, including any employee who is on long-term disability leave, extended absence or worker's compensation leave as of the date of this Agreement. All current assessments under applicable workers compensation legislation in relation to the employees listed in the IFR Disclosure Letter have been paid or accrued by IFR and the IFR Subsidiaries, as applicable, and IFR and the IFR Subsidiaries are not subject to any material special or penalty assessment under such legislation which has not been paid.

(b) Except for those written employment contracts with employees of IFR and any of its Subsidiaries identified in the IFR Disclosure Letter (true and complete copies of which have been made available to Kinjal), there are no written employment contracts entered into with any such employees, for clarity, written employment contracts do not include employee handbooks, benefit plan documents or similar contracts.

(c) Except for those agreements or provisions described in the IFR Disclosure Letter, no employee of IFR or any of the IFR Subsidiaries is party to a change of control, golden parachute, or similar agreement or provision or would receive payments under such agreement or provision as a result of the Transaction.

(d) Neither IFR nor any Subsidiary is party to any collective bargaining agreement, Contract or legally binding commitment to any trade unions or employee organization or group. To the knowledge of IFR, there are no threatened or apparent union organizing activities involving employees of IFR or any of the IFR Subsidiaries. Neither IFR nor any of the IFR Subsidiaries are currently negotiating any collective bargaining agreements.

(e) The IFR Disclosure Letter sets forth a complete list of the agreements with individuals as they relate to the operations of the IFR Business between IFR or any of the IFR Subsidiaries and providing for payment by IFR or any of the IFR Subsidiaries of amounts not less than $50,000 in the preceding 12 months (true and complete copies of which have been made available to Kinjal other than for those individuals for which no written agreements exist). To the knowledge of IFR, there are no material claims or proceedings or threatened material claims or proceedings of any kind from any such contractors.

(f) IFR and the IFR Subsidiaries are in material compliance with the recent labor reforms in Mexico. As a result, neither IFR nor any of the IFR Subsidiaries are performing or contracting any outsourcing related activities in México in contravention of such reforms and all specialized service providers/contractors of IFR and the IFR Subsidiaries are registered as requested by such reform in the registry for specialized service providers or specialized works (registro de prestadoras de servicios especializados u obras especializadas).

6.29 Intellectual Property

(a) To the knowledge of IFR, IFR and the IFR Subsidiaries own all right, title and interest in and to, or has validly licensed (and are not in material breach of such Intellectual Property licences), all Intellectual Property that is material to the conduct of the business, as currently conducted, of IFR and the IFR Subsidiaries (collectively, the "**IFR Intellectual Property Rights**").

(b) All such IFR Intellectual Property Rights are sufficient, in all material respects, for conducting the business, as currently conducted, of IFR and the IFR Subsidiaries and, to

the knowledge of IFR, all such IFR Intellectual Property Rights are valid and enforceable (subject to the effects of bankruptcy, insolvency, reorganization, moratorium or Laws relating to or affecting creditors' rights generally).

(c) To the knowledge of IFR, the operation of the IFR Business, including the manufacture, marketing, use, and sale of the products and services of IFR and the IFR Subsidiaries, and the use and exploitation of the IFR Intellectual Property Rights do not infringe upon, misappropriate, or otherwise violate the Intellectual Property rights of any third party in any material way.

(d) To the knowledge of IFR, no third party is infringing upon, misappropriating, or otherwise violating IFR Intellectual Property Rights.

(e) The IFR Disclosure Letter sets forth an accurate and complete list of all registered or applied for trademarks, trade names, service marks, domain names, patents and copyrights owned or purported to be owned by IFR and the IFR Subsidiaries.

(f) IFR and the IFR Subsidiaries have taken commercially reasonable steps to maintain their rights to the IFR Intellectual Property Rights and to protect and preserve the confidentiality of, and their exclusive right to use, all of their trade secrets and material confidential information and know-how and, to the knowledge of IFR, no such trade secrets, information or know-how have been improperly used or accessed by, or disclosed (other than under obligations of confidentiality) to any other Person.

6.30 Related Party Transactions

There are no Contracts or other transactions currently in place between IFR or any of the IFR Subsidiaries, on the one hand, and (i) any officer or director of IFR or any of the IFR Subsidiaries; or (ii) any holder of record or beneficial owner of 10% or more of the IFR Shares; or (iii) any affiliate or Associate of the foregoing.

6.31 Brokers

Other than as disclosed in the IFR Disclosure Letter, no broker, investment banker, financial advisor or other Person is entitled to any broker's finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of IFR or any of the IFR Subsidiaries.

6.32 Insurance

As of the date hereof, IFR and each of its Subsidiaries have such policies of insurance as are described in the IFR Disclosure Letter. All insurance maintained by IFR and the IFR Subsidiaries is in full force and effect and in good standing and is in amounts and in respect of such risks as are normal and usual for companies of similar size operating in the oil and gas industry. The IFR Disclosure Letter sets forth and describes all material pending claims under any insurance policies.

6.33 No Shareholder Rights Plan

As of the date hereof, there is no shareholder rights plan, "poison pill", anti-takeover plan or similar device in effect to which IFR or any of the IFR Subsidiaries is subject, party or otherwise bound.

6.34 Collateral Benefit

To the knowledge of IFR, except as disclosed in the IFR Disclosure Letter, no related party of IFR (within the meaning of MI 61-101) together with its associated entities (within the meaning of MI 61-101), beneficially owns or exercises control or direction over 1% or more of the outstanding IFR Shares, except for related parties who will not receive a "collateral benefit" (within the meaning of MI 61-101) as a consequence of the Amalgamation and the transactions contemplated herein.

6.35 Arrangements with Shareholders

Other than any voting and support agreements entered into in connection herewith and this Agreement, IFR does not have any agreement, arrangement or understanding (whether written or oral) with respect to Kinjal or any of its securities, businesses or operations with any shareholder of Kinjal, any interested party of Kinjal or any related party of any interested party of Kinjal, or any joint actor with any such purposes (and for this purpose, the terms "interested party", "related party" and "joint actor" shall have the meaning ascribed to such terms in MI 61-101).

6.36 Competition Act

For purposes of Part IX of the Competition Act (Canada), neither the aggregate value of IFR's and its Subsidiaries' assets, nor the gross revenues from sales in or from Canada generated from such assets, in each case as determined in accordance with the Competition Act (Canada) and the regulations promulgated thereunder, exceeds CDN$93,000.000.

6.37 Survival

(a) The representations and warranties of IFR contained in this Article shall survive the Closing Date and shall remain in full force and effect for a period of twenty-four (24) months following the Closing Date.

(b) Notwithstanding the foregoing the Fundamental Representations and any claim based upon fraud or willful misconduct shall survive without limitation.

(c) No claim for breach of any representation or warranty may be made unless written notice specifying in reasonable detail the nature of the claim is delivered prior to the expiry of the applicable survival period.

6.38 Disclosure Letter Qualification

(a) The representations and warranties of IFR contained in this Agreement are subject to the qualifications, limitations and exceptions set forth in the IFR Disclosure Letter. The IFR Disclosure Letter forms an integral part of this Agreement and is incorporated herein by reference.

(b) Any matter disclosed in the IFR Disclosure Letter shall be deemed to qualify the representations and warranties of IFR to which such disclosure specifically relates and any other representation or warranty of IFR to the extent that the relevance of such disclosure to such other representation or warranty is reasonably apparent on its face.

(c) The inclusion of any information in the IFR Disclosure Letter shall not be deemed to constitute an admission by IFR that such information is material or that such information

is required to be disclosed pursuant to this Agreement, nor shall it establish a standard of materiality for purposes of this Agreement.

ARTICLE 7
COVENANTS OF THE PARTIES

7.1 Conduct of Business – Kinjal

(a) From the date of this Agreement until the Effective Time, except as expressly contemplated by this Agreement or as consented to in writing by IFR (such consent not to be unreasonably withheld or delayed), Kinjal shall:

(b) carry on its business in the ordinary course consistent with past practice;

(c) preserve intact its corporate existence and maintain its rights and assets;

(d) use commercially reasonable efforts to preserve relationships with counterparties, regulators and employees;

(e) not amend its constating documents;

(f) not incur material indebtedness other than that included in the Kinjal Disclosure Letter;

(g) not enter into any material contract other than in the ordinary course; and

(h) not take any action that would reasonably be expected to prevent or materially delay completion of the Transaction.

7.2 Conduct of Business - IFR

(a) From the date of this Agreement until the Effective Time, except as contemplated by this Agreement or consented to in writing by Kinjal (such consent not to be unreasonably withheld, conditioned or delayed), IFR shall carry on its business in the ordinary course consistent with past practice and shall maintain its status as a reporting issuer and its listing on the TSXV.

(b) Without limiting the generality of the foregoing, IFR shall not:

(i) amend its constating documents in a manner that would adversely affect the IFR Shares to be issued pursuant to this Agreement;

(ii) issue any IFR Shares or other securities other than pursuant to (i) the Concurrent Financing, (ii) the exercise of existing convertible securities outstanding as of the date hereof, or (iii) as otherwise disclosed in the IFR Disclosure Letter; or

(iii) take any action that would reasonably be expected to prevent or materially delay completion of the Transaction.

7.3 Regulatory Approvals and TSXV Matters

(a) Each of IFR and Kinjal shall use commercially reasonable efforts to obtain all regulatory approvals required to complete the Transaction, including conditional and final acceptance of the Transaction by the TSXV and any required approvals by SENER.

(b) IFR shall prepare and file all required documentation with the TSXV and shall promptly respond to all comments or requests from the TSXV. Kinjal shall cooperate fully in providing information reasonably required for such filings.

(c) Each Party shall comply with any conditions imposed by the TSXV in connection with its acceptance of the Transaction.

7.4 IFR Shareholder Approval

(a) IFR shall, in accordance with applicable Law and its constating documents, call and hold a meeting of its shareholders to consider and, if thought advisable, approve the matters required in connection with the Transaction, including the issuance of IFR Shares pursuant to the Amalgamation, the proposed name change of IFR, the election of the proposed directors of the Resulting Issuer, and any other matters required by applicable Law or TSXV policies.

(b) IFR shall prepare and distribute the IFR Circular in compliance with applicable securities Laws and shall recommend that its shareholders vote in favour of the Transaction. IFR shall use commercially reasonable efforts to obtain the requisite shareholder approval.

7.5 Kinjal Shareholder Approval

Kinjal shall obtain the Kinjal Shareholder Approval by the requisite vote of its shareholders in accordance with the OBCA and its constating documents. Kinjal shall use commercially reasonable efforts to cause holders of not less than the percentage of Kinjal Shares agreed between the Parties to execute voting support agreements in favor of the Transaction.

7.6 Mexican Asset Transactions and Regulatory Approvals

(a) The Parties acknowledge and agree that completion of the Mexican Asset Transactions is an integral and fundamental element of the Transaction and that the Amalgamation shall not be completed unless the Mexican Asset Transactions are completed concurrently therewith.

(b) Kinjal shall use commercially reasonable efforts to complete the Mexican Asset Transactions prior to or concurrently with Closing and subject to the satisfaction or waiver of the conditions precedent contained therein.

(c) Each Party shall use commercially reasonable efforts to obtain all governmental, regulatory and contractual approvals required in connection with the Mexican Asset Transactions, including all approvals required from SENER in connection with the change of control and recognition as operator arising from the Transactions.

(d) None of the Mexican Asset Transactions may be amended, terminated, waived or modified in any material respect without the prior written consent of the other Party, such consent

not to be unreasonably withheld. Without limiting the foregoing, Kinjal shall promptly provide IFR with copies of any material written notice of default, termination, dispute, failure of condition, or material correspondence with any Governmental Authority or contractual counterparty relating to Mexican Asset Transactions or any approvals required thereunder, and shall keep IFR reasonably informed of the status thereof.

7.7 Concurrent Financing

(a) Kinjal shall use commercially reasonable efforts to complete the Concurrent Financing prior to or concurrently with Closing, on terms substantially consistent with those agreed to by the parties and described herein.

(b) Kinjal shall conduct the Concurrent Financing in compliance with applicable securities Laws and TSXV policies and shall be responsible for all brokerage fees, commissions and expenses relating thereto. Kinjal shall promptly notify IFR of any material modification to the terms of the Concurrent Financing.

(c) Completion of the Concurrent Financing for minimum gross proceeds of not less than the amount agreed between the Parties shall constitute a condition precedent to Closing for the benefit of Kinjal.

7.8 Escrow and Lock-Up

Each Party shall use commercially reasonable efforts to ensure that all persons required by the TSXV to enter into Escrow Agreements pursuant to TSXV Policy 5.4 execute such agreements prior to Closing. The Parties shall also use commercially reasonable efforts to ensure that any voluntary lock-up agreements required pursuant to this Agreement are executed prior to Closing.

7.9 Public Announcements

Unless required by applicable laws, a Party must not issue any press release or make any other public statement or disclosure with respect to this Agreement without the written consent of the other Party (which consent shall not be unreasonably withheld or delayed). IFR must not make any filing with any Governmental Authority with respect to this Agreement without the written consent of Kinjal (which consent shall not be unreasonably withheld or delayed); provided that if IFR is required to make disclosure by Law, it shall use its commercially reasonable efforts to give Kinjal written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). IFR shall give reasonable consideration to any comments made by Kinjal or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. IFR agrees that IFR will file the material change report required to be filed following the public announcement of this Agreement by IFR not later than the tenth (10th) day following the date this Agreement is entered into, and that the copy of this Agreement to be publicly filed in connection with such material change report will contain such redactions as each Party may reasonably request, provided such redactions are permitted by applicable Law.

7.10 Notice and Cure Provisions

(a) Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

(i) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any respect at any time from the date of this Agreement to the Effective Time;

(ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement; or

(iii) result in the failure to satisfy any of the conditions precedent in favour of the other Party hereto contained in Section 8.1, Section 8.2, or Section 8.3, as the case may be.

(b) Notification provided under this Section 7.10 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

(c) IFR may not elect to exercise its right to terminate this Agreement pursuant to Section 10.1(c) and Kinjal may not elect to exercise its right to terminate this Agreement pursuant to Section 10.1(d), unless such Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other such Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for the non-fulfillment of the applicable condition precedent or for termination, as applicable.

(d) After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date (with any willful breach being deemed to be incurable), the Terminating Party may not exercise such termination right until the earlier of

(i) the Outside Date, and

(ii) the date that is fifteen (15) Business Days following receipt of such Termination Notice by the Breaching Party,

provided that such matter has not been cured by such date.

(e) If the Terminating Party delivers a Termination Notice prior to the date of the IFR Meeting, unless the Parties agree otherwise, IFR shall, to the extent permitted by Law, postpone or adjourn the IFR Meeting to the earlier of

(i) five (5) Business Days prior to the Outside Date and

(ii) the date that is fifteen (15) Business Days following receipt of such Termination Notice by the Breaching Party.

(f) If such notice has been delivered prior to the date of the IFR Meeting, such application shall be postponed until the expiry of such period. For greater certainty, in the event that such matter is cured within the time period referred to herein, without an IFR Material Adverse Effect or Kinjal Material Adverse Effect, as applicable, this Agreement may not be terminated as a result of such matter.

(g) If no notice has been sent by Kinjal or IFR pursuant to this Section 7.10 prior to the Effective Time, the conditions precedent set out in Section 8.1, Section 8.2, or Section 8.3, shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

7.11 Access to Information

Each Party shall provide the other Parties and their advisors with reasonable access to its books, records and personnel for the purpose of completing due diligence, preparing disclosure documents and satisfying regulatory requirements in connection with the Transaction.

7.12 Non-Solicitation

Until the earlier of the Effective Time or termination of this Agreement, Kinjal shall not, directly or indirectly, solicit, initiate, encourage or participate in discussions or negotiations regarding any proposal that would constitute a competing acquisition transaction.

7.13 Further Assurances

Each Party shall execute and deliver such further documents and perform such further acts as may be reasonably necessary to carry out the intent of this Agreement and to complete the Transaction.

7.14 Post-Closing Governance of IFR

(a) Board of Directors

(i) IFR covenants and agrees that effective as of the Effective Time, or as soon thereafter as is practicable in accordance with the ABCA and IFR's constating documents:

(A) the size of the IFR Board shall be fixed at such number as determined by IFR and Kinjal prior to Closing, not to exceed fifteen (15) and not less than three (3), in accordance with the ABCA and IFR's by-laws;

(B) the individuals set forth on Schedule "B" (the "**Proposed IFR Directors**") shall be appointed or elected as directors of IFR, to hold office until the next annual meeting of shareholders of IFR following Closing or until their successors are duly elected or appointed in accordance with the ABCA and IFR's by-laws; and

(C) all directors of IFR immediately prior to the Effective Time shall resign effective as of the Effective Time (or such later time as required to comply with applicable Law), except for any directors designated by mutual agreement of IFR and Kinjal to continue following Closing.

(ii) Each Proposed IFR Director shall have delivered to IFR a duly executed consent to act as a director and such personal information forms and other documentation as may be required by the TSXV; applicable securities regulatory authorities or IFR's transfer agent.

(b) Officers

(i) IFR further covenants and agrees that effective as of the Effective Time:

(A) the individuals set forth on Schedule "C" (the "**Proposed IFR Officers**") shall be appointed to the offices of IFR set forth opposite their respective names on such Schedule; and

(B) all officers of IFR immediately prior to the Effective Time shall resign effective as of the Effective Time, except for any officers designated by mutual agreement of IFR and Kinjal to continue following Closing.

(c) Committees and Governance Compliance

(i) IFR shall, prior to or concurrently with Closing:

(A) reconstitute its audit committee, compensation committee and corporate governance committee in compliance with applicable securities Laws and TSXV requirements;

(B) ensure that the audit committee satisfies the independence and financial literacy requirements of National Instrument 52-110 – *Audit Committees*; and

(C) file such personal information forms and obtain such approvals as may be required by the TSXV in connection with the appointment of the Proposed IFR Directors and Proposed IFR Officers.

ARTICLE 8
CONDITIONS PRECEDENT

8.1 Mutual Conditions Precedent

The obligations of the Parties to complete the Amalgamation are subject to the fulfillment or waiver, at or prior to the Effective Time, of the following conditions:

(a) the IFR Shareholders shall have duly approved the Amalgamation and the issuance of IFR Shares pursuant thereto, together with such other matters as are required under applicable Law and the policies of the TSX Venture Exchange;

(b) the TSX Venture Exchange shall have conditionally approved the Amalgamation, the issuance of IFR Shares pursuant thereto, the reconstitution of the board of directors of IFR, and all other transactions contemplated hereby, subject only to customary conditions of closing;

(c) the Mexican Asset Transactions, shall have been completed in accordance with their respective terms immediately prior to or concurrently with Closing;

(d) no Law shall have been enacted, promulgated or applied which makes completion of the Amalgamation illegal or otherwise prohibited;

(e) no Governmental Authority shall have issued or made any order, decree or ruling restraining, enjoining or otherwise prohibiting the completion of the Amalgamation; and

(f) All Regulatory Approvals required in connection with the Mexican Asset Transactions and the change of control resulting from the Transaction shall have been obtained on terms reasonably satisfactory to IFR and Kinjal, and no such approval shall contain any condition, undertaking or restriction that would reasonably be expected to result in a Kinjal Material Adverse Effect or materially impair the ownership, economic benefit or operational control of the Mexican Assets or Tonalli following Closing.

(g) The conditions set forth in this Section 8.1 may be waived only by the mutual written agreement of IFR and Kinjal.

8.2 Conditions Precedent in Favour of IFR and Subco

The obligation of IFR and Subco to complete the Amalgamation is subject to the fulfillment, at or prior to the Effective Time, of the following conditions, each of which may be waived in whole or in part by IFR in writing:

(a) the representations and warranties of Kinjal contained in Article 5 shall be true and correct as of the date hereof and as of the Closing Date as if made on and as of the Closing Date, except for representations expressly made as of a specific date, in which case such representations shall be true and correct as of such date, in each case subject to such materiality qualifications as are contained therein;

(b) no Kinjal Material Adverse Effect shall have occurred and be continuing since the date of this Agreement;

(c) Kinjal shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it under this Agreement at or prior to the Effective Time;

(d) the Mexican Asset Transactions to be completed by Kinjal, including the Jaguar Farm-Out Agreement and the SMB transactions, shall have been completed in accordance with their respective definitive agreements or shall be capable of being completed contemporaneously with the Closing on terms satisfactory to IFR, acting reasonably;

(e) Kinjal shall have entered into and completed the Jaguar Tonalli Share Purchase Agreement, or such agreement shall be capable of being completed contemporaneously with the Closing, on terms consistent with this Agreement;

(f) all escrow agreements, lock-up agreements, support agreements and ancillary agreements required pursuant to this Agreement or required by the TSXV shall have been duly executed and delivered; and

(g) Kinjal shall have delivered to IFR a certificate of a senior officer of Kinjal certifying as to the fulfillment of the conditions set forth in this Section 8.2.

8.3 Conditions Precedent in Favour of Kinjal

The obligation of Kinjal to complete the Amalgamation is subject to the fulfillment, at or prior to the Effective Time, of the following conditions, each of which may be waived in whole or in part by Kinjal in writing:

(a) the representations and warranties of IFR contained in Article 6 shall be true and correct as of the date hereof and as of the Closing Date as if made on and as of the Closing Date, except for representations expressly made as of a specific date, in which case such representations shall be true and correct as of such date, in each case subject to such materiality qualifications as are contained therein;

(b) no IFR Material Adverse Effect shall have occurred and be continuing since the date of this Agreement;

(c) IFR and Subco shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by them under this Agreement at or prior to the Effective Time;

(d) Kinjal shall have completed, or shall be capable of completing contemporaneously with Closing, the Concurrent Financing in an amount not less than the minimum amount specified in this Agreement, on terms consistent with this Agreement;

(e) the IFR Shares issuable pursuant to this Agreement shall have been conditionally approved for listing on the TSXV, subject only to customary conditions of closing;

(f) Kinjal shall have received lock-up agreements from Anthony Kinnon, Margaret Souleles, Henry Bustar and Steve Hanson, in the form attached hereto as SCHEDULE "D".

(g) IFR shall have obtained all required shareholder approvals contemplated by this Agreement; and

(h) IFR shall have delivered to Kinjal a certificate of a senior officer of IFR certifying as to the fulfillment of the conditions set forth in subsections (a), (b), (c), (e), (f) and (g) of this Section 8.3.

8.4 Satisfaction and Waiver of Conditions

(a) Each Party shall use commercially reasonable efforts to cause the conditions set forth in this Article 8 to be satisfied as soon as reasonably practicable. No waiver of any condition shall be effective unless in writing and signed by the Party entitled to the benefit of such condition.

(b) The failure of any Party to insist upon strict performance of any covenant or condition shall not be deemed a waiver of any rights arising from any subsequent breach.

(c) Termination of this Agreement pursuant to Article 10 shall not relieve any Party from liability for any willful breach of this Agreement occurring prior to such termination.

ARTICLE 9
CLOSING

9.1 Closing

Subject to the terms and conditions of this Agreement, the Closing shall take place electronically or at such other place as the Parties may agree at 10:00 a.m. (Calgary time) on the Closing Date.

9.2 Closing Deliveries of Kinjal

At or prior to the Closing, Kinjal shall deliver or cause to be delivered to IFR:

(a) a certificate of a senior officer of Kinjal certifying that the conditions set forth in Section 8.2 have been satisfied as of the Closing Date;

(b) certified copies of resolutions of the board of directors and shareholders of Kinjal approving the Amalgamation and the execution, delivery and performance of this Agreement;

(c) a certificate of status, compliance, existence or similar certificate with respect to Kinjal issued by the appropriate Governmental Authority of Ontario;

(d) the Kinjal Disclosure Letter duly executed by Kinjal;

(e) executed copies of all escrow agreements, lock-up agreements, support agreements and other ancillary agreements required to be delivered by Kinjal pursuant to this Agreement or required by the TSXV; and

(f) such other documents as IFR may reasonably request for the purpose of completing the Amalgamation.

9.3 Closing Deliveries of IFR and Subco

At or prior to the Closing, IFR and Subco shall deliver or cause to be delivered to Kinjal:

(a) a certificate of a senior officer of IFR certifying that the conditions set forth in Section 8.3 have been satisfied as of the Closing Date;

(b) certified copies of resolutions of the board of directors and shareholders of IFR and Subco approving the Amalgamation and the execution, delivery and performance of this Agreement;

(c) certificates of status or similar certificates for IFR and Subco issued by the appropriate Governmental Authorities;

(d) evidence of conditional approval of the Transaction by the TSXV;

(e) executed copies of all escrow agreements, lock-up agreements and other ancillary agreements required to be delivered by IFR pursuant to this Agreement or required by the TSXV;

(f) evidence of completion of the Concurrent Financing, if completed prior to or concurrently with Closing; and

(g) such other documents as Kinjal may reasonably request for the purpose of completing the Amalgamation.

ARTICLE 10
TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to the Effective Time:

(a) by mutual written agreement of IFR and Kinjal;

(b) by either IFR or Kinjal if the Effective Time has not occurred on or before the Outside Date, provided that the right to terminate under this Section shall not be available to any Party whose material breach of this Agreement has been the principal cause of, or resulted in, the failure of the Effective Time to occur by such date;

(c) by IFR, if Kinjal breaches any representation, warranty, covenant or agreement contained in this Agreement and such breach would result in the failure of any condition set forth in Section 8.2 to be satisfied, and such breach is incapable of being cured prior to the Outside Date or is not cured within ten (10) Business Days after written notice thereof;

(d) by Kinjal, if IFR breaches any representation, warranty, covenant or agreement contained in this Agreement and such breach would result in the failure of any condition set forth in Section 8.3 to be satisfied, and such breach is incapable of being cured prior to the Outside Date or is not cured within ten (10) Business Days after written notice thereof;

(e) by IFR if the IFR Shareholder Approval is not obtained at the IFR Meeting;

(f) by IFR if Kinjal Shareholder Approval is not obtained;

(g) by either Party if TSXV Acceptance is not obtained prior to the Outside Date;

(h) by IFR if the Kinjal Board or Kinjal shareholders approve, recommend or enter into any agreement with respect to a competing transaction;

(i) by Kinjal if the IFR Board withdraws or modifies the IFR Board Recommendation in a manner adverse to the Transaction, except as permitted under Section 7.10.

10.2 Effect of Termination

(a) Upon termination of this Agreement in accordance with its terms, this Agreement shall forthwith become null and void and of no further force or effect, except that the provisions relating to confidentiality, any obligations to pay a termination fee, Article 11 (Survival and Indemnification), and any other provisions which by their express terms survive termination shall remain in full force and effect in accordance with their respective terms.

(b) Notwithstanding the foregoing, no termination of this Agreement shall relieve any Party from liability for any willful breach of this Agreement occurring prior to such termination, and the aggrieved Party shall be entitled to pursue any and all remedies available at law or in equity in respect of such breach.

ARTICLE 11
SURVIVAL AND INDEMNIFICATION

11.1 Survival

The representations and warranties of Kinjal contained in Article 5 and the representations and warranties of IFR contained in Article 6 shall survive the Effective Time and shall remain in full force and effect for a period of twenty-four (24) months following the Closing Date; provided that the Fundamental Representations shall survive indefinitely. Any claim made in writing prior to the expiration of the applicable survival period shall survive until finally resolved.

11.2 Indemnification by Kinjal

Kinjal shall indemnify and hold harmless IFR and its directors, officers, employees and representatives from and against any and all losses, damages, liabilities, costs and expenses arising out of or resulting from any breach of any representation, warranty or covenant of Kinjal contained in this Agreement.

11.3 Indemnification by IFR

IFR shall indemnify and hold harmless Kinjal and its directors, officers, employees and representatives from and against any and all losses, damages, liabilities, costs and expenses arising out of or resulting from any breach of any representation, warranty or covenant of IFR contained in this Agreement.

11.4 Limitations

No Party shall be liable for any indirect, consequential or punitive damages except in the case of fraud. The aggregate liability of a Party for breaches of representations and warranties (other than Fundamental Representations or fraud) shall not exceed $100,000.

ARTICLE 12
GENERAL PROVISIONS

12.1 Notices

Any notice, direction or other communication given pursuant to this Agreement (each a "**Notice**") must be in writing, sent by hand delivery, courier or email and is deemed to be given and received: (i) on the date of delivery by hand or courier if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in the place of receipt), and otherwise on the next Business Day; or (ii) if sent by email on the date of transmission if it is a Business Day and transmission was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, in each case to the Parties at the following addresses (or such other address for a Party as specified by like Notice):

(a) to IFR at:

International Frontier Resources Corp.
c/o DLA Piper (Canada) LLP
Suite 1000, 250 2nd Street S.W.Calgary,
Alberta T2P 0C1

Attention: Tony Kinnon and Derrick K. Auch

E-mail: [Redacted]

with a copy (which will not constitute Notice) to:

DLA Piper (Canada) LLP
Suite 1000, 250 2nd Street S.W.
Calgary, Alberta T2P 0C1

Attention: Derrick K. Auch
E-mail: [Redacted]

(b) to Kinjal at:

151 Yonge Street, Suite 1500,
Toronto, Ontario
M5C 2W7

Attn: Warren Levy
email: [Redacted]

with a copy (which will not constitute Notice) to:

Torkin Manes LLP
151 Yonge Street, Suite 1500,
Toronto, Ontario
M5C 2W7

Attention: James Leech
email: [Redacted]

(c) Rejection or other refusal to accept, or inability to deliver because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

12.2 Amendments

This Agreement may, at any time and from time to time before or after the holding of the IFR Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

(c) waive compliance with or modify any inaccuracies or any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) waive compliance with or modify any mutual conditions contained in this Agreement.

12.3 Expenses

Except as contemplated herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby, whether or not the Transaction is completed. Notwithstanding the foregoing, Kinjal shall advance or shall have advanced to IFR an amount of no less than US$150,000 in immediately available funds (the "**IFR Expense Advance**") to fund IFR's costs and expenses in connection with the transactions contemplated by this Agreement, including legal, accounting, audit, regulatory, stock exchange, filing, printing, mailing and other transaction-related expenses. The IFR Expense Advance shall be paid by Kinjal to IFR no later than 5 Business Days following the date of this Agreement. The IFR Expense Advance shall be available to IFR for use prior to Closing and shall not be conditional upon the completion of the Transaction. For greater certainty, the IFR Expense Advance is an advance of funds and not a reimbursement obligation.

12.4 Time of the Essence

Time is of the essence in this Agreement.

12.5 Injunctive Relief

The Parties agree that irreparable harm may occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed by a Party in accordance with their specific terms or were otherwise breached by a Party. It is accordingly agreed that each Party shall be entitled to seek injunctive and other equitable relief to prevent breaches of this Agreement, and to seek to enforce compliance with the terms of this Agreement against the other Party without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which a Party may be entitled at Law or in equity.

12.6 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

12.7 Entire Agreement

This Agreement constitutes the entire agreement between IFR, on one hand, and Kinjal, on the other hand, with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between IFR, on one hand, and Kinjal, on the other hand. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between IFR, on one hand, and Kinjal, on the other hand in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. IFR, on one hand, and Kinjal, on the other hand, have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

12.8 Successors and Assigns

(a) This Agreement becomes effective only when executed by IFR, Subco and Kinjal. After that time, it will be binding upon and enure to the benefit of IFR, Subco and Kinjal and their respective successors and permitted assigns.

(b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, provided however that Kinjal (or any permitted assign of Kinjal) may, at any time, assign its rights and obligations under this Agreement without such consent to an affiliate of Kinjal if such assignee delivers an instrument in writing confirming that it is bound by and shall perform all of the obligations of the assigning party under this Agreement as if it were an original signatory and provided further that Kinjal and any assigning party shall not be relieved of its obligations hereunder.

12.9 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

12.10 Governing Law

This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable in the Province of Alberta. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts situated in the City of Calgary and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

12.11 Rules of Construction

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

12.12 No Liability

No director, officer, employee or representative of Kinjal shall have any personal liability whatsoever to IFR under this Agreement or any other document delivered on behalf of Kinjal under this Agreement. No director, officer, employee or representative of IFR or any of the IFR Subsidiaries shall have any personal liability whatsoever to Kinjal under this Agreement or any other document delivered on behalf of IFR or any of the IFR Subsidiaries under this Agreement.

12.13 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile, DocuSign, or similar executed electronic

copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally blank; signature page follows]

INTERNATIONAL FRONTIER RESOURCES CORP.

Per: *"Tony Kinnon"*
Authorized Signatory

1001550109 ONTARIO INC.

Per: *"Tony Kinnon"*
Authorized Signatory

KINJAL CORPORATION.

Per: *"Warren Levy"*
Authorized Signatory

SCHEDULE "A"
ARTICLES OF AMALGAMATION

(See attached)

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

Review & Authorization

Amalgamating Corporations

Incomplete

Corporation Name	KINJAL CORPORATION
Ontario Corporation Number (OCN)	1001433451
Adoption/Approval Date	[Not Provided]
Corporation Name	1001550109 ONTARIO INC.
Ontario Corporation Number (OCN)	1001550109
Adoption/Approval Date	[Not Provided]

Draft - Not an Endorsed Document

Method of Amalgamation

Incomplete

Please select your method of amalgamation	Long-Form
Schedule A: Signed statement(s) of a director or an officer of each amalgamating corporation required by subsection 178(2) of the Business Corporations Act.	[Not Provided]
Schedule B: Copy of the signed amalgamation agreement adopted by a special resolution under section 176(4) of the Business Corporations Act.	[Not Provided]

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

Corporation Name

✔ Complete

Please indicate whether you would like to use the name of one of the amalgamating corporations or if you would like to use a new name for the name of the amalgamated corporation.	I want to use the name of one of the amalgamating corporations
Corporation Name	KINJAL CORPORATION

General Details

⚠ Incomplete

Requested Date for Amalgamation	[Not Provided]

Address

✔ Complete

Registered Office Address	151 Yonge Street, Suite 1500, Toronto, Ontario, M5C2W7, Canada

Directors

✔ Complete

Please specify the Number of Directors for your Corporation	Minimum/Maximum

Draft - Not an Endorsed Document

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

Minimum Number of Directors	1
Maximum Number of Directors	10

Director 1

Name	WARREN LEVY
Resident Canadian?	No
Address for Service	151 Yonge Street, Suite 1500, Toronto, Ontario, M5C2W7, Canada

Draft - Not an Endorsed Document

Shares & Provisions

✔ Complete

Description of Classes of Shares

The classes and any maximum number of shares that the corporation is authorized to issue:

An unlimited number of common shares.

Rights, Privileges, Restrictions and Conditions

Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

in series. If there is only one class of shares, enter "Not Applicable":

COMMON SHARES

1. **Payment of Dividends:** Subject to the prior rights of the holders of any other class or classes of shares ranking above the common shares, the holders of the common shares shall be entitled to receive in each financial year of the Corporation, when, as and if declared by the board of directors of the Corporation out of the monies or property of the Corporation properly applicable to the payment of dividends, a variable non-cumulative dividend or dividends in such amount as may be determined by the board of directors from time to time in their discretion. The board of directors may declare and pay dividends on the common shares without declaring or paying any dividends on any other class or classes of shares.
2. **Participation upon Liquidation, Dissolution or Winding-Up:** Subject to the prior rights of the holders of any other class or classes of shares ranking above the common shares, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of its assets or property among shareholders for the purpose of winding-up its affairs, the holders of the common shares shall be entitled to receive, in equal amounts per share, without preference or distinction, all of the remaining property and assets of the Corporation.
3. **Voting Rights:** The holders of the common shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation and shall be entitled to one (1) vote in respect of each common share held at all meetings of the shareholders of the Corporation.
4. **Waiver:** The Corporation or the holder of any common share may waive, in writing, any of the requirements herein, in its favour, including requirements with respect to the giving of notice.

FRACTIONAL SHARES

A holder of a fractional share issued by the Corporation is entitled to exercise voting rights and to receive a dividend in respect of the fractional share.

Draft - Not an Endorsed Document

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

Restrictions on Share Transfers

The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter "None":

The right to transfer any security, as such term is defined in the *Securities Act* (Ontario), of the Corporation other than any non-convertible debt security of the Corporation shall be restricted in that no such security, other than any non-convertible debt security, of the Corporation shall be transferred without the previous consent of the board of directors of the Corporation to be signified by a resolution passed by the board or by an instrument or instruments in writing signed by all of the directors.

Draft - Not an Endorsed Document

Restrictions on Business or Powers

Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter "None":

There shall be no restrictions on the business the Corporation may carry on nor on the powers the Corporation may exercise.

Other provisions

(a) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation were while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder;

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons.
Please ensure the information is correct before proceeding.

(b) The directors of the Corporation may, without authorization of the shareholders:

(i) borrow money on the credit of the Corporation;

(ii) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation whether secured or unsecured;

(iii) to the extent permitted by the *Business Corporations Act* (Ontario), give directly or indirectly financial assistance to any persons by means of a loan, guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person, or otherwise; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Draft - Not an Endorsed Document

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

Required Signatures

I am signing these articles, application for authorization, or notice (as applicable) in accordance with the Business Corporations Act, regulations and Director's requirements.

I have read the review page(s) showing the information being filed that was generated as part of this electronic filing and authorized this information to be filed.

I acknowledge my agreement to the terms and conditions as a mandatory condition of filing.

Signatory Name: _____

Signature: _____

Date: _____

Check one of the following:

- ☐ Incorporator
- ☐ Director
- ☐ Officer
- ☐ Liquidator (applicable only for Notice of Winding Up)
- ☐ Interested Person (applicable only for Articles of Revival)

The interest of the applicant is: _____ (e.g. Director, Officer, Shareholder)

You must have this document signed by each required signatory.

Draft - Not an Endorsed Document

++NOTICE TO READER - THIS IS AN APPLICATION, NOT A CERTIFICATE
Generated on April 06, 2026, 08:34
This is the information that will be submitted as your BCA - Articles of Amalgamation and must be signed by the required persons. Please ensure the information is correct before proceeding.

Administrative Information

Activity Code (NAICS Code):

Description:

Official Email: obrfilings@torkinmanes.com

An official email address is required for administrative purposes and must be kept current. All official documents or notices and correspondence to the corporation will be sent to this email address.

Note: The official email and activity are collected only for administrative purposes and appear on this document; they will not appear on the public record or on any search products.

Draft - Not an Endorsed Document

SCHEDULE "B"
PROPOSED IFR DIRECTORS

Warren Levy

Brooks Klimley

Tony Kinnon

Arnaud de Limelette

James Edmiston, Chairman

SCHEDULE "C"
PROPOSED IFR OFFICERS

Warren Levy, Chief Executive Officer and Director

Margaret Souleles, Chief Financial Officer

John Tominey, VP Operations

James Leech, Corporate Secretary

SCHEDULE "D"
FORM OF LOCK UP AGREEMENT

See attached

LOCK-UP AGREEMENT

TO: KINJAL CORPORATION ("**Kinjal**")

DATE:_____

Reference is made to the amalgamation agreement dated April 16th, 2026, entered into between **INTERNATIONAL FRONTIER RESOURCES CORP**. (the "**Company**")**, 1001550109 ONTARIO INC.** ("**HoldCo**"), and Kinjal (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "**Amalgamation Agreement**") pursuant to which, inter alia, Kinjal and HoldCo will will amalgamate in accordance with the *Business Corporations Act* (Ontario) (the "**Amalgamation**"), and the current securityholders of Kinjal will be issued securities in the capital of the Company, which will result in a reverse takeover of the Company by the securityholders of Kinjal (the "**Transaction**"). In connection with the completion of the Transaction the Company will change its name to "Kinjal Gas Ltd." or such other name as the parties may agree (the "**Resulting Issuer**"). Capitalized terms used in this agreement without definition have the meanings ascribed thereto in the Amalgamation Agreement.

Following completion of the Transaction, the undersigned will be the beneficial owner, directly or indirectly, of common shares in the capital of the Resulting Issuer (collectively, the "**Subject Securities**").

It is a condition to the completion of the Amalgamation that the undersigned enters into this Agreement to provide that the Subject Securities be subject to the restrictions set forth herein.

NOW THEREFORE in consideration of the completion of the Amalgamation and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby enters into this Agreement and covenants and agrees as follows:

1. The undersigned hereby agrees that, during the period commencing on the date hereof and expiring on the twelve-month anniversary of the Effective Time (the "**Lock-up Period**"), he, she or it will not, and will not permit and of his, her or its associates or affiliates (as such terms are defined in the *Securities Act* (Alberta)) to, other than as set out in paragraph 2 below, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise (collectively, the "**Lock-up Restrictions**"), any of the Subject Securities or any securities convertible from or exchangeable from any of the Subject Securities (collectively, the "**Locked-up Securities**"), unless the undersigned first obtains the written consent of the Resulting Issuer. For greater certainty, this Agreement shall not amend, limit, alter, reduce, impair or otherwise affect the terms of any escrow, standstill, statutory restriction and/or lock-up agreement to which the undersigned or the Locked-up Securities is or will be subject during the Lock-up Period.

2. Notwithstanding Section 1, during the Lock-up Period: the Lock-up Restrictions shall be released with respect to one-twelfth (1/12) of the total number of Locked-up Securities (rounding down any fractions) from and after the first-month anniversary of the Effective Time and, thereafter, one-twelfth (1/12) of the total number of Locked-up Securities (rounding down any fractions) will be released on each one-month anniversary of the Effective Time thereafter, until the expiry of the Lock-up Period;

(a) the undersigned may transfer, sell or tender any or all of the Locked-up Securities pursuant to a take-over bid (as defined in the *Securities Act* (Alberta)) or any similar transaction, including, without limitation, a merger, Amalgamation or amalgamation, involving a change of control of the Resulting Issuer (provided that all Locked-up Securities that are not so transferred, sold or tendered remain subject to the restrictions herein; and provided further that it shall be a condition of transfer that if such take-over bid or other transaction is not completed, any Locked-up Securities subject to this agreement shall remain subject to the restrictions herein);

(b) the undersigned may transfer any or all of the Locked-up Securities to any nominee or custodian (including a trust) where there is no change in beneficial ownership (other than a change in beneficial ownership resulting from a transfer to a trust for the direct or indirect benefit of the immediate family members of the undersigned);

(c) a pledge in respect of the Locked-up Securities given by the undersigned to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that such bank or financial institution agrees in writing to be bound by the terms of this agreement for the duration of the Lock-up Period;

(d) where the undersigned is a corporate entity, the undersigned may transfer any or all of the Locked-up Securities to an affiliate or a shareholder of the undersigned provided an agreement similar to this Agreement is executed and delivered by such transferee for the balance of the Lock-up Period.

3. The undersigned authorizes the Resulting Issuer, during the Lock-up Period only, to decline to transfer and/or to note stop transfer restrictions or other equivalent measures, during the Lock-up Period only, on the transfer books and records of the Resulting Issuer with respect to any Locked-up Securities for which the undersigned is the registered holder. The undersigned acknowledges and agrees that any certificates or direct registration advices representing or evidencing the Locked-up Securities or the issuance thereof may bear a legend or notation, as the case may be, disclosing that such securities are subject to the restrictions on transfer contained in this agreement.

4. The undersigned hereby represents and warrants that the undersigned has the power and authority to enter into this Agreement and that, upon the reasonable request of Kinjal or the Resulting Issuer, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. All authority herein conferred or agreed to be conferred shall survive the death, disability, dissolution, winding-up, amalgamation or incapacity of the undersigned. This agreement shall enure to the benefit of the heirs, representatives, successors and permitted assigns of the parties.

5. This agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile, e-mail transmission of PDF files or other electronic means and all the counterparts and facsimile, e-mail or other electronic copies together constitute one and the same agreement, and such facsimile, e-mail or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

[Remainder of page intentionally left blank. Signature page follows]

IN WITNESS WHEREOF the undersigned has executed this agreement as of the date first written above.

Name of Shareholder
Signature of Shareholder (or signature of authorized signatory / agent on behalf of a Shareholder that is not an individual)
Print name and official capacity or title of authorized signatory whose signature appears above (for Shareholders that are not Individuals)

ACKNOWLEDGED AND AGREED as of the date first written above.

KINJAL CORPORATION

Per: _____

Name: Warren Levy
Title: Chief Executive Officer

APPENDIX "B"
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Misión PSC Area / Servicios Múltiples de Burgos, S.A. de C.V.

Effective December 31, 2025

The date of this statement is October 1, 2026 and the effective date of the information provided in this statement is December 31, 2025. The preparation date of the independent reserves evaluation prepared by Ryder Scott Company, L.P. ("**Ryder Scott**") was May 12, 2026. Unless otherwise indicated, all dollar references in this Statement of Reserves Data and Other Oil and Gas Information are in United States dollars.

Basis of Presentation

Unless otherwise indicated, the reserves volumes, future production volumes and future net present value of future net revenue disclosed in this Schedule are presented on a 100% gross Misión PSC Area basis, consistent with the Ryder Scott Report. These amounts do not represent the working interest, net entitlement volumes or future net revenue attributable to SMB, Kinjal or the Resulting Issuer.

SMB holds a 49% working interest in, and is operator of, the Misión production sharing contract, with Pemex holding the remaining 51% interest. Assuming completion of the Transaction, the Resulting Issuer's economic interest in the Misión PSC Area will be held indirectly through its ownership of SMB.

PART 1 OIL AND NATURAL GAS RESERVES AND NET PRESENT VALUE OF FUTURE NET REVENUE

In accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, Ryder Scott prepared an independent reserves evaluation dated May 12, 2026, effective December 31, 2025, estimating the proved, proved plus probable and proved plus probable plus possible reserves, future production and future net revenue in respect of the Misión PSC Area, Mexico, as presented on a 100% gross Misión PSC Area basis (the "**Ryder Scott Report**")

Kinjal is expected to acquire, directly or indirectly, 100% of the issued and outstanding shares of SMB in connection with the Mexican Asset Transactions. SMB holds a 49% working interest in, and is operator of, the Misión production sharing contract, CNH-M3-Misión/2018, located in the Burgos Basin in Mexico. Pemex holds the remaining 51% interest.

The Ryder Scott Report was prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook, as referenced in NI 51-101. The Ryder Scott Report is based on certain factual data, records, technical information, ownership information, operating cost information, development cost information, product price information and other information supplied by SMB or obtained from public data sources, together with Ryder Scott's independent engineering analysis and professional judgment. Ryder Scott reviewed such information for reasonableness but did not conduct an independent verification of the data supplied by SMB. Ryder Scott did not conduct a field examination of the properties, as it determined that an on-site visit would not provide additional data pertinent to the evaluation of reserves.

The tables below are a summary of the gas and condensate reserves attributable to certain interests of SMB in the Misión PSC Area, effective December 31, 2025, and the net present value of future net revenue in respect of the Misión PSC Area on a 100% gross Misión PSC Area basis, effective December 31, 2025 as evaluated in the Ryder Scott Report based on escalated forecast price and cost assumptions. The tables summarize data contained in the Ryder Scott Report and, as a result, may contain slightly different numbers than the report due to rounding. Also, due to rounding, certain columns may not add exactly.

The net present value of future net revenue disclosed herein is stated before provision for income taxes, interest costs and general and administrative expenses, but after providing for estimated royalties, operating costs, development costs, future capital expenditures and abandonment costs, as applicable. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by Ryder Scott represents the fair market value of those reserves. Other assumptions and qualifications relating to reserves estimates, costs, prices for future production and other matters are summarized herein and in the Ryder Scott Report. The recovery and reserves estimates of gas and condensate reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. See "*Risk Factors*" in the Information Circular.

PART 2 RESERVES DATA

Item 2.1 - Summary of reserves and values as of December 31, 2025

Product / Interest	Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Total Proved	Probable	Total Proved Plus Probable	Possible	Total Proved Plus Probable Plus Possible
Sales gas (MMcf)	53,522	1,575	4,341	59,439	58,977	118,416	42,864	161,280
Condensate (Mbbl)	224	10	9	242	144	387	68	455
Oil equivalent (MBOE)	9,144	273	732	10,149	9,974	20,123	7,212	27,335

Notes:
(1) Unless otherwise indicated, amounts in this Schedule are presented on a 100% gross Misión PSC Area basis, consistent with the Ryder Scott Report. These amounts are not presented on a company gross or company net basis attributable to SMB, Kinjal or the Resulting Issuer.
(2) Sales gas reserves are reported on an "as sold" basis. (3) BOE is calculated using 6 Mcf of natural gas to 1 Bbl of oil equivalent. BOEs may be misleading, particularly if used in isolation. See "*Barrel of Oil Equivalency*".

Item 2.2 - Summary of Net Present Values of Future Net Revenues

As of December 31, 2025
Forecast Prices and Costs
Before Income Taxes
(US$000)

Reserve Category	0%	5%	10%	15%	20%
Proved Developed Producing	14,409	14,087	13,728	13,354	12,979
Proved Developed Non-Producing	3,605	3,167	2,817	2,532	2,299
Proved Undeveloped	4,116	3,208	2,494	1,926	1,471
Total Proved	**22,130**	**20,462**	**19,038**	**17,813**	**16,749**
Probable	28,158	21,173	15,743	11,479	8,102
Total Proved Plus Probable	**50,288**	**41,635**	**34,782**	**29,292**	**24,850**
Possible	48,872	38,316	30,665	24,997	20,713
Total Proved Plus Probable Plus Possible	**99,160**	**79,951**	**65,447**	**54,289**	**45,564**

Item 2.2.1 - Future Net Revenue Before Income Taxes at 10% and Unit Values

As of December 31, 2025
Forecast Prices and Costs
(US$000, except unit values)

Reserve Category	Production Group	Future Net Revenue Before Income Taxes Discounted at 10%	Unit Value @ 10% (US$/BOE)
Total Proved	Conventional natural gas (non-associated) and products	19,038	1.88
Total Proved Plus Probable	Conventional natural gas (non-associated) and products	34,782	1.73
Total Proved Plus Probable Plus Possible	Conventional natural gas (non-associated) and products	65,447	2.39

Item 2.2.2 - Summary of Net Present Values of Future Net Revenues

As of December 31, 2025
Forecast Prices and Costs
After Income Taxes
(US$000)

Reserve Category	0%	5%	10%	15%	20%
Proved Developed Producing	10,086	9,672	9,270	8,887	8,524
Proved Developed Non-Producing	2,523	2,203	1,948	1,742	1,574
Proved Undeveloped	2,881	2,082	1,462	977	595
Total Proved	**15,491**	**13,956**	**12,680**	**11,606**	**10,692**
Probable	19,711	13,473	8,736	5,103	2,294
Total Proved Plus Probable	**35,202**	**27,429**	**21,416**	**16,709**	**12,987**
Possible	34,210	26,226	20,461	16,204	12,997
Total Proved Plus Probable Plus Possible	**69,412**	**53,655**	**41,876**	**32,913**	**25,983**

Item 2.3 - Total Future Net Revenue

As of December 31, 2025
Forecast Prices and Costs
Undiscounted
(US$000)

Reserve category	Revenue	Royalties / production taxes	Operating costs	Development costs	Abandonment costs	Future Net Revenue before income taxes	Income taxes	Future Net Revenue after income taxes
Total Proved	260,063	127,677	98,801	9,529	1,925	22,130	6,639	15,491
Total Proved Plus Probable	523,632	254,943	159,367	56,004	3,029	50,288	15,086	35,202
Total Proved Plus	717,181	328,287	211,458	75,246	3,029	99,160	29,748	69,412

Reserve category	Revenue	Royalties / production taxes	Operating costs	Development costs	Abandonment costs	Future Net Revenue before income taxes	Income taxes	Future Net Revenue after income taxes
Probable Plus Possible								

PART 3 PRICING ASSUMPTIONS

Forecast Prices Used in Estimates

The following table sets forth the benchmark reference pricing and inflation assumptions used in the Ryder Scott Report in estimating the reserves data disclosed in this Statement of Reserves Data and Other Oil and Gas Information. The pricing assumptions were provided by Ryder Scott, an independent qualified reserves evaluator, and reflect forecast prices and costs effective January 1, 2026.

Year	WTI crude oil (US$/bbl)	Henry Hub gas (US$/MMBtu)	Inflation (%)
2025 (est.)	64.93	3.67	2.10
2026 Q1	57.00	3.90	0.00
2026 Q2	57.00	3.75	0.00
2026 Q3	60.00	4.00	0.00
2026 Q4	63.00	4.25	0.00
2026 Full Year	59.25	3.98	0.00
2027	66.00	4.00	2.00
2028	70.00	4.16	2.00
2029	72.16	4.25	2.00
2030	73.60	4.33	2.00
2031	75.08	4.42	2.00
2032	76.58	4.50	2.00
2033	78.11	4.60	2.00
2034	79.67	4.69	2.00
2035	81.27	4.78	2.00
2036+	+2.0%/yr	+2.0%/yr	2.00

PART 4 RECONCILIATION OF CHANGES IN RESERVES

No reconciliation of changes in reserves is presented because this Schedule contains first-time reserves disclosure for the Misión Field in connection with the Transaction. Neither Kinjal nor the Resulting Issuer held an interest in the Misión Field as at December 31, 2024 and, accordingly, there is no prior reporting-period reserves balance attributable to Kinjal or the Resulting Issuer against which the December 31, 2025 reserves can be reconciled.

PART 5 ADDITIONAL INFORMATION

RELATED TO RESERVE DATA

Item 5.1 - Undeveloped Reserves

Undeveloped reserves by product type

Category	Sales gas (MMcf)	Condensate (Mbbl)	Total (MBOE)
Proved undeveloped	4,341	9	732
Probable undeveloped	31,253	42	5,251

The undeveloped reserves reflected above relate to planned development activities in the Misión Field that Kinjal management expects the Resulting Issuer to pursue following completion of the Transaction, based on the Ryder Scott Report and information provided by SMB. The planned development activities are based on technical assessment of the field, expected drilling and recompletion opportunities, existing and planned infrastructure, anticipated capital requirements and expected field performance.

Based on the future development cost estimates reflected in the Ryder Scott Report, development activities associated with proved undeveloped reserves are expected to occur over the 2026 to 2029 period, and development activities associated with proved plus probable reserves are expected to occur over the 2026 to 2030 period.

The timing and scope of development activities remain subject to completion of the Transaction, the Resulting Issuer's available capital, regulatory approvals, operational scheduling, equipment and service availability, field performance, commodity prices and the other risks described in the Information Circular.

Item 5.2 - Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex and requires significant judgments and assumptions based on available geological, geophysical, engineering, production and economic data. Reserve estimates may change materially as additional data from ongoing development activities, recompletions, drilling results and production performance becomes available and as economic conditions affecting natural gas and condensate prices, operating costs and development costs change.

The reserve estimates disclosed in this Statement are based on production forecasts, forecast prices and costs, development plans, contractual assumptions and other economic assumptions used in the Ryder Scott Report. As circumstances change and additional data becomes available, reserve estimates may be reviewed and revised upward or downward. Revisions may result from, among other things, changes in well performance, reservoir performance, development plans, commodity prices, operating costs, development costs, abandonment costs, regulatory requirements, fiscal or contractual terms and other economic factors.

Significant factors and uncertainties that may affect the reserves data for the Misión Field include completion of the Transaction and the acquisition of SMB, the Resulting Issuer's available capital, the timing and success of planned drilling and recompletion activities, production performance, access to equipment and services, infrastructure capacity and availability, operating costs, development costs, abandonment costs, commodity prices, regulatory approvals and contractual terms under the Misión production sharing contract.

Although reasonable efforts are made to ensure that reserve estimates are prepared using appropriate data and assumptions, reserve estimation is an inferential process. Actual reserves, production, revenues, costs and development timing may differ materially from the estimates disclosed herein. See also the "*Risk Factors*" and other disclosure included in the Information Circular.

Item 5.3 - Future Development Costs

The following table sets forth the future development costs deducted in the estimation of future net revenue attributable to the Misión Field reserves disclosed in this Statement.

Future Development Costs
As of December 31, 2025
Forecast Prices and Costs
(US$000)

Reserve Category	2026	2027	2028	2029	2030	Thereafter	Total
Total Proved	1,702	3,687	3,769	371	-	-	9,529
Total Proved Plus Probable	5,871	35,022	11,103	2,600	1,407	-	56,004
Total Proved Plus Probable Plus Possible	16,371	39,087	11,103	2,971	2,923	2,791	75,246

The Resulting Issuer expects that future development costs will be funded from one or more of available cash, cash flow from operations, debt financing, equity financing, farm-out or similar arrangements, or other sources of capital. The availability, timing and cost of such funding may affect the timing of development activities. If funding is not available on acceptable terms, the development of reserves may be delayed, reduced or deferred.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 - Oil & Gas Properties and Wells

The evaluated properties are located in the Misión PSC Area in the Burgos Basin in northeast Mexico, in the states of Tamaulipas, Nuevo León and Coahuila. The Misión PSC Area is located onshore.

SMB holds a 49% working interest in, and is operator of, the Misión production sharing contract, CNH-M3-Misión/2018. The fields evaluated in the Ryder Scott Report include Arcabuz, Bocaxa, Cali, Forcado, Géminis, Integral, Mandarín, Misión, Presa, Santa Anita, Tepozán and Trapiche.

The Misión PSC Area is integrated into the broader Burgos Basin gas system, including existing gathering pipelines and downstream processing and transportation infrastructure. Natural gas and condensate produced from the Misión PSC Area are delivered as wet gas to the Burgos Gas Processing Complex, a regional processing facility operated by Pemex, for processing and transportation through the Mexican gas transportation network.

As of December 31, 2025, the evaluated properties consisted of gas wells. No producing or non-producing oil wells are disclosed for the Misión PSC Area.

Wells
As of December 31, 2025

Country / Area	Producing Gas Wells - Gross	Producing Gas Wells - Net	Non-Producing Gas Wells - Gross	Non-Producing Gas Wells - Net
Mexico — Misión PSC Area	85	41.65	13	6.37

Notes:
(1) Net wells are calculated based on SMB's 49% working interest in the Misión production sharing contract.
(2) There have been no changes to the number or status of the wells disclosed above subsequent to December 31, 2025 through the date of this Information Circular.

Item 6.2 — Properties with No Attributed Reserves

As of December 31, 2025, certain exploration and evaluation areas within the Misión PSC Area have no attributed reserves. These areas include Campo Cheche, an evaluation area comprising approximately 28.4 km², or approximately 2,840 hectares. No proved, probable or possible reserves have been assigned to Campo Cheche in the Ryder Scott Report.

Management has identified Campo Cheche as a prospective evaluation opportunity with potential upside within the Misión PSC Area. Any prospective resources associated with Campo Cheche are not reserves. Further technical evaluation and successful exploration activity would be required before any such prospective resources could be classified as reserves or determined to be commercially recoverable.

The Misión production sharing contract includes work commitments measured in Work Units. There are currently, approximately 1,650 Work Units remaining outstanding under the applicable exploration work commitments. Management expects that the proposed Campo Cheche evaluation program, if completed and accredited by the applicable regulator, would be sufficient to address the remaining Work Unit commitment.

Item 6.2.1 - Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

Any properties with no attributed reserves may require substantial capital expenditures to evaluate, explore or develop. Development of such properties, if any, may require additional debt or equity financing. Failure to obtain financing on

acceptable terms may cause planned activities to be delayed, reduced or not undertaken. Properties in Mexico may also be affected by political, regulatory, fiscal, social, community, security, foreign exchange, infrastructure access and other risks. See also the "*Risk Factors*" and other disclosure included in the Information Circular.

Item 6.3 - Forward Contracts

Based on information currently available to Kinjal, no fixed-price contracts, derivative financial instruments or other forward contracts have been reflected in the reserves data disclosed in this Statement.

Item 6.5 – Tax Horizon

For the year ended December 31, 2025, no current income taxes were payable in respect of SMB's interest in the Misión Field. Based on the after-income-tax economic forecasts prepared by Ryder Scott and the expected fiscal treatment applicable to SMB's interest in the Misión production sharing contract, Kinjal management expects income taxes to become payable over the life of the total proved reserves disclosed for the Misión PSC Area.

The after-income-tax amounts included in this Statement are based on the tax assumptions reflected in the Ryder Scott Report and do not reflect Kinjal's or the Resulting Issuer's actual post-closing consolidated tax position, acquisition financing, purchase accounting, holding-company tax attributes, interest expense, corporate G&A or other tax matters not directly attributable to the evaluated reserves.

Item 6.6 - Costs Incurred

Costs Incurred
As of December 31, 2025
(US$000)

Country	Property acquisition costs - proved	Property acquisition costs - unproved	Exploration costs	Development Costs
Mexico	Nil	Nil	Nil	529

Item 6.7 - Exploration and Development Activities

The Misión Field is a mature, producing non-associated gas field located in the Burgos Basin in northeast Mexico. The Resulting Issuer's planned development activities in the Misión PSC Area are expected to focus primarily on maintaining and increasing production through infill development drilling, recompletions, workovers, reactivation of shut-in wells, field optimization activities and related infrastructure and facility work.

The Misión PSC Area has existing production and infrastructure in place. Following completion of the Transaction, Kinjal expects the Resulting Issuer to pursue a development program designed to maintain and increase production from the Misión Field, including activities reflected in the Ryder Scott Report and the related future development cost estimates disclosed in this Statement.

The timing, scope and extent of these activities remain subject to completion of the Transaction, receipt of required regulatory approvals, available capital, operational scheduling, field performance, equipment and service availability, commodity prices and other operating and economic factors.

Drilling Activity

Country	Exploratory gross	Exploratory net	Development gross	Development net	Service / stratigraphic / dry holes
Mexico	-	-	-	-	-

Item 6.8 - Production Estimates

The following table discloses for each product type the total volume of production estimated by Ryder Scott in the Ryder Scott Report in the estimates of future net revenue from gross proved and gross proved plus probable reserves disclosed above for the first year.

2026 gross production estimates

Reserve Category	Sales Gas (MMcf)	Sales Gas (MMcf/d)	Condensate (Mbbl)	Condensate (Bbl/d)
Total Proved	17,128	47	72	197
Probable	482	1	1	3
Total Proved Plus Probable	17,610	48	73	200

Note:
(1) Amounts are presented on a 100% gross Misión PSC Area basis and are rounded.

Item 6.9 - Production History

Average daily production volume, prices received, government take/ production taxes, production costs and netback.

Period	Sales gas (MMcf/d)	Condensate (Bbl/d)	Average realized price (US$/BOE)	Government take / production taxes (US$/BOE)	Production costs (US$/BOE)	Netback (US$/BOE)
Year ended December 31, 2025	26	16.00	$ 10.90	$ 3.23	$ 13.72	$ (6.05)

Subsequent Material Changes

There have been no material changes to the oil and gas information disclosed above subsequent to December 31, 2025 through the date of this Information Circular.

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 TELEPHONE (713) 651-9191

FORM 51-101F2
REPORT ON RESERVES DATA
BY
RYDER SCOTT COMPANY, L.P.

To The Board of Directors of Kinjal Corporation (the "Company"):

1. We have evaluated the Company's reserves data, in respect of the Misión Contract Area, Mexico, as at December 31, 2025. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.

   The reserves data relate to 100 percent of the reserves and related future net revenue attributable to the Misión Contract Area, Mexico, and are presented on a 100 percent working interest field basis. Kinjal expects to acquire indirectly, upon completion of the proposed acquisition, all of the issued and outstanding shares of Servicios Múltiples de Burgos, S.A. de C.V., which holds a 49 percent participating interest in and is the operator of the Misión Contract Area, Mexico. Our evaluation does not constitute an opinion regarding legal title to the interest or whether the proposed acquisition will be completed.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook, as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, effective December 31, 2025, and identifies the 100 percent working interest in the Misión Contract Area, Mexico, that we have evaluated and reported on to the Company's management:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	100% Working Interest Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) (USD M$)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company, L.P.	December 31, 2025	Mexico - Misión Contract Area	$0	$34,782*	$0	$34,782*

** Company in the process of acquiring a 49 percent interest in the Misión Contract Area, Mexico.*

SUITE 2900, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799
555 17TH STREET, SUITE 985 DENVER, COLORADO 80202 TEL (303) 339-8110

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied.

7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.

8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Ryder Scott Company, L.P., Houston, Texas, USA

Execution Date: Dated as of the 12th day of May, 2026

Signed by: 

Hugo A. Ovalle, P.E.
Senior Vice President – Group Coordinator

Tecolutla Block / Tonalli Energía, S.A.P.I. de C.V.

Effective December 31, 2025

The date of this statement is October 1, 2026 and the effective date of the information provided in this statement is December 31, 2025. The preparation date of the independent reserves assessment and evaluation prepared by GLJ Ltd. ("GLJ") was April 28, 2026. Unless otherwise indicated, all dollar references in this Statement of Reserves Data and Other Oil and Gas Information are in United States dollars.

Basis of Presentation

Unless otherwise indicated, the reserves volumes, future production volumes and future net present value of future net revenue disclosed in this Schedule are presented on a 100% Tonalli / Tecolutla Block basis, consistent with the GLJ Report.

Tonalli holds a 100% working interest in the Tecolutla Block. IFR, through Petro Frontera, currently owns approximately 42.63% of Tonalli. In connection with the Transaction, Kinjal is expected to acquire the remaining issued and outstanding shares of Tonalli not currently indirectly held by IFR, such that, following completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer is expected to indirectly own 100% of Tonalli.

PART 1 OIL AND NATURAL GAS RESERVES AND NET PRESENT VALUE OF FUTURE NET REVENUE

In accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, GLJ prepared an independent reserves assessment and evaluation dated April 28, 2026, effective December 31, 2025, estimating the proved, proved plus probable and proved plus probable plus possible reserves, future production and future net revenue in respect of the Tecolutla Block, Mexico, as presented on a 100% Tonalli / Tecolutla Block basis (the "GLJ Report").

The Tecolutla property is located in the State of Veracruz, Mexico and is currently owned and operated by Tonalli Energía, S.A.P.I. de C.V. ("Tonalli"). The Tecolutla Block is governed by the A24.TM / R01-L03-TM.24 license contract for the extraction of hydrocarbons.

The GLJ Report was prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook, as referenced in NI 51-101. The GLJ Report is based on well information, production data, land data, accounting data and other technical information provided by Kinjal, Tonalli or other sources, together with GLJ's independent engineering analysis and professional judgment. GLJ did not conduct title searches or field inspections.

The tables below summarize the light and medium oil reserves, and the net present value of future net revenue, in respect of the Tecolutla Block on a 100% Tonalli / Tecolutla Block basis, effective December 31, 2025, as evaluated in the GLJ Report based on forecast price and cost assumptions. The tables summarize data contained in the GLJ Report and, as a result, may contain slightly different numbers than the report due to rounding. Also, due to rounding, certain columns may not add exactly.

The net present value of future net revenue disclosed herein is stated before provision for income taxes, interest costs and general and administrative expenses, but after providing for estimated royalties, production costs, development costs, future capital expenditures and abandonment costs for wells assigned reserves, as applicable. It should not be assumed that the undiscounted or discounted net present value of future net revenue estimated by GLJ represents the fair market value of those reserves. Other assumptions and qualifications relating to reserves estimates, costs, prices for future production and other matters are summarized herein and in the GLJ Report. The recovery and reserves estimates of oil reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

PART 2 RESERVES DATA

Item 2.1 - Summary of reserves and values

As of December 31, 2025

	Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Total Proved	Probable	Total Proved Plus Probable	Possible	Total Proved Plus Probable Plus Possible
Light & Medium Oil (Mbbl)								
Gross Lease	-	105	242	348	555	903	480	1,383
Net After Royalty	-	64	147	211	337	548	291	839
Oil Equivalent (Mboe)								
Gross Lease	-	105	242	348	555	903	480	1,383
Net After Royalty	-	64	147	211	337	548	291	839

Item 2.2 - Summary of Net Present Values of Future Net Revenues

As of December 31, 2025
Forecast Prices and Costs
Before Income Taxes
(US$000)

	Before Income Taxes and Discounted at (%/year)				
	0%	**5%**	**10%**	**15%**	**20%**
Proved					
Developed Producing	0	0	0	0	0
Proved Developed Non-Producing	1,138	1,073	999	925	857
Undeveloped	3,326	2,491	1,875	1,423	1,088
Total Proved	**4,464**	**3,564**	**2,874**	**2,348**	**1,945**
Probable	11,513	7,602	5,233	3,738	2,752
Total Proved plus Probable	**15,977**	**11,166**	**8,107**	**6,086**	**4,697**
Possible	12,236	6,542	4,004	2,707	1,961
Total Proved plus Probable plus Possible	**28,212**	**17,708**	**12,110**	**8,793**	**6,657**

Item – 2.2.1 Future Net Revenue Before Income Taxes at 10% and Unit Values

As of December 31, 2025
Forecast Prices and Costs
Before Income Taxes
(US$000)

Reserves Category	Product Type	Future Net Revenue Before Income Taxes Discounted at 10.00% M$US	Unit Value Before Income Taxes Discounted 10%/Year $US/BBL
Total Proved	Light and Medium Oil	2,874	13.62
Total Proved plus Probable	Light and Medium Oil	8,107	14.79
Total Proved Plus Probable Plus Possible	Light and Medium Oil	12,110	14.43

Item 2.2.2 - Summary of Net Present Values of Future Net Revenues

As of December 31, 2025
Forecast Prices and Costs
After Income Taxes
(US$000)

	After Income Taxes and Discounted at (%/year)				
	0%	5%	10%	15%	20%
Proved	0	0	0	0	0
Developed Producing	1,138	1,073	999	925	857
Proved Developed Non-Producing	3,326	2,491	1,875	1,423	1,088
Undeveloped	**4,464**	**3,564**	**2,874**	**2,348**	**1,945**
Total Proved	11,513	7,602	5,233	3,738	2,752
Probable	**15,977**	**11,166**	**8,107**	**6,086**	**4,697**
Total Proved plus Probable	10,045	5,739	3,679	2,566	1,895
Possible	**26,022**	**16,905**	**11,786**	**8,652**	**6,592**

Item 2.3 - Total Future Net Revenue

As of December 31, 2025
Forecast Prices and Costs
Undiscounted
(US$000)

Reserve category	Revenue	Royalties	Operating costs	Development costs	Abandonment costs	Future Net Revenue before income taxes	Income taxes	Future Net Revenue after income taxes
Total Proved	20,792	8,178	5,857	1,987	306	4,464	-	4,464
Total Proved Plus Probable	57,901	22,774	14,702	3,954	494	15,977	-	15,977

Reserve category	Revenue	Royalties	Operating costs	Development costs	Abandonment costs	Future Net Revenue before income taxes	Income taxes	Future Net Revenue after income taxes
Total Proved Plus Probable Plus Possible	96,053	37,780	25,492	3,954	614	28,212	2,190	26,022

PART 3 PRICING ASSUMPTIONS

Forecast Prices Used in Estimates

The following table sets forth selected benchmark reference pricing and inflation assumptions used in the GLJ Report in estimating the reserves data disclosed in this Statement of Reserves Data and Other Oil and Gas Information. The pricing assumptions were provided by GLJ, an independent qualified reserves evaluator, and reflect forecast prices and costs effective January 1, 2026.

Year	WTI crude oil (US$/bbl)	Mexico Maya crude oil (US$/bbl)	Inflation (%)
2026	59.25	53.76	0
2027	66	59.5	2
2028	70	62.97	2
2029	72.16	64.87	2
2030	73.6	66.16	2
2031	75.08	67.5	2
2032	76.58	68.85	2
2033	78.11	70.22	2
2034	79.67	71.62	2
2035	81.27	73.06	2
2036+	+2.0%/yr	+2.0%/yr	2

PART 4 RECONCILIATION OF CHANGES IN RESERVES

No reconciliation of changes in reserves is presented because this Schedule contains first-time reserves disclosure for the Tecolutla Block on a 100% Tonalli / Tecolutla Block basis in connection with the Transaction. IFR's existing annual reserves disclosure for its pre-Transaction 42.63% indirect interest in Tonalli is included in IFR's annual information form for the year ended December 31, 2025.

PART 5 ADDITIONAL INFORMATION RELATED TO RESERVE DATA

Item 5.1 - Undeveloped Reserves

Undeveloped reserves by product type

Category	Light and medium oil (Mbbl)	Total (MBOE)
Proved undeveloped	242	242
Probable undeveloped	516	516
Possible undeveloped	430	430

The undeveloped reserves reflected above relate to planned development activities in the Tecolutla Block that Kinjal management expects the Resulting Issuer to assess following completion of the Transaction and the Tonalli Acquisition, based on the GLJ Report and information provided by Tonalli. The planned development activities are based on technical assessment of the field, expected drilling and recompletion opportunities, existing and planned infrastructure, anticipated capital requirements and expected field performance.

The GLJ Report reflects planned development activity, including workovers in 2026 and two directional drilling locations, Tecolutla-12 DIR and Tecolutla-13 DIR, scheduled in 2027.

The timing and scope of development activities remain subject to completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer's available capital, regulatory approvals, operational scheduling, equipment and service availability, field performance, commodity prices and the other risks described in the Information Circular.

Item 5.2 - Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex and requires significant judgments and assumptions based on available geological, geophysical, engineering, production and economic data. Reserve estimates may change materially as additional data from ongoing development activities, workovers, drilling results and production performance becomes available and as economic conditions affecting oil prices, operating costs and development costs change.

The reserve estimates disclosed in this Statement are based on production forecasts, forecast prices and costs, development plans, contractual assumptions and other economic assumptions used in the GLJ Report. As circumstances change and additional data becomes available, reserve estimates may be reviewed and revised upward or downward. Revisions may result from, among other things, changes in well performance, reservoir performance, development plans, commodity prices, operating costs, development costs, abandonment costs, regulatory requirements, fiscal or contractual terms and other economic factors.

Significant factors and uncertainties that may affect the reserves data for the Tecolutla Block include completion of the Transaction and the Tonalli Acquisition, the Resulting Issuer's available capital, the timing and success of planned workovers and drilling activities, production performance, access to equipment and services, infrastructure capacity and availability, operating costs, development costs, abandonment costs, commodity prices, regulatory approvals, environmental permits and contractual terms under the Tecolutla license contract.

Although reasonable efforts are made to ensure that reserve estimates are prepared using appropriate data and assumptions, reserve estimation is an inferential process. Actual reserves, production, revenues, costs and development timing may differ materially from the estimates disclosed herein. See also the "*Risk Factors*" and other disclosure included in the Information Circular.

Item 5.3 - Future Development Costs

The following table sets forth the future development costs deducted in the estimation of future net revenue attributable to the Tecolutla Block reserves disclosed in this Statement.

Future Development Costs
As of December 31, 2025
Forecast Prices and Costs
(US$000)

Reserve Category	2026	2027	2028	2029	2030	Thereafter	Total
Total Proved	30	-	1,957	-	-	-	1,987
Total Proved Plus Probable	30	-	3,924	-	-	-	3,954
Total Proved Plus Probable Plus Possible	30	-	3,924	-	-	-	3,954

The Resulting Issuer expects that future development costs will be funded from one or more of available cash, cash flow from operations, debt financing, equity financing, farm-out or similar arrangements, or other sources of capital. The availability, timing and cost of such funding may affect the timing of development activities. If funding is not available on acceptable terms, the development of reserves may be delayed, reduced or deferred.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 - Oil & Gas Properties and Wells

The evaluated properties are located in the Tecolutla Block in the Tampico-Misantla Basin in the State of Veracruz, Mexico. The Tecolutla Block is located onshore.

Tonalli holds a 100% working interest in the Tecolutla Block, also known as the A24.TM / R01-L03-TM.24 license contract. The producing reservoir is the El Abra formation at a depth of approximately 2,340 metres. 3D seismic has been acquired over the entire Tecolutla Block.

The Tecolutla Block has existing well and field infrastructure associated with prior production and prior evaluation activities. The extent to which existing infrastructure can be used for future operations will depend on the final development plan, field condition, available capital, required regulatory approvals and the Resulting Issuer's post-closing capital allocation priorities.

As of December 31, 2025, the evaluated properties consisted of oil wells. No gas wells are disclosed for the Tecolutla Block.

Wells
As of December 31, 2025

Country / Area	Producing Oil Wells - Gross	Producing Oil Wells - Net	Non-Producing Oil Wells - Gross	Non-Producing Oil Wells - Net
Mexico — Tecolutla Block	-	-	5	5

(1) There have been no changes to the number or status of the wells disclosed above subsequent to December 31, 2025 through the date of this Information Circular.

Item 6.2 — Properties with No Attributed Reserves

Based on information currently available to Kinjal, the Resulting Issuer is not expected to hold any material properties with no attributed reserves within the Tecolutla Block as of December 31, 2025.

Item 6.3 - Forward Contracts

Based on information currently available to Kinjal, no derivative financial instruments have been reflected in the reserves data disclosed in this Statement. GLJ has indicated that projected revenues related to physical sales contracts are included in the GLJ Report.

Item 6.5 – Tax Horizon

For the year ended December 31, 2025, no current income taxes were payable in respect of the Tecolutla Block. Based on the after-income-tax economic forecasts prepared by GLJ and the expected fiscal treatment applicable to Tonalli's interest in the Tecolutla license contract, Kinjal management does not expect income taxes to become payable over the life of the total proved reserves or total proved plus probable reserves disclosed for the Tecolutla Block. Income taxes are reflected only in the total proved plus probable plus possible reserves case, beginning in 2040.

The after-income-tax amounts included in this Statement are based on the tax assumptions reflected in GLJ's after-tax analysis and do not reflect Kinjal's or the Resulting Issuer's actual post-closing consolidated tax position, acquisition financing, purchase accounting, holding-company tax attributes, interest expense, corporate G&A or other tax matters not directly attributable to the evaluated reserves.

Item 6.6 - Costs Incurred

Costs Incurred
As of December 31, 2025
(US$000)

Country	Property acquisition costs - proved	Property acquisition costs - unproved	Exploration costs	Development costs
Mexico	-	-	-	-

Item 6.7 - Exploration and Development Activities

The Tecolutla Block is a mature oil property located in the Tampico-Misantla Basin in the State of Veracruz, Mexico. There were no drilling, exploration or development activities conducted on the Tecolutla Block during the year ended December 31, 2025, and the field remained shut-in during 2025.

The Resulting Issuer's planned development activities in the Tecolutla Block are expected to focus primarily on reactivation of shut-in wells, workovers, field optimization and potential development drilling in accordance with the approved Development Plan. GLJ indicates that Tecolutla-02 and Tecolutla-10 are scheduled to resume production following workovers in 2026, and that two additional drilling locations, Tecolutla-12 DIR and Tecolutla-13 DIR, are scheduled to be drilled in 2028.

The timing, scope and extent of these activities remain subject to completion of the Transaction and the Tonalli Acquisition, receipt of required regulatory approvals, available capital, operational scheduling, field performance, equipment and service availability, commodity prices and other operating and economic factors.

Drilling Activity

Country	Exploratory gross	Exploratory net	Development gross	Development net	Service / stratigraphic / dry holes
Mexico	-	-	-	-	-

Item 6.8 - Production Estimates

The following table discloses for each product type the total volume of production estimated by GLJ in the GLJ Report in the estimates of future net revenue from gross proved and gross proved plus probable reserves disclosed above for the first year.

2026 company interest production estimates

Reserve Category	Oil (Mbbl)	Oil (Bbl/d)	Total (MBOE)	Total (BOE/d)
Total Proved	12	33	12	33
Probable	-	-	-	-
Total Proved Plus Probable	12	33	12	33

Item 6.9 - Production History

Average daily production volume, prices received, royalties paid, production costs and netback

Period	Oil (Bbl/d)	Prices received	Royalties / production taxes	Production costs	Netback
Year ended December 31, 2025	-	-	-	-	-

Subsequent Material Changes

There have been no material changes to the oil and gas information disclosed above subsequent to December 31, 2025 through the date of this Information Circular.

FORM 51-101F2

REPORT ON RESERVES DATA

BY

INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

To the board of directors of Kinjal Corporation (the "Company" or “Kinjal”):

1. We have evaluated the Company’s reserves data as at April 28, 2026. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.

   The reserves data relate to 100 percent of the reserves and related future net revenue attributable to the Tecolutla Oil Property and are presented on a 100 percent field basis. The Company expects, upon completion of the proposed transactions, to hold indirectly all of the issued and outstanding shares of Tonalli Energía, S.A.P.I. de C.V., which owns and operates the Tecolutla Oil Property. Our evaluation does not constitute an opinion regarding legal title to the interest or whether the proposed transactions will be completed.

2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2025, and identifies the respective portions thereof that we have evaluated and reported on to the Company’s board of directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - M$)			
			Audited	Evaluated	Reviewed	Total
GLJ Ltd.	December 31, 2025	Mexico	-	8,107	-	**8,107**

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.

8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, April 29, 2026

"Originally Signed By"

Patrick A. Olenick, P.Eng.

Senior Vice President, International Evaluations

APPENDIX "C"
KINJAL MD&A

See attached.

Kinjal Corporation

Management Discussion and Analysis
For the three and six months ended June 30, 2026

Kinjal Corporation ("Kinjal" or the "Company") was incorporated under the Business Corporations Act (Ontario) on December 5, 2025. The Company was formed to pursue transactions in the Mexican natural gas sector.

The following management discussion and analysis ("MD&A") of the Company's operating and financial results for the three and six months ended June 30, 2026 has been prepared by management as at September 25, 2026 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and six months ended June 30, 2026 (the "Financial Statements") and the accompanying notes. This MD&A contains forward-looking statements. See "Forward-Looking Statements".

The Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and are expressed in U.S. dollars unless otherwise indicated. The Financial Statements have not been audited on behalf of shareholders by the Company's independent external auditors.

Going concern

The Company is in the development stage and has not generated revenue. The Company's ability to continue as a going concern depends on its ability to obtain additional financing and/or complete the proposed transactions described below. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Financial Statements have been prepared on a going concern basis and do not include adjustments to the carrying amounts and classification of assets and liabilities that would be required if the Company were unable to continue as a going concern. Such adjustments could be material.

Business overview and proposed transactions

During the six months ended June 30, 2026, certain contractual rights relating to proposed Mexican oil and gas asset transactions were assigned to the Company, including rights relating to the proposed acquisition of Servicios Múltiples de Burgos, S.A. de C.V., farm-in rights with respect to the Jaguar/Pantera CS-06 and A10.CS license contracts, and rights under a share purchase agreement relating to Tonalli, S.A. de C.V. Collectively, these proposed transactions are referred to as the "Mexican Asset Transactions." The assigned letters of intent are non-binding with respect to completion of the proposed acquisitions or farm-ins, and completion remains subject to execution of definitive agreements, required approvals and other closing conditions, where applicable.

The Company has not recognized any assets or liabilities in respect of the proposed transactions, other than deposits and transaction costs incurred to June 30, 2026. On March 24, 2026, the Company paid a $250,000 non-refundable deposit in connection with a proposed Mexican asset transaction. On June 22, 2026, the Company paid an $80,000 refundable work expense deposit in connection with the proposed Summit Ridge debt facility. No amount had been applied against due diligence costs as at June 30, 2026.

On April 16, 2026, the Company entered into an amalgamation agreement with International Frontier Resources Corporation ("IFR") and 1001550109 Ontario Inc., a wholly owned subsidiary of IFR ("Subco"), in respect of a proposed reverse takeover transaction (the "RTO Transaction"). If completed, Subco will amalgamate with the Company, the Company will become a wholly owned subsidiary of IFR, and IFR is expected to continue as the listed issuer under the name "Kinjal Gas Ltd." or such other name as may be agreed by the parties and accepted by the TSX Venture Exchange.

Completion of the RTO Transaction is subject to a number of conditions, including required Mexican regulatory approvals, including from the Secretary of Energy of Mexico, TSX Venture Exchange acceptance, shareholder approvals and execution and closing of definitive agreements in respect of the proposed Mexican asset transactions. There can be no assurance that the RTO Transaction will be completed as proposed or at all.

Summary of second quarter results

Selected financial information:

	Three months June 30, 2026 ($)	Six months June 30, 2026 ($)
Statements of loss and comprehensive loss		
General and administrative expenses	445,870	527,065
Net loss and comprehensive loss	(1,092,050)	(1,173,359)
Loss per share	(0.04)	(0.04)
Cash flows		
Cash used in operating activities	(648,505)	(693,765)
Cash used in investing activities	-	(250,000)
Cash provided by financing activities	947,760	2,173,050
Statements of financial position	**June 30, 2026 ($)**	**December 31, 2025 ($)**
Total assets	1,597,113	70
Total liabilities	2,770,402	-
Working capital (deficit)	(1,423,289)	70

The Company was incorporated on December 5, 2025. Comparative operating and cash flow information for the prior-year periods is not presented because the Company did not exist during those periods. At December 31, 2025, the Company had cash and cash equivalents of $70, no liabilities and shareholders' equity of $70.

Discussion of operations

The Company did not generate revenue during the three or six months ended June 30, 2026. Activities during the periods were focused on the evaluation and negotiation of the Mexican Asset Transactions, the proposed RTO Transaction, financing activities and related corporate and transaction matters.

General and administrative expenses

	Three months June 30, 2026 ($)	Six months June 30, 2026 ($)
RTO transaction expenses	150,000	150,000
Consulting fees	121,380	159,255
Professional fees	98,770	110,910
General corporate costs	58,255	82,185
Travel	17,465	24,715
	445,870	**527,065**

General and administrative expenses were $445,870 and $527,065 for the three and six months ended June 30, 2026, respectively. The increase in the second quarter primarily reflected RTO transaction expenses and higher professional, consulting and corporate costs as the proposed transactions progressed.

On April 7, 2026, the Company paid $150,000 to International Frontier Resources Corporation ("IFR") to fund IFR's legal, accounting, audit, regulatory and other costs associated with the proposed reverse takeover transaction. Under the amalgamation agreement dated April 16, 2026, the amount was available for use by IFR before closing

and was not conditional upon completion of the transaction. As the payment is non-recoverable and does not give rise to a separate asset of the Company, it was recognized as an RTO transaction expense during the period.

Net loss

The Company recorded net loss and comprehensive loss of $1,092,050 (loss per share $0.04) and $1,173,359 (loss per share $0.04) for the three and six months ended June 30, 2026, respectively. The losses were primarily attributable to general and administrative expenses, finder's fees incurred in connection with the SAFE financing, and remeasurement of the SAFE liability. No revenue was generated during either period.

Financing activities

SAFE financing

During the six months ended June 30, 2026, the Company issued simple agreements for future equity ("SAFEs") to fund transaction-related costs and general corporate purposes. The SAFEs have no maturity date, do not bear interest and provide for a 20% discount on conversion.

Each SAFE converts automatically into common shares of the Company upon a qualifying equity financing or in connection with a going public transaction, with the number of shares to be issued determined at the time of conversion based on the applicable financing or transaction price and the pricing mechanics set out in the SAFEs, including the applicable discount. In connection with a change of control that is not a going public transaction, the holder is entitled to receive a cash-out amount or conversion amount, as defined in the SAFE. On dissolution, the holder is entitled to payment of the investment amount before distributions to common shareholders.

At June 30, 2026, the carrying amount of the SAFE liability was $2,716,310. The SAFE liability is classified as a financial liability measured at fair value through profit or loss. Management determined the fair value of the SAFE liability based on the expected settlement value upon conversion, including the expected terms of the subscription receipt financing, the contractual discount available to SAFE holders and the probability of completing the financing. The resulting remeasurement of the SAFE liability gave rise to a fair value loss of $543,260 recognized during the six months ended June 30, 2026.

Under the terms of the SAFE financing, not less than 70% of gross proceeds from the issuance of SAFEs are to be used to fund costs and expenses relating to the evaluation, negotiation and completion of proposed acquisitions and transactions in the Mexican natural gas sector. The remaining proceeds may be used for general corporate and working capital purposes.

During the three months ended June 30, 2026, the Company received additional SAFE proceeds of $947,760. During the six months ended June 30, 2026, the Company incurred finder's fees of $100,000 in connection with the issuance of SAFEs. As the SAFEs are measured at fair value through profit or loss, the finder's fees were recognized in profit or loss as incurred.

Liquidity, capital resources and future capital requirements

At June 30, 2026, the Company had cash and cash equivalents of $1,226,688, consisting of funds held in trust and balances in operating bank accounts. The Company had current assets of $1,347,113 and current liabilities of $2,770,402, resulting in a working capital deficiency of $1,423,289. The working capital deficiency was primarily due to the classification of the SAFE liability as a current financial liability. Other current liabilities consisted of accounts payable and accrued liabilities of $54,092. Current assets also included advances to related parties of $40,425 and a refundable deposit of $80,000. The Company also had a $250,000 non-current transaction deposit.

The SAFE liability is expected to be settled in accordance with its contractual terms upon a qualifying financing, going public transaction, liquidity event, change of control or dissolution event. The Company's ability to meet its ongoing obligations and fund its planned activities is dependent on available cash, additional financing and/or completion of the proposed RTO Transaction and related transactions.

In July 2026, the Company and IFR completed a subscription receipt financing for aggregate gross proceeds of approximately C$38.0 million, of which the Company issued 40,153,492 subscription receipts at C$0.80 per receipt

for gross proceeds of approximately C$32.1 million. The net proceeds are being held in escrow pending completion of the proposed RTO Transaction and satisfaction of the related escrow release conditions.

The Company manages its capital resources with the objective of maintaining sufficient liquidity to fund transaction-related costs, working capital requirements and the proposed transactions. The Company may require additional equity, SAFE, debt or other financing to complete the proposed transactions and fund ongoing activities. There can be no assurance that additional financing will be available on acceptable terms or at all, or that the proposed RTO Transaction or Mexican Asset Transactions will be completed.

Corporate activities

Proposed reverse takeover transaction

On April 16, 2026, the Company entered into an amalgamation agreement with IFR and Subco in respect of the proposed RTO Transaction. If completed, the Company will become a wholly owned subsidiary of IFR and IFR is expected to continue as the listed issuer under the name "Kinjal Gas Ltd." or such other name as may be agreed by the parties and accepted by the TSX Venture Exchange.

In connection with the proposed RTO Transaction, Kinjal is pursuing the Mexican Asset Transactions, including the proposed acquisition of Servicios Múltiples de Burgos, S.A. de C.V., which holds a 49% working interest in and operates the Misión Field; the proposed acquisition of an interest in Tonalli, S.A. de C.V.; and proposed farm-in arrangements relating to the CS-06 and A10.CS license contracts in Mexico.

Completion of the proposed RTO Transaction and the Mexican Asset Transactions remains subject to a number of conditions, including required Mexican regulatory approvals, TSX Venture Exchange acceptance, shareholder approvals, satisfaction of the subscription receipt escrow release conditions and execution and closing of definitive agreements in respect of the Mexican Asset Transactions, where applicable. There can be no assurance that the proposed transactions will be completed as proposed or at all.

In July 2026, the Company and IFR completed the subscription receipt financing described under "Liquidity, capital resources and future capital requirements." In August 2026, Petro Frontera S.A.P.I. de C.V., a wholly owned subsidiary of IFR, executed definitive agreements to acquire all of the outstanding shares of Servicios Múltiples de Burgos, S.A. de C.V. The acquisition is intended to form part of the Mexican Asset Transactions to be completed in connection with the RTO Transaction and remains subject to specified closing conditions, including required Mexican regulatory approvals.

Outstanding shares, options and warrants

As of:	June 30, 2026	September 25, 2026
Common shares outstanding	27,414,394	27,414,394
Options outstanding	-	-
Warrants outstanding	-	-
Fully diluted [1]	27,414,394	27,414,394

[1] Excludes common shares issuable on conversion of the SAFEs, as the number of shares issuable will depend on the applicable future financing or transaction price and other terms of the SAFEs.

Additional details on the shares outstanding at June 30, 2026 are available in the notes to the Financial Statements.

Related party transactions

During the three and six months ended June 30, 2026, the Company incurred expenses of $163,935 and $215,061, respectively, with Frontier Advisory Hul'Che Limited, a company controlled by a director and shareholder of the Company. These amounts comprised consulting and engineering costs and reimbursed travel, corporate and other business expenses.

As at June 30, 2026, no amounts were included in accounts payable and accrued liabilities owing to the related party. Advances to related parties included $40,425 paid to the related party for services to be provided in July 2026.

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, the refundable financing cost deposit, accounts payable and accrued liabilities, and the SAFE liability. The Company is exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk and fair value measurement risk.

a) Fair value of financial assets and liabilities: The carrying amounts of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

The SAFE liability is measured at fair value through profit or loss and is classified as Level 3 in the fair value hierarchy. Its fair value was determined with reference to the expected settlement value of the SAFEs, including management's assessment of the probability and timing of the expected conversion terms and the contractual discount available to SAFE holders.

b) Credit risk: The Company's credit risk arises primarily from cash and cash equivalents and the refundable financing cost deposit. The maximum exposure to credit risk at June 30, 2026 was the carrying amount of these financial assets.

c) Interest rate risk: The Company does not have interest-bearing debt, and cash and cash equivalents held in trust are non-interest bearing. Accordingly, the Company was not exposed to significant interest rate risk at June 30, 2026.

d) Foreign currency risk: The Company's Financial Statements are presented in U.S. dollars. The Company holds certain Canadian dollar cash balances and incurs certain Canadian dollar expenditures. At June 30, 2026, the Company's foreign currency exposure was not significant.

e) Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2026, the Company had accounts payable and accrued liabilities of $54,092 and a SAFE liability of $2,716,310. Accounts payable and accrued liabilities are expected to be settled in the normal course of operations. The SAFE liability is expected to be settled in accordance with its contractual terms.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

Accounting policies and estimates

Management is required to make judgments, assumptions and estimates in applying IFRS Accounting Standards that may have a significant impact on the Company's financial results. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions are recognized in the periods affected.

Significant accounting estimates

a) SAFE liability

The fair value of the SAFE liability was determined based on management's estimate of the expected settlement value upon conversion, including an assessment of the expected terms of the subscription receipt financing described in Note 13, the contractual conversion discount available to SAFE holders and the probability of completing the financing and related transaction.

Changes in these factors could materially affect the carrying amount of the SAFE liability and the related fair value gain or loss.

b) Deposits

The Company has recognized a non-refundable transaction deposit and a refundable financing cost deposit. The assessment of whether these deposits continue to meet the definition of assets requires management to consider the status of the related transactions and whether the amounts are expected to be applied or recovered.

If facts and circumstances indicate that a related transaction is no longer expected to proceed or an amount is not recoverable, the applicable deposit may be recognized as an expense in a future period.

Operational and other business risks

The Company is subject to a number of risks and uncertainties. The risks described below are not exhaustive, and additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the Company's business, financial condition, results of operations and prospects.

Going concern and financing risk

The Company is in the development stage and has not generated revenue. The Company will require additional financing to fund ongoing corporate costs, transaction deposits, transaction-related expenditures and working capital requirements. There can be no assurance that additional financing will be available on acceptable terms or at all. If additional financing is not available when required, the Company may be unable to complete the proposed transactions or continue to fund its planned activities.

Transaction completion risk

Completion of the proposed RTO Transaction and Mexican Asset Transactions is subject to a number of conditions, including execution and closing of definitive agreements, receipt of required Mexican regulatory approvals, TSX Venture Exchange acceptance, shareholder approvals and other customary closing conditions. There can be no assurance that any of the proposed transactions will be completed as proposed or at all. Failure to complete the proposed transactions could have a material adverse effect on the Company's business plan, financial condition and prospects.

Mexico and regulatory risk

The proposed transactions involve assets and operations in Mexico. The Company may be exposed to risks associated with operating in a foreign jurisdiction, including political, regulatory, legal, fiscal, social, security and economic risks. Required approvals, authorizations or consents may be delayed, withheld or granted subject to conditions that may affect the timing, cost or economics of the proposed transactions or future operations.

Oil and gas operational risk

If the proposed transactions are completed, the Company may become exposed to risks associated with oil and gas exploration, development and production, including operational hazards, environmental liabilities, commodity price volatility, reserves and production uncertainty, access to infrastructure, equipment availability, cost overruns and reliance on operators, contractors, joint venture participants and other counterparties.

Foreign currency risk

The Company presents its financial statements in U.S. dollars, holds certain Canadian dollar balances and incurs certain Canadian dollar expenditures. Changes in exchange rates may affect the Company's reported results, cash flows and financial position.

SAFE liability and fair value risk

The SAFE liability is measured at fair value through profit or loss. Its fair value may change if subsequent arm's-length issuances occur on different terms or if developments affecting the proposed transactions indicate that fair value differs from the carrying amount.

Internal controls and limited operating history

The Company has a limited operating history. As the Company grows and pursues the proposed transactions, it may need to develop and maintain additional financial reporting processes, systems and internal controls. Failure to maintain effective internal controls could adversely affect the reliability of financial reporting.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intend", "may", "plan", "project", "should", "will" and similar expressions.

Forward-looking statements in this MD&A include, without limitation, statements relating to the proposed RTO Transaction, the Mexican Asset Transactions, the subscription receipt financing and escrow release conditions, the proposed debt facility, expected use of proceeds, the Company's ability to continue as a going concern, future capital requirements, the availability of financing, expected regulatory approvals and the Company's future business objectives.

Forward-looking statements are based on assumptions that management believes to be reasonable as of the date of this MD&A, including assumptions regarding the ability to obtain required approvals, execute definitive agreements, complete financing, satisfy closing conditions, fund transaction-related expenditures and pursue the proposed transactions. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to differ materially from those expressed or implied by the forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements to reflect new information, future events or otherwise.

Kinjal Corporation

Management Discussion and Analysis

For the period from incorporation on December 5, 2025 to December 31, 2025

Kinjal Corporation ("Kinjal" or the "Company") was incorporated under the Business Corporations Act (Ontario) on December 5, 2025. The Company was formed to pursue transactions in the Mexican natural gas sector.

The following management discussion and analysis ("MD&A") of the Company's operating and financial results for the period from incorporation on December 5, 2025 to December 31, 2025 has been prepared by management as at September 25, 2026 and should be read in conjunction with the Company's audited financial statements for the period from incorporation on December 5, 2025 to December 31, 2025 (the "Financial Statements") and the accompanying notes. This MD&A contains forward-looking statements. See "Forward-Looking Statements".

The Financial Statements have been prepared in accordance with IFRS Accounting Standards and are expressed in U.S. dollars. All financial measures presented in this MD&A are expressed in U.S. dollars unless otherwise indicated.

Going concern

The Company is in the development stage and had not generated revenue or cash flows from operations as at December 31, 2025. The Company's ability to continue as a going concern depends on its ability to obtain additional financing and/or complete the proposed transactions described below. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Financial Statements have been prepared on a going concern basis and do not include adjustments to the carrying amounts and classification of assets and liabilities that would be required if the Company were unable to continue as a going concern. Such adjustments could be material.

Business overview and proposed transactions

During the period ended December 31, 2025, the Company's activities were limited to incorporation and organization matters. The Company did not generate revenue and did not commence active business operations during the period.

Subsequent to December 31, 2025, certain contractual rights relating to proposed Mexican oil and gas asset transactions were assigned to the Company, including rights relating to the proposed acquisition of Servicios Múltiples de Burgos, S.A. de C.V., farm-in rights with respect to the Jaguar/Pantera CS-06 and A10.CS license contracts, and rights under a share purchase agreement relating to Tonalli, S.A. de C.V. (the "Mexican Asset Transactions"). The assigned letters of intent are non-binding with respect to completion of the proposed acquisitions or farm-ins, and completion remains subject to execution of definitive agreements, required approvals and other closing conditions, where applicable.

Subsequent to December 31, 2025, the Company paid a $250,000 non-refundable deposit in connection with the proposed Jaguar/Pantera farm-in transaction and related assigned contractual rights.

On April 16, 2026, the Company entered into an amalgamation agreement with International Frontier Resources Corporation ("IFR") and 1001550109 Ontario Inc., a wholly owned subsidiary of IFR ("Subco"), in respect of a proposed reverse takeover transaction (the "RTO Transaction"). If completed, Subco will amalgamate with the Company, the Company will become a wholly owned subsidiary of IFR, and IFR is expected to continue as the listed issuer under the name "Kinjal Gas Ltd." or such other name as may be agreed by the parties and accepted by the TSX Venture Exchange.
Completion of the RTO Transaction is subject to a number of conditions, including required Mexican regulatory approvals, including from the Secretary of Energy of Mexico, TSX Venture Exchange acceptance, shareholder approvals, completion of the concurrent financing, and execution and closing of definitive agreements in respect of the Mexican Asset Transactions. There can be no assurance that the RTO Transaction will be completed as proposed or at all.

Summary of Results

Selected financial information:

For the period ended	December 31, 2025 ($US)
Operating results	
Net loss and comprehensive loss	-
Cash flows	
Cash used in operating activities	-
Cash used in investing activities	-
Cash provided by financing activities	70
Statements of financial position	
Total assets	70
Total liabilities	-
Working capital	70

The Company was incorporated on December 5, 2025. Comparative operating and cash flow information for the prior-year period is not presented because the Company did not exist during the comparative period.

Discussion of operations

The Company did not generate revenue during the period from incorporation on December 5, 2025 to December 31, 2025. Activities during the period were limited to incorporation and organization matters.

General and administrative expenses

The Company did not incur general and administrative expenses during the period ended December 31, 2025.

Net loss

For the period from incorporation on December 5, 2025 to December 31, 2025, the Company recorded no net loss or comprehensive loss.

Liquidity, capital resources and future capital requirements

At December 31, 2025, the Company had cash and cash equivalents of $70, consisting of funds held in trust. The Company had current assets of $70, no current liabilities and working capital of $70. The Company did not generate revenue as at December 31, 2025.

The Company's future liquidity requirements relate primarily to transaction deposits, professional fees, due diligence, audit and reserves work, regulatory and listing-related costs, consulting costs and general working capital. The Company expects to fund these requirements through SAFE proceeds, additional financing and, if completed, the concurrent financing and other financing arrangements associated with the proposed RTO Transaction.

Subsequent to December 31, 2025, the Company initiated a SAFE financing to fund transaction deposits and other transaction-related costs. As at June 30, 2026, the Company had received SAFE proceeds with a U.S. dollar equivalent of $2,173,050. The proceeds are intended to fund costs associated with the proposed Mexican Asset Transactions and for general corporate and working capital purposes.

The Company manages its capital resources with the objective of maintaining sufficient liquidity to fund transaction-related costs, working capital requirements and the proposed transactions. The Company may require additional equity, SAFE, debt or other financing to complete the proposed transactions and fund ongoing activities. There can

be no assurance that additional financing will be available on acceptable terms or at all, or that the proposed RTO Transaction, concurrent financing or Mexican Asset Transactions will be completed.

Financing activities

Share capital

On December 5, 2025, the Company issued 100 Class A common shares for aggregate proceeds of C$100, representing approximately $70 U.S. dollar equivalent. As at December 31, 2025, the proceeds were held in trust on behalf of the Company and were presented as cash and cash equivalents.

Subsequent SAFE financing

Subsequent to December 31, 2025, the Company initiated a SAFE financing. The SAFEs provide for a 20% discount on conversion. If no qualifying financing, going public transaction, change of control or other liquidity event is completed on or before November 30, 2026, the discount increases by 0.833% per month for up to 12 months, to a maximum additional discount of 10%.

Each SAFE converts automatically upon a qualifying equity financing or in connection with a going public transaction. In connection with a change of control that is not a going public transaction, the holder is entitled to receive a cash-out amount or conversion amount, as defined in the SAFE. On dissolution, the holder is entitled to payment of the investment amount before distributions to common shareholders.

Corporate activities

Proposed reverse takeover transaction

Subsequent to December 31, 2025, the Company entered into an amalgamation agreement with International Frontier Resources Corporation (“IFR”) and 1001550109 Ontario Inc., a wholly owned subsidiary of IFR (“Subco”), in respect of a proposed reverse takeover transaction (the “RTO Transaction”). If completed, Subco will amalgamate with the Company, the Company will become a wholly owned subsidiary of IFR, and IFR is expected to continue as the listed issuer under the name “Kinjal Gas Ltd.” or such other name as may be agreed by the parties and accepted by the TSX Venture Exchange.

In connection with the proposed RTO Transaction, the Company is pursuing certain Mexican oil and gas asset transactions, including the proposed acquisition of Servicios Múltiples de Burgos, S.A. de C.V., which holds a 49% working interest in and is operator of the Misión Field; the proposed acquisition of an interest in Tonalli Energía, S.A.P.I. de C.V.; and proposed farm-in arrangements relating to the CS.06 and A10.CS license contracts in Mexico.

Completion of the RTO Transaction and the Mexican Asset Transactions remains subject to a number of conditions, including receipt of required Mexican regulatory approvals, including from the Secretary of Energy of Mexico, TSX Venture Exchange acceptance, shareholder approvals, completion of the concurrent financing and execution and closing of definitive agreements in respect of the Mexican Asset Transactions, where applicable. There can be no assurance that the RTO Transaction, the concurrent financing or the Mexican Asset Transactions will be completed as proposed or at all.

In July 2026, the Company and IFR completed a subscription receipt financing for aggregate gross proceeds of approximately C$38.0 million. The Company issued 40,153,492 subscription receipts at C$0.80 per receipt for gross proceeds of approximately C$32.1 million. The net proceeds are being held in escrow pending completion of the proposed RTO Transaction and satisfaction of the related regulatory, shareholder and other closing conditions.

In August 2026, in connection with the proposed Mexican Asset Transactions and the proposed RTO Transaction, Petro Frontera S.A.P.I. de C.V., a wholly owned subsidiary of IFR, executed definitive agreements to acquire all of the outstanding shares of Servicios Múltiples de Burgos, S.A. de C.V., which holds a 49% working interest in and operates the Misión Field. Completion remains subject to specified closing conditions, including required Mexican regulatory approvals.

In September 2026, definitive agreements were executed in respect of the proposed acquisition of the remaining interest in Tonalli, S.A. de C.V. and the proposed CS-06 and A10.CS farm-in transactions. Completion remains subject to the applicable closing conditions.

Outstanding shares, options and warrants

As of:	December 31, 2025	September 25, 2026
Common shares outstanding	100	27,414,394
Options outstanding	0	0
Warrants outstanding	0	0
Fully diluted [1]	**100**	**27,414,394**

[1] *Excludes common shares issuable on conversion of the SAFEs, as the number of shares issuable will depend on the applicable future financing or transaction price and other terms of the SAFEs.*

[2] *On April 16, 2026, the Company amended its articles to subdivide each issued and outstanding Class A common share into 274,143.94 Class A common shares, resulting in 27,414,394 Class A common shares issued and outstanding.*

Additional details on the shares, stock options and warrants outstanding at December 31, 2025 are available in the notes to the December 31, 2025 Financial Statements.

Related party transactions

During the period from incorporation on December 5, 2025 to December 31, 2025, the Company did not enter into any related party transactions. There was no compensation paid or payable to directors or key management personnel during the period.

Financial instruments

The Company's financial instruments consisted of cash and cash equivalents held in trust as at December 31, 2025. The Company's credit risk was limited to funds held in trust on behalf of the Company. Due to the limited activity and nominal balance at December 31, 2025, the Company was not exposed to significant liquidity risk, foreign currency risk, interest rate risk or fair value measurement risk.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

Accounting policies and estimates

The Company's material accounting policy information and significant accounting judgements, estimates and assumptions are described in the notes to the Financial Statements. Significant areas of judgement and estimation include the assessment of the Company's ability to continue as a going concern.

Operational and other business risks

The Company is subject to a number of risks and uncertainties. The risks described below are not exhaustive, and additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the Company's business, financial condition, results of operations and prospects.

Going concern and financing risk

The Company is in the development stage and has not generated revenue. The Company will require additional financing to fund ongoing corporate costs, transaction deposits, transaction-related expenditures and working capital requirements. There can be no assurance that additional financing will be available on acceptable terms or at all. If additional financing is not available when required, the Company may be unable to complete the proposed transactions or continue to fund its planned activities.

Transaction completion risk

Completion of the proposed RTO Transaction and Mexican Asset Transactions is subject to a number of conditions, including execution and closing of definitive agreements, receipt of required Mexican regulatory approvals, TSX Venture Exchange acceptance, shareholder approvals, completion of the concurrent financing and other customary closing conditions. There can be no assurance that any of the proposed transactions will be completed as proposed or at all. Failure to complete the proposed transactions could have a material adverse effect on the Company's business plan, financial condition and prospects.

Mexico and regulatory risk

The proposed transactions involve assets and operations in Mexico. The Company may be exposed to risks associated with operating in a foreign jurisdiction, including political, regulatory, legal, fiscal, social, security and economic risks. Required approvals, authorizations or consents may be delayed, withheld or granted subject to conditions that may affect the timing, cost or economics of the proposed transactions or future operations.

Oil and gas operational risk

If the proposed transactions are completed, the Company may become exposed to risks associated with oil and gas exploration, development and production, including operational hazards, environmental liabilities, commodity price volatility, reserves and production uncertainty, access to infrastructure, equipment availability, cost overruns and reliance on operators, contractors, joint venture participants and other counterparties.

Foreign currency risk

The Company presents its financial statements in U.S. dollars, holds certain Canadian dollar balances and incurs certain Canadian dollar expenditures. Changes in exchange rates may affect the Company's reported results, cash flows and financial position.

SAFE liability and fair value risk

Subsequent to December 31, 2025, the Company issued SAFEs that are expected to be classified as financial liabilities measured at fair value through profit or loss. The fair value of the SAFEs may be affected by their contractual terms, subsequent arm's-length issuances on the same terms and developments affecting the potential settlement events under the SAFEs. Changes in these factors could materially affect the carrying amount of the SAFE liability and the related fair value gain or loss.

Internal controls and limited operating history

The Company has a limited operating history. As the Company grows and pursues the proposed transactions, it may need to develop and maintain additional financial reporting processes, systems and internal controls. Failure to maintain effective internal controls could adversely affect the reliability of financial reporting.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intend", "may", "plan", "project", "should", "will" and similar expressions.

Forward-looking statements in this MD&A include, without limitation, statements relating to the proposed RTO Transaction, the proposed Mexican Asset Transactions, satisfaction of the escrow release conditions and the release and intended use of proceeds from the completed subscription receipt financing, the proposed debt facility, the Company's ability to continue as a going concern, future capital requirements, the availability of financing, expected regulatory approvals and the Company's future business objectives.

Forward-looking statements are based on assumptions that management believes to be reasonable as of the date of this MD&A, including assumptions regarding the ability to obtain required approvals, execute definitive agreements, complete financing, satisfy closing conditions, fund transaction-related expenditures and pursue the proposed transactions. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to differ materially from those expressed or implied by the forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements to reflect new information, future events or otherwise.

APPENDIX "D"
KINJAL FINANCIAL STATEMENTS

See attached.

Kinjal Corporation

Condensed Interim Financial Statements

(Expressed in US Dollars)

For the three and six months ended June 30, 2026

Contents

	Page #
Condensed Interim Statements of Financial Position	1
Condensed Interim Statement of Loss and Comprehensive Loss	2
Condensed Interim Statement of Changes in Shareholders' Equity (Deficit)	3
Condensed Interim Statement of Cash Flows	4
Notes to the Condensed Interim Financial Statements	5-13

Kinjal Corporation

Condensed Interim Statements of Financial Position

Unaudited

(Expressed in U.S. Dollars)

As at:	June 30, 2026	December 31, 2025 (Audited)
Assets		
Current assets		
Cash and cash equivalents (Note 8)	**1,226,688**	**70**
Advances to related parties	**40,425**	**-**
Refundable deposits (Note 4)	**80,000**	**-**
	1,347,113	**70**
Deposits (Note 4)	**250,000**	**-**
Total assets	**1,597,113**	**70**
Liabilities and shareholders' equity (deficiency)		
Current liabilities		
Accounts payable and accrued liabilities	**54,092**	**-**
SAFE liability (Note 5)	**2,716,310**	**-**
Total liabilities	**2,770,402**	**-**
Shareholders' equity (deficit)		
Share capital (Note 6)	**70**	**70**
Deficit	**(1,173,359)**	**-**
Total shareholders' equity (deficiency)	**(1,173,289)**	**70**
Total liabilities and shareholders' equity (deficiency)	**1,597,113**	**70**

Going concern (Note 1)

Subsequent events (Note 13)

On behalf of the Board of Directors:

(Signed) "Warren Levy" Director

See accompanying notes to the condensed interim financial statements.

Kinjal Corporation

Condensed Interim Statement of Loss and Comprehensive Loss

Unaudited

(Expressed in U.S. Dollars)

For the three and six months ended:	Three months June 30, 2026	Six months June 30, 2026
Expenses		
General and administrative expenses (Note 9)	**445,870**	**527,065**
Total expenses	**445,870**	**527,065**
Other expenses		
Remeasurement of SAFE liability (Note 5)	**543,260**	**543,260**
SAFE issuance costs (Note 5)	**100,000**	**100,000**
Foreign exchange loss	**2,920**	**3,034**
Total other expenses	**646,180**	**646,294**
Net loss and comprehensive loss	**(1,092,050)**	**(1,173,359)**
Basic and diluted loss per share (Note 10)	**(0.04)**	**(0.04)**

See accompanying notes to the condensed interim financial statements.

Kinjal Corporation

Condensed Interim Statement of Changes in Shareholders' Equity (Deficit)

For the six months ended June 30, 2026

Unaudited

(Expressed in U.S. Dollars)

	Share capital	Deficit	Total shareholders' equity (deficiency)
Balance, December 31, 2025	70	-	70
Net loss and comprehensive loss	-	(1,173,359)	(1,173,359)
Balance, June 30, 2026	**70**	**(1,173,359)**	**(1,173,289)**

See accompanying notes to the condensed interim financial statements.

Kinjal Corporation

Condensed Interim Statement of Cash Flows

Unaudited

(Expressed in U.S. Dollars)

For the three and six months ended:	Three months June 30, 2026	Six months June 30, 2026
Operating activities		
Net loss and comprehensive loss	**(1,092,050)**	**(1,173,359)**
Non-cash items:		
Remeasurement of SAFE liability (Note 5)	**543,260**	**543,260**
Unrealized foreign exchange loss	**2,785**	**2,667**
Change in non-cash working capital (Note 8)	**(102,500)**	**(66,333)**
Cash used in operating activities	**(648,505)**	**(693,765)**
Investing activities		
Deposit paid (Note 4)	**-**	**(250,000)**
Cash used in investing activities	**-**	**(250,000)**
Financing activities		
Proceeds from issuance of SAFEs (Note 5)	**947,760**	**2,173,050**
Cash provided by financing activities	**947,760**	**2,173,050**
Effect of foreign exchange on cash held in foreign currencies	**(2,785)**	**(2,667)**
Increase in cash and cash equivalents	**296,470**	**1,226,618**
Cash and cash equivalents, beginning of period	**930,218**	**70**
Cash and cash equivalents, end of period	**1,226,688**	**1,226,688**

Supplemental cash flow information (Note 8)

See accompanying notes to the condensed interim financial statements.

1. Nature of operations

Kinjal Corporation (the "Company") was incorporated under the Business Corporations Act (Ontario) on December 5, 2025. The Company's registered office is 151 Yonge Street, Suite 1500, Toronto, Ontario, Canada.

The Company was formed to pursue transactions in the Mexican natural gas sector. On March 3, 2026, certain contractual rights relating to proposed Mexican asset transactions were assigned to the Company, including rights relating to the proposed acquisition of Servicios Múltiples de Burgos, S.A. de C.V., farm-in rights with respect to the Jaguar/Pantera CS-06 and A10.CS license contracts, and rights under a share purchase agreement relating to Tonalli, S.A. de C.V. Collectively, these proposed transactions are referred to as the "Mexican Asset Transactions."

The assigned letters of intent are non-binding with respect to completion of the proposed acquisitions or farm-ins. Completion of the proposed transactions remains subject to execution of definitive agreements, required approvals and other closing conditions, where applicable. No assets or liabilities have been recognized in respect of these proposed transactions, other than deposits and transaction costs incurred to June 30, 2026.

During the period, the Company initiated a financing through the issuance of simple agreements for future equity ("SAFEs") to fund transaction deposits and other transaction-related costs (the "SAFE Financing").

On April 16, 2026, the Company entered into an amalgamation agreement with International Frontier Resources Corporation ("IFR") and an IFR subsidiary in respect of a proposed reverse takeover transaction. If completed, the Company will become an indirect wholly owned subsidiary of IFR and the former shareholders of the Company will receive IFR shares. Completion remains subject to applicable regulatory and shareholder approvals, satisfaction of the applicable subscription receipt escrow release conditions and other customary closing conditions.

The Company is in the development stage and has not generated revenue. Its ability to continue as a going concern depends on completing additional financing and/or completing the proposed transaction. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements have been prepared on a going concern basis and do not include adjustments that would be required if the Company were unable to continue as a going concern.

2. Basis of preparation and statement of compliance

Statement of compliance

These condensed interim financial statements (the "Financial Statements") have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. Accordingly, they do not include all of the information required for annual financial statements prepared in accordance with IFRS Accounting Standards.

These Financial Statements should be read in conjunction with the Company's audited financial statements for the period from incorporation on December 5, 2025 to December 31, 2025 which were prepared in accordance with IFRS Accounting Standards.

These Financial Statements were approved and authorized for issue by the Board of Directors on September 25, 2026.

Basis of measurement

These Financial Statements have been prepared on a historical cost basis, unless otherwise required.

The Company's financial statements include the accounts of the Company and are expressed in U.S. dollars, unless otherwise stated.

2. Basis of preparation and statement of compliance – continued

Functional and presentation currency

The Company's functional and presentation currency is the U.S. dollar. Transactions in currencies other than the U.S. dollar are translated at the exchange rates in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the statement of financial position date. Foreign exchange gains and losses are recognized in net loss.

Material accounting judgements, estimates and assumptions

The timely preparation of these Financial Statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosures. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

Significant accounting estimates

a) SAFE liability

The fair value of the SAFE liability was determined based on management's estimate of the expected settlement value upon conversion, including an assessment of the expected terms of the subscription receipt financing described in Note 13, the contractual conversion discount available to SAFE holders and the probability of completing the financing and related transaction.

b) Deposits

The Company paid a non-refundable deposit in connection with a proposed farm-in transaction. The determination of whether the deposit continues to meet the definition of an asset requires management to assess the status of the proposed transaction and whether the deposit is expected to be applied toward that transaction.

If facts and circumstances indicate that the proposed transaction is no longer expected to proceed, the deposit may be recognized as an expense in a future period.

Significant accounting judgements

a) SAFE liability

Management exercises judgement in determining the classification of the SAFEs as financial liabilities rather than equity instruments. This assessment includes consideration of the contractual terms of the SAFEs, including conversion features, settlement provisions, and rights of the holders upon a financing, liquidity event, change of control or dissolution event.

b) Going concern

Management has applied judgement in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the date of these Financial Statements.

2. Basis of preparation and statement of compliance – continued

c) Proposed transactions

Management exercises judgement in determining that no assets or liabilities should be recognized in respect of the proposed Mexican asset transactions, other than deposits and transaction costs incurred to June 30, 2026. This judgement includes consideration of the non-binding nature of certain assigned letters of intent and the fact that completion of the proposed transactions remains subject to definitive agreements, required approvals and other closing conditions.

3. Material accounting policy information

The financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited financial statements for the fiscal year ended December 31, 2025, except for those noted below.

The preparation of unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Further information on the Company's significant accounting policies, future changes in accounting policies and estimates can be found in the notes to the audited financial statements for the year ended December 31, 2025.

SAFE Liability

SAFE liabilities represent financing instruments that provide investors with the right to receive equity securities upon the occurrence of specified future events. As the contractual terms may result in the issuance of a variable number of shares, the instruments do not qualify for equity classification under IAS 32 and are therefore accounted for as financial liabilities measured at fair value through profit or loss ("FVTPL").

Financial liabilities arising from SAFE instruments are recognized initially at fair value on the date the instruments are issued. Transaction costs directly attributable to the issuance of the SAFE instruments are recognized immediately in profit or loss as the instruments are classified and measured at FVTPL.

Following initial recognition, the SAFE liabilities are measured at FVTPL in accordance with IFRS 9. Changes in the fair value of the SAFE liabilities are recognized in profit or loss within fair value gains and losses on financial instruments in the period in which they arise.

The SAFE liabilities are derecognized when the obligations specified in the contracts are discharged, cancelled, expire, or are converted into equity instruments.

New accounting pronouncements adopted effective January 1, 2026

Effective January 1, 2026, the Company adopted Amendments to Classification and Measurement of Financial Instruments – Amendments IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments clarify requirements related to the settlement of financial liabilities using electronic payment systems, assessment of contractual cash flow characteristics of financial assets, and related disclosure requirements. The adoption of these amendments did not have a material impact on the Company's financial statements.

3. Material accounting policy information - continued

New standards, interpretations and amendments not yet effective

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, with earlier application permitted. IFRS 18 introduces new presentation and disclosure requirements, including a defined structure for the statement of loss and comprehensive loss, new required subtotals, enhanced aggregation and disaggregation guidance, and disclosures related to management-defined performance measures. The Company is continuing to assess the impact of the standard and has not yet determined the impact on its financial statements.

4. Deposits

On March 24, 2026, the Company paid $250,000 as a non-refundable deposit in connection with a proposed Mexican asset transaction. The deposit is expected to be applied under the related transaction arrangements and has been presented as a non current asset.

On June 22, 2026, the Company paid a refundable work expense deposit of $80,000 to Jain Global LLC in connection with the proposed Summit Ridge debt facility. The deposit is available to fund legal, credit, business and other due diligence costs, with any unused amount refundable to the Company. No amount had been applied against such costs as at June 30, 2026, and the deposit has been presented as a current asset.

5. SAFE financial liability

During the six months ended June 30, 2026, the Company issued simple agreements for future equity (“SAFEs”) to fund transaction-related costs and general corporate purposes. The SAFEs have no maturity date, do not bear interest and provide holders with a 20% discount upon conversion.

Each SAFE converts automatically into common shares of the Company upon a qualifying equity financing or in connection with a going public transaction with the number of shares to be issued determined at the time of the conversion based on the applicable financing or transaction price and the pricing mechanics set out in the SAFEs including the applicable discount. In connection with a change of control that is not a going public transaction, the holder is entitled to receive a cash-out amount or conversion amount, as defined in the SAFE. On dissolution, the holder is entitled to payment of the investment amount before distributions to common shareholders.

Under the terms of the SAFE financing, not less than 70% of gross proceeds from the issuance of SAFEs are to be used to fund costs and expenses relating to the evaluation, negotiation and completion of proposed acquisitions and transactions in the Mexican natural gas sector. The remaining proceeds may be used for general corporate and working capital purposes.

As at June 30, 2026, the carrying amount of the SAFE liability was as follows:

	Amount ($)
Balance, December 31, 2025	-
Issuance of SAFEs	**2,173,050**
Remeasurement of SAFEs	**543,260**
Balance, June 30, 2026	**2,716,310**

5. SAFE financial liability - continued

Management determined the fair value of the SAFE liability based on the expected settlement value upon conversion, including the expected terms of the subscription receipt financing, the contractual discount available to SAFE holders and the probability of completing the financing. The resulting remeasurement of the SAFE liability gave rise to a fair value loss of $543,260 recognized in the statement of loss and comprehensive loss during the six months ended June 30, 2026.

Subsequent to June 30, 2026, the Company completed a subscription receipt financing at C$0.80 per subscription receipt and the SAFEs converted at a deemed conversion price of C$0.64 per subscription receipt (Note 13).

During the six months ended June 30, 2026, the Company incurred finder's fees of $100,000 in connection with the issuance of SAFEs. As the SAFEs are measured at FVTPL, the finder's fees were recognized in net loss as incurred.

6. Share capital

The Company is authorized to issue an unlimited number of Class A common shares, Class B common shares and Class C common shares. Class A and Class B common shares carry one vote per share. Class C common shares are non-voting, except as required by the Business Corporations Act (Ontario).

	Number of shares	Share capital ($)
Balance, December 31, 2025	100	70
Effect of share subdivision	27,414,294	-
Balance, June 30, 2026	**27,414,394**	**70**

On December 5, 2025, the Company issued 100 Class A common shares for aggregate proceeds of C$100, representing approximately $70 U.S. dollar equivalent.

On April 16, 2026, the Company's articles were amended to subdivide each outstanding Class A common share on a one-for-274,143.94 basis, resulting in 27,414,394 Class A common shares issued and outstanding. The subdivision did not change the aggregate carrying amount of share capital.

On the same date, an existing shareholder transferred a portion of its Class A common shares to certain individuals and entities. These transfers were between shareholders and did not change the number of shares issued and outstanding or the carrying amount of the Company's share capital.

7. Related party transactions

During the three and six months ended June 30, 2026, the Company incurred expenses of $163,935 and $215,061, respectively, with Frontier Advisory Hul'Che Limited, a company controlled by a director and shareholder of the Company. These amounts comprised consulting and engineering costs of $121,380 and $159,255, respectively, and reimbursed travel, corporate and other business expenses of $42,555 and $55,806, for the three and six month periods respectively.

As at June 30, 2026, no amounts were included in accounts payable and accrued liabilities owing to the related party. advances to related parties included $40,425 paid to the related party for consulting services to be provided in July 2026.

8. Supplemental cash flow information

Changes in non-cash working capital were as follows:

	Three months June 30, 2026	Six months June 30, 2026
Advances to related parties	$ (40,425)	$ (40,425)
Refundable deposits	(80,000)	(80,000)
Accounts payable and accrued liabilities	17,925	54,092
Change in non-cash working capital	$ (102,500)	$ (66,333)
Operating activities	$ (22,500)	$ 13,667
Interest paid	-	-
Income taxes paid	-	-

Cash and cash equivalents consist of funds held in trust and balances held in the Company's operating bank accounts and trust accounts as follows:

	June 30, 2026	December 31, 2025
Funds held in U.S. dollars	$ 1,135,928	$ -
Funds held in Canadian dollars	90,760	70
Cash and cash equivalents	$ 1,226,688	$ 70

9. General and administrative expenses

General and administrative expenses include the following costs incurred during the three and six months ended June 30, 2026:

	Three months ended June 30, 2026	Six months ended June 30, 2026
RTO transaction expenses	$ 150,000	$ 150,000
Consulting fees	121,380	159,255
Professional fees	98,770	110,910
General corporate costs	58,255	82,185
Travel	17,465	24,715
	$ 445,870	$ 527,065

RTO transaction expense

On April 7, 2026, the Company paid $150,000 to International Frontier Resources Corporation (“IFR”) to fund IFR’s legal, accounting, audit, regulatory and other costs associated with the proposed reverse takeover transaction. Under the amalgamation agreement dated April 16, 2026, the amount was available for use by IFR before closing and was not conditional upon completion of the transaction. As the payment is non-recoverable and does not give rise to a separate asset of the Company, it was recognized as an RTO transaction expense during the period.

10. Per share amounts

	Three months ended June 30, 2026	Six months ended June 30, 2026
Net loss and comprehensive loss	$ (1,092,050)	$ (1,173,359)
Weighted-average common shares outstanding	27,414,394	27,414,394
Loss per share	**$ (0.04)**	**$ (0.04)**

Basic loss per common share is calculated by dividing the net loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The April 16, 2026 share subdivision has been reflected retrospectively in the weighted-average number of shares outstanding for all periods presented.

Diluted loss per common share equals basic loss per common share because the effect of the outstanding SAFEs would be anti-dilutive.

11. Capital Management

The Company's objectives in managing capital are to maintain sufficient liquidity to fund corporate costs, transaction deposits and transaction-related expenditures, to preserve its ability to continue as a going concern, and to support the proposed Mexican Asset Transactions and proposed reverse takeover transaction (the "RTO Transaction").

The Company manages its capital structure based on its cash requirements, the status of the proposed transactions and the availability of financing. The Company's capital resources currently consist primarily of cash and cash equivalents held in trust from the issuance of SAFEs. The Company may seek additional financing through the issuance of equity, SAFEs, debt or other financing arrangements.

The Company is not subject to externally imposed capital requirements as at June 30, 2026, other than use-of-proceeds requirements under the SAFE financing. There can be no assurance that additional financing will be available on acceptable terms or at all.

12. Financial risk management

The Company's financial instruments consist of cash and cash equivalents, the refundable financing cost deposit, accounts payable and accrued liabilities, and the SAFE liability. The Company is exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk and fair value measurement risk.

a) Credit risk

The Company's credit risk arises primarily from cash and cash equivalents and the refundable financing deposit. The maximum exposure to credit risk at June 30, 2026 is the carrying amount of these financial assets.

12. Financial risk management - continued

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is in the development stage and has not generated revenue. Its ability to meet its obligations is dependent on obtaining additional financing and/or completing the proposed transactions described in Notes 1 and 13.

At June 30, 2026, the Company had accounts payable and accrued liabilities of $54,092 and a SAFE liability of $2,716,310. Accounts payable and accrued liabilities are expected to be settled in the normal course of operations. The SAFE liability was expected to be settled in accordance with its contractual terms upon a qualifying financing, going public transaction, liquidity event, change of control or dissolution event. Subsequent to June 30, 2026, in connection with the subscription receipt financing described in Note 13, the SAFEs were converted into subscription receipts at a deemed conversion price of C$0.64 per subscription receipt.

c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company's financial statements are presented in U.S. dollars. The Company holds certain Canadian dollar cash balances and incurs certain Canadian dollar expenditures. At June 30, 2026, the Company's foreign currency exposure was not significant.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates. The Company does not have interest-bearing debt, and cash and cash equivalents held in trust are non-interest bearing. Accordingly, the Company was not exposed to significant interest rate risk at June 30, 2026.

e) Fair value of financial instruments

The carrying amounts of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

The SAFE liability is measured at FVTPL and is classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs. Significant unobservable inputs used in the valuation included the expected subscription receipt financing price, the contractual 20% conversion discount available to SAFE holders, the probability of completing the financing and related transaction, and the expected timing of settlement.

The fair value measurement is positively correlated with the expected financing price and the probability of completion of the anticipated financing transaction. Subsequent to June 30, 2026, the Company completed a subscription receipt financing at C$0.80 per subscription receipt and the SAFEs converted at a deemed conversion price of C$0.64 per subscription receipt. While this financing was completed after the reporting date, management considered the expected terms of the financing and the likelihood of completion in determining the June 30, 2026 fair value of the SAFE liability.

13. Subsequent events

In July 2026, the Company and IFR completed a subscription receipt financing for aggregate gross proceeds of approximately C$38.0 million. The Company issued 40,153,492 subscription receipts at C$0.80 per receipt for gross proceeds of approximately C$32.1 million. In connection with the subscription receipt financing, the SAFE liability was settled through the issuance of subscription receipts at a deemed conversion price of C$0.64 per subscription receipt.

Upon satisfaction of the applicable escrow release conditions, each subscription receipt of the Company will convert into one unit comprising one common share and one-half of one common share purchase warrant. The net proceeds are being held in escrow pending completion of the proposed RTO and satisfaction of the related regulatory, shareholder and other closing conditions.

In connection with the proposed Mexican Asset Transactions and the proposed RTO, in August 2026, Petro Frontera S.A.P.I. de C.V., a wholly owned subsidiary of IFR, executed definitive agreements to acquire all of the outstanding shares of Servicios Múltiples de Burgos, S.A. de C.V., which holds a 49% working interest in and operates the Misión Field. The acquisition is intended to form part of the Mexican Asset Transactions to be completed in connection with the proposed RTO and remains subject to specified closing conditions, including required Mexican regulatory approvals.

Kinjal Corporation

Financial Statements

(Expressed in U.S. Dollars)

For the period from incorporation on December 5, 2025 to December 31, 2025

Contents

	Page #
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Loss and Comprehensive Loss	2
Statement of Changes in Shareholders' Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-9

Independent Auditor's Report

To the Shareholders of Kinjal Corporation:

Opinion

We have audited the financial statements of Kinjal Corporation (the "Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the periods then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

September 29, 2026

MNP LLP

Chartered Professional Accountants

Kinjal Corporation

Statement of Financial Position
As at December 31, 2025

(Expressed in U.S. Dollars)

As at:		December 31, 2025
Assets		
Cash and cash equivalents - funds held in trust	**$**	**70**
Total assets		**70**
Liabilities and shareholders' equity		
Total liabilities		**-**
Shareholders' equity		
Share capital (Note 4)		**70**
Deficit		**-**
Total shareholders' equity	**$**	**70**

Going concern (Note 1)

Subsequent events (Note 8)

On behalf of the Board of Directors:

(Signed) "Warren Levy" Director

See accompanying notes to the financial statements.

Kinjal Corporation

Statement of Loss and Comprehensive Loss
For the period from incorporation on December 5, 2025 to December 31, 2025

(Expressed in U.S. Dollars)

For the period from incorporation on December 5, 2025 to December 31, 2025		
Expenses	**$**	**-**
Net loss and comprehensive loss	**$**	**-**

See accompanying notes to the financial statements.

Kinjal Corporation

Statement of Changes in Shareholders' Equity
For the period from incorporation on December 5, 2025 to December 31, 2025

(Expressed in U.S. Dollars)

	Share capital	Deficit	Total shareholders' equity
Balance, December 5, 2025	$ -	$ -	$ -
Issuance of common shares (Note 4)	70	-	70
Net loss and comprehensive loss	-	-	-
Balance, December 31, 2025	**$ 70**	**$ -**	**$ 70**

See accompanying notes to the financial statements.

Kinjal Corporation

Statement of Cash Flows
For the period from incorporation on December 5, 2025 to December 31, 2025

(Expressed in U.S. Dollars)

For the period from incorporation on December 5, 2025 to December 31, 2025		
Operating		
Net loss	**$**	**-**
Cash flow used in operations		**-**
Financing		
Proceeds from issuance of shares (Note 4)		**70**
Cash flow from financing activities		**70**
Increase in cash and cash equivalents		**70**
Cash and cash equivalents, beginning of period		**-**
Cash and cash equivalents, end of period	**$**	**70**

See accompanying notes to the financial statements.

1. Nature of operations

Kinjal Corporation (the "Company") was incorporated under the Business Corporations Act (Ontario) on December 5, 2025. The Company's registered office is 151 Yonge Street, Suite 1500, Toronto, Ontario, Canada.

The Company was formed to pursue transactions in the Mexican natural gas sector. As at December 31, 2025, the Company had not generated revenue and had not commenced active business operations.

Subsequent to December 31, 2025, certain contractual rights relating to proposed Mexican oil and gas asset transactions were assigned to the Company, and the Company entered into an amalgamation agreement in respect of a proposed reverse takeover transaction, as described in Note 8.

The Company is in the development stage and had not generated revenue or cash flows from operations as at December 31, 2025. Its ability to continue as a going concern depends on obtaining additional financing and/or completing the proposed transactions described in Note 8.

These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not include adjustments that would be required if the Company were unable to continue as a going concern.

2. Basis of preparation and statement of compliance

Statement of compliance

The financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. A summary of the Company's material accounting policy information is presented in Note 3.

These financial statements were approved and authorized for issue by the Board of Directors on September 25, 2026.

Basis of measurement

These financial statements have been prepared on a historical cost basis, unless otherwise required.
The financial statements are expressed in U.S. dollars, unless otherwise stated.

Functional and presentation currency

The Company's functional and presentation currency is the U.S. dollar. Transactions in currencies other than the U.S. dollar are translated at the exchange rates in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the statement of financial position date. Foreign exchange gains and losses are recognized in profit or loss.

Material accounting judgements, estimates and assumptions

The preparation of these financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosures. Actual results may differ from those estimates.

2. Basis of preparation and statement of compliance - continued

Management has applied judgement in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern basis of preparation is appropriate for a period of at least twelve months following the date of these financial statements.

3. Material accounting policy information

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Financial instruments

Financial instruments are recognized initially at fair value. Financial instruments are initially measured at fair value and, for items not measured at fair value through profit or loss ("FVTPL"), directly attributable transaction costs are included in the initial carrying amount. Financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or FVTPL, depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost unless they are required or designated to be measured at FVTPL.

Subsequent measurement depends on the classification of the financial instrument. Interest income, interest expense, impairment losses, and gains or losses on derecognition are recognized in profit or loss unless otherwise required under the applicable measurement category. Financial assets measured at amortized cost and debt instruments measured at FVOCI are assessed for impairment using the expected credit loss model.

Financial assets are derecognized when the contractual rights to the related cash flows expire or are transferred and substantially all risks and rewards of ownership have been transferred. Financial liabilities are derecognized when the related obligation is discharged, cancelled, or expires. Financial assets and financial liabilities are offset only when the Company has a legally enforceable right of offset and intends to settle on a net basis or simultaneously.

As at December 31, 2025, the Company's financial instruments consisted of cash and cash equivalents held in trust, which are classified and measured at amortized cost.

Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred income taxes are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current income tax is the expected tax payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date. Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

3. Material accounting policy information - continued

New standards, interpretations and amendments not yet effective

Effective January 1, 2026, the Company adopted Amendments to Classification and Measurement of Financial Instruments – Amendments IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments clarify requirements related to the settlement of financial liabilities using electronic payment systems, assessment of contractual cash flow characteristics of financial assets, and related disclosure requirements. The adoption of these amendments are not expected to have a material impact on the Company's financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, with earlier application permitted. IFRS 18 introduces new presentation and disclosure requirements, including a defined structure for the statement of profit or loss, new required subtotals, enhanced aggregation and disaggregation guidance, and disclosures related to management-defined performance measures. The Company is continuing to assess the impact of the standard and has not yet determined the impact on its financial statements.

4. Share capital

The Company is authorized to issue an unlimited number of Class A common shares, Class B common shares and Class C common shares. Class A and Class B common shares carry one vote per share. Class C common shares are non-voting, except as required by the Business Corporations Act (Ontario).

On December 5, 2025, the Company issued 100 Class A common shares for aggregate proceeds of C$100, representing approximately $70 U.S. dollar equivalent. As at December 31, 2025, the proceeds were held in trust on behalf of the Company and have been presented as cash and cash equivalents – funds held in trust.

On April 16, 2026, the Company amended its articles to subdivide each issued and outstanding Class A common share into 274,143.94 Class A common shares, resulting in 27,414,394 Class A common shares issued and outstanding.

5. Capital management

The Company's objectives in managing capital are to maintain sufficient liquidity to fund corporate costs, transaction-related expenditures and working capital requirements, to preserve its ability to continue as a going concern, and to support the Company's business objectives.

As at December 31, 2025, the Company's capital structure consisted of share capital. Subsequent to December 31, 2025, the Company initiated a SAFE financing to fund transaction deposits and other transaction-related costs, as described in Note 8.

The Company is not subject to externally imposed capital requirements as at December 31, 2025. There can be no assurance that additional financing will be available on acceptable terms or at all.

6. Financial risk management

The Company's financial instruments consist of cash and cash equivalents held in trust. The Company's credit risk is limited to funds held in trust on behalf of the Company. Due to the limited activity and nominal balance at December 31, 2025, the Company was not exposed to significant liquidity risk, foreign currency risk, interest rate risk or fair value measurement risk.
Subsequent to December 31, 2025, the Company raised financing and incurred transaction-related expenditures in connection with the proposed transactions described in Note 8.

7. Related party transactions

During the period from incorporation on December 5, 2025 to December 31, 2025, the Company did not enter into any related party transactions. There was no compensation paid or payable to directors or key management personnel during the period.

8. Subsequent events

On March 3, 2026, certain contractual rights relating to proposed Mexican oil and gas asset transactions were assigned to the Company, including rights relating to the proposed acquisition of Servicios Múltiples de Burgos, S.A. de C.V., farm-in rights with respect to the Jaguar/Pantera CS-06 and A10.CS license contracts, and rights under a share purchase agreement relating to Tonalli, S.A. de C.V. Collectively, these proposed transactions are referred to as the "Mexican Asset Transactions." The assigned letters of intent are non-binding with respect to completion of the proposed acquisitions or farm-ins, and completion remains subject to execution of definitive agreements, required approvals and other closing conditions, where applicable.

On March 24, 2026, the Company paid $250,000 as a non-refundable deposit in connection with the proposed Jaguar/Pantera farm-in transaction and related assigned contractual rights.

During 2026, the Company initiated a financing through the issuance of simple agreements for future equity ("SAFEs") to fund transaction deposits and other transaction-related costs. As at June 30, 2026, the Company had received SAFE proceeds with a U.S. dollar equivalent of $2,173,050 and had incurred finder's fees of $100,000 in connection with the SAFE financing.

The SAFEs do not bear interest, have no maturity date and do not represent equity interests at issuance. Holders of SAFEs do not have shareholder rights prior to conversion. The SAFEs are expected to convert into common shares or other equity securities upon the occurrence of specified triggering events, including a qualifying equity financing, going public transaction or other liquidity event.

The SAFEs provide for a 20% discount on conversion. If no qualifying financing, going public transaction, change of control or other liquidity event is completed on or before November 30, 2026, the discount increases by 0.833% per month for up to 12 months, to a maximum additional discount of 10%.

On April 16, 2026, the Company entered into an amalgamation agreement with International Frontier Resources Corporation ("IFR") and 1001550109 Ontario Inc., a wholly owned subsidiary of IFR ("Subco"), in respect of a proposed reverse takeover transaction (the "RTO Transaction"). If completed, Subco will amalgamate with the Company, the Company will become a wholly owned subsidiary of IFR, and IFR is expected to continue as the listed issuer under the name "Kinjal Gas Ltd." or such other name as may be agreed by the parties and accepted by the TSX Venture Exchange.

8. Subsequent events - continued

Completion of the proposed RTO Transaction is subject to a number of conditions, including receipt of required Mexican regulatory approvals, including from the Secretary of Energy of Mexico, TSX Venture Exchange acceptance, shareholder approvals, completion of the concurrent financing, and execution and closing of definitive agreements in respect of the proposed Mexican asset transactions. There can be no assurance that the proposed RTO Transaction will be completed as proposed or at all.

In connection with the proposed RTO Transaction, on April 7, 2026, the Company paid $150,000 to IFR to fund IFR's transaction-related costs.

On June 22, 2026, the Company paid a refundable work expense deposit of $80,000 in connection with a proposed debt facility.

In July 2026, the Company and IFR completed a subscription receipt financing for aggregate gross proceeds of approximately C$38.0 million. The Company issued 40,153,492 subscription receipts at C$0.80 per receipt for gross proceeds of approximately C$32.1 million.

Upon satisfaction of the applicable escrow release conditions, each subscription receipt of the Company will convert into one unit comprising one common share and one-half of one common share purchase warrant. The net proceeds are being held in escrow pending completion of the proposed RTO and satisfaction of the related regulatory, shareholder and other closing conditions.

In connection with the proposed Mexican Asset Transactions and the proposed RTO, in August 2026, Petro Frontera S.A.P.I. de C.V., a wholly owned subsidiary of IFR, executed definitive agreements to acquire all of the outstanding shares of Servicios Múltiples de Burgos, S.A. de C.V., which holds a 49% working interest in and operates the Misión Field. The acquisition is intended to form part of the Mexican Asset Transactions to be completed in connection with the proposed RTO and remains subject to specified closing conditions, including required Mexican regulatory approvals.

In September 2026, definitive agreements were executed in respect of the proposed acquisition of the remaining interest in Tonalli, S.A. de C.V. and the proposed CS-06 and A10.CS farm-in transactions. Completion remains subject to the applicable closing conditions.

October 1, 2026

Alberta Securities Commission
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Financial and Consumer Services Division (Prince Edward Island)
Office of the Superintendent of Securities Service, Newfoundland and Labrador

Dear Sirs/Madams:

Re: Kinjal Corporation

We refer to the Management Information Circular of International Frontier Resources Corporation ("IFRC") dated October 1, 2026 (the "Information Circular") relating to the proposed reverse takeover of IFRC by Kinjal Corporation and the related transactions described therein.

We consent to being named and to the use in the above-mentioned Information Circular, of our report dated September 29, 2026, to the shareholders of Kinjal Corporation on the following financial statements:

- Statement of financial position as at December 31, 2025.
- Statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on December 5, 2025 to December 31, 2025, and notes, comprising material accounting policy information.

We report that we have read the Information Circular and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the prospectus as these terms are described in the CPA Canada Handbook–Assurance.

Yours truly,

MNP LLP

Chartered Professional Accountants

APPENDIX "E"
SMB MD&A

See attached

Disclaimer

The financial information respecting SMB contained in this Information Circular has been provided by SMB to Kinjal and IFR. Neither SMB nor any of their respective affiliates, directors, officers, employees, agents, advisers, representatives, shareholders, or controlling persons shall have any liability or obligations whatsoever as a reporting issuer, issuer, resulting issuer, promoter, solicitor, expert, underwriter, sponsor, filing person, or other person responsible for the adequacy, accuracy, completeness, filing, dissemination, or use of this Information Circular, the associated SEDAR+ filings, TSX Venture Exchange submissions, or other securities-law disclosure, whether by virtue of approving, authorizing, or permitting the use of any SMB special-purpose standalone financial statements prepared in accordance with IFRS Accounting Standards and related management's discussion and analysis for Canadian securities-law disclosure purposes, or otherwise.

This MD&A has been prepared solely to accompany the SMB's standalone financial statements prepared in accordance with IFRS Accounting Standards for inclusion in the management information circular and related filings of IFR in connection with its proposed reverse takeover transaction involving Kinjal and the related transactions referred to therein. This MD&A should be read together with those IFRS financial statements and the notes thereto.

The IFRS financial statements and this MD&A were prepared specifically for that Canadian securities-law disclosure purpose. SMB ordinarily prepares its statutory financial statements in Mexico in accordance with Mexican financial reporting rules (Normas de Información Financiera, or "NIF"). The IFRS financial statements and this MD&A do not replace, amend, restate or modify the SMB's Mexican NIF financial statements.

Differences may exist between the IFRS financial statements and the SMB's Mexican NIF financial statements, including differences in the recognition, measurement, presentation or disclosure of deferred income taxes, oil and gas properties, reserve-based estimates, depletion, asset retirement obligations, contingencies and related accounting judgments.

Servicios Múltiples de Burgos, S.A. de C.V.

For the six month periods ended June 30, 2026 and 2025

The following is management's discussion and analysis ("MD&A") of Servicios Múltiples de Burgos, S.A. de C.V. ("SMB" or the "Company") for the three- and six-month periods ended June 30, 2026 and 2025. This MD&A discusses the Company's financial condition, results of operations, cash flows and liquidity, as well as information concerning the Company's future outlook based on currently available information.

This MD&A has been prepared by management as of October 1, 2026 and should be read in conjunction with the Company's unaudited condensed interim financial statements as at June 30, 2026 and for the three- and six-month periods ended June 30, 2026 and 2025, together with the accompanying notes (the "Financial Statements"). The Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. This MD&A contains forward-looking statements. See "Forward-Looking Statements".

Unless otherwise indicated, all amounts are expressed in thousands of United States dollars ("U.S. dollars") and financial table amounts are presented in thousands of U.S. dollars.

This MD&A refers to certain non-GAAP financial measures, supplementary financial measures, and oil and gas metrics. These measures do not have standardized meanings under IFRS Accounting Standards and may not be comparable to similar measures presented by other issuers. See "Non-GAAP and Other Financial Measures and Ratios" in this MD&A.

References to "boe" mean barrels of oil equivalent derived by converting natural gas to oil in the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil. Boe may be misleading, particularly if used in isolation. A 6 Mcf:1 bbl conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

BASIS OF PRESENTATION AND PURPOSE

This MD&A has been prepared solely to accompany the Company's standalone financial statements prepared in accordance with IFRS Accounting Standards for inclusion in the management information circular and related filings of International Frontier Resources Corporation in connection with its proposed reverse takeover transaction involving Kinjal Corporation and the related transactions referred to therein. This MD&A should be read together with those IFRS financial statements and the notes thereto.

The IFRS financial statements and this MD&A were prepared specifically for that Canadian securities-law disclosure purpose. The Company ordinarily prepares its statutory financial statements in Mexico in accordance with Mexican financial reporting rules (Normas de Información Financiera, or "NIF"). The IFRS financial statements and this MD&A do not replace, amend, restate or modify the Company's Mexican NIF financial statements.

Differences may exist between the IFRS financial statements and the Company's Mexican NIF financial statements, including differences in the recognition, measurement, presentation or disclosure of deferred income taxes, oil and gas properties, reserve-based estimates, depletion, asset retirement obligations, contingencies and related accounting judgments.

KEY ASSETS AND WORKING INTERESTS

The Company's principal asset is its 49% working interest in, and operatorship of, the Hydrocarbon Exploration and Extraction Contract CNH-M3-MISIÓN/2018 with the Comisión Nacional de Hidrocarburos ("CNH") (the "Misión Contract"), covering the Misión Contract Area in the Burgos Basin in northern Mexico. Petróleos Mexicanos Exploración y Producción ("PEP"), a subsidiary of Petróleos Mexicanos ("PEMEX"), holds the remaining 51% working interest.

The Company has operated in the Misión Contract Area since 2003, initially under a financed public works contract with PEP for the development, infrastructure and maintenance of non-associated gas fields. Following Mexico's energy reforms of 2013, that contract was migrated to the Misión Contract on March 2, 2018. The Misión Contract is a production sharing contract with an initial 25-year term and may be extended for two additional five-year periods, subject to applicable requirements.

The property description in this MD&A is limited to the context required to understand the Company's results of operations, financial condition, liquidity and risks. Detailed reserves and technical disclosure for the Misión Contract Area is provided separately in the statement of reserves data and other oil and gas information prepared in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

OVERALL PERFORMANCE

SELECTED FINANCIAL AND OPERATING INFORMATION

The following tables summarize selected financial and operating information for the Company. Financial amounts are in thousands of U.S. dollars. Production volumes are presented on the Company's 49% working-interest basis.

For the six months ended June 30, ($000's)	2026 ($)	2025 ($)
Operating data		
Natural gas production (MMcf)	**4,813**	2,416
Condensate production (bbl)	**18,549**	-
Total production (boe)(1)	**820,716**	402,667
Average daily natural gas production (MMcf/d)	**26.6**	13.3
Average daily condensate production (bbl/d)	**102.5**	-
Average daily production (boe/d) (1)	**4,534**	2,225
Financial data		
Sales revenues	**10,899**	4,655
Natural gas sales revenues	**9,845**	4,655
Condensate sales revenues	**1,054**	-
Operating costs	**(7,320)**	(6,448)
Operating margin before G&A, depletion, depreciation and other items (3)	**3,579**	(1,793)
General and administrative expenses	**(463)**	(541)
Depletion and depreciation	**(3,329)**	(1,654)
Depreciation of right-of-use assets	**(43)**	(171)
Operating income (loss)	**(256)**	(4,159)
Total other income (expense), net	**4,107**	(268)
Net income (loss) before tax	**3,851**	(4,427)
Deferred tax expense	**(1,155)**	-
Net income (loss) and comprehensive income (loss)	**2,696**	(4,427)
Basic and diluted income (loss) per share ($)	**2.70**	(4.43)
Property, plant and equipment additions	**25**	487
Dividends	**6,253**	16,000

As at ($000's)	June 30, 2026 ($)	December 31, 2025 ($)
Statements of financial position		
Cash and cash equivalents	**21,430**	24,113
Total assets	**67,799**	80,437
Total liabilities	**29,549**	38,630
Total equity	**38,250**	41,807
Net working capital (2)	**23,509**	22,154

(1) boe is calculated using 6 Mcf of natural gas to 1 bbl of oil equivalent. boe may be misleading, particularly if used in isolation. A 6 Mcf:1 bbl conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

(2) *Net working capital is calculated as current assets minus current liabilities. See "Non-GAAP and Other Financial Measures and Ratios".*

(3) *Operating margin before G&A, depletion, depreciation and other items is calculated as sales revenues minus operating costs, excluding depletion and depreciation. Management uses this measure to assess field-level operating performance before general and administrative expenses, depletion and depreciation, finance items, income taxes and other items.*

- Natural gas production increased by 99% to 4,813 MMcf for the six months ended June 30, 2026 from 2,416 MMcf in the comparative period. Condensate production was 18,549 bbl compared with nil in the comparative period. Total production increased to 820,716 boe from 402,667 boe, reflecting higher activity in the Misión Contract Area.
- Sales revenues increased by $6.2 million, or 134%, to $10.9 million for the six months ended June 30, 2026 from $4.7 million in the comparative period, consistent with the increase in production.
- Operating costs increased by $872, or 14%, to $7.3 million for the six months ended June 30, 2026 from $6.4 million in the comparative period.
- Depletion and depreciation increased by $1.7 million to $3.3 million for the six months ended June 30, 2026 from $1.7 million in the comparative period, reflecting the higher level of production activity.
- The Company recorded an operating loss of $256 for the six months ended June 30, 2026 compared with a loss of $4.2 million in the comparative period.
- The Company recorded net income before income taxes of $3.9 million and net income and comprehensive income of $2.7 million for the six months ended June 30, 2026 compared with a net loss and comprehensive loss of $4.4 million in the comparative period.
- Cash and cash equivalents decreased to $21.4 million at June 30, 2026 from $24.1 million at December 31, 2025. Net working capital increased to $23.5 million from $22.2 million.

RESULTS OF OPERATIONS

SALES REVENUES

For the six months ended June 30, ($000's)	**2026 ($)**	**2025 ($)**
Natural gas	**9,845**	4,655
Condensate	**1,054**	-
Total sales revenues	**10,899**	4,655

- Sales revenues increased by $6.2 million, or 134%, to $10.9 million for the six months ended June 30, 2026 from $4.7 million in the comparative period. Natural gas revenue increased by $5.2 million and condensate revenue increased by $1.1 million. For the three months ended June 30, 2026, sales revenues increased by $1.7 million, or 60%, to $4.6 million from $2.9 million in the comparative period.
- Natural gas sales were made to PEP. Condensate sales were made under the condensate sales arrangement entered into with Strata BPS in December 2025. Pricing is determined under the applicable sales arrangements and measured at designated measurement or delivery points based on delivered volumes.

OPERATING COSTS

For the six months ended June 30 ($000's)	**2026 ($)**	**2025 ($)**
Third-party contract operating	**1,610**	1,511
Licence fees, taxes and surface rights	**1,571**	1,317
Employee costs	**1,298**	1,430
Repairs and maintenance	**740**	472
Processing and compression fees	**646**	574
Workovers and well services	**545**	397
Transportation	**347**	130
Professional and technical services	**262**	203
Materials, chemicals and consumables	**86**	60
Fuel, power and water	**37**	29
Other operating costs and internal allocations, net	**178**	325
Total operating costs	**7,320**	6,448

- Operating costs increased by $872, or 14%, to $7.3 million for the six months ended June 30, 2026 from $6.4 million in the comparative period. The increase principally reflected higher licence fees, repairs and maintenance, workovers and well services and transportation, partly offset by lower employee costs. For the three months ended June 30, 2026, operating costs increased by $0.3 million, or 9%, to $3.4 million from $3.1 million.

GENERAL AND ADMINISTRATIVE EXPENSES

For the six months ended June 30, ($000's)	**2026 ($)**	**2025 ($)**
Services and professional fees	**385**	476
Other administrative expenses	**78**	65
Total general and administrative expenses	**463**	541

- General and administrative expenses decreased by $78, or 14%, to $463 for the six months ended June 30, 2026 from $541 in the comparative period. For the three months ended June 30, 2026, these expenses decreased by $46, or 15%, to $253 from $299, primarily due to lower professional fees and services.

OTHER OPERATING INCOME (EXPENSES)

- Other income, net was $4.1 million for the six months ended June 30, 2026, compared with $1.4 million in the comparative period. The 2026 amount comprised a $3.1 million gain from the derecognition of historical landowner obligations, $918 of IAEEH credits relating to prior periods, a $22 gain on the disposal of property, plant and equipment and $6 of expense recoveries and other income, partially offset by $3 of other operating expenses. The comparative period included $778 of expense recoveries and other income, $593 of IAEEH credits and a $73 reversal of an impairment loss on the IAEEH receivable, partially offset by a $50 loss on disposal and $40 of other operating expenses.

FINANCE INCOME AND EXPENSES

For the six months ended June 30, ($000's)	**2026 ($)**	**2025 ($)**
Finance income	**346**	528
Finance expenses	**(312)**	(374)
Bank charges and fees	**(11)**	(2,183)
Net finance income (expense)	**23**	(2,029)

- Net finance income was $23 for the six months ended June 30, 2026, compared with net finance expense of $2.0 million in the comparative period. The change primarily reflects the decrease in bank charges and fees to $11 from $2.2 million, together with lower finance expenses, partially offset by lower finance income.

INCOME TAXES

- The Company recognized deferred tax expense of $1.2 million for the six months ended June 30, 2026, compared with nil in the comparative period. The expense resulted from the utilization of previously recognized tax-loss carryforwards and reduced the deferred tax asset to $1.8 million at June 30, 2026.

CAPITAL EXPENDITURES AND PROPERTY, PLANT AND EQUIPMENT

($000's)	2026 ($)	2025 ($)
For the six months ended June 30:		
Property, plant and equipment additions	**25**	487
As at:		
Net book value of property, plant and equipment	**11,544**	14,849
Right-of-use assets	**168**	211

- Property, plant and equipment additions were $25 for the six months ended June 30, 2026 compared with $487 in the comparative period. The additions in the current period were settled in cash.
- The net book value of property, plant and equipment decreased to $11.5 million at June 30, 2026 from $14.8 million at December 31, 2025, primarily due to depletion and depreciation. Right-of-use assets decreased by $43 to $168 from $211.

SUMMARY OF QUARTERLY RESULTS

SMB is a privately held company and was not a reporting issuer in Canada during the eight most recently completed quarters. Accordingly, a summary of quarterly results for the eight most recently completed quarters has not been presented in this MD&A.

FINANCIAL POSITION, CASH FLOWS AND LIQUIDITY

The Company's liquidity requirements include operating expenditures, work program expenditures, lease payments, abandonment and decommissioning obligations, taxes, working capital and general corporate requirements.

The following table summarizes the Company's cash and net working capital position:

As at ($000's)	2026 ($)	2025 ($)
Cash and cash equivalents	**21,430**	24,113
Current assets	**42,654**	50,703
Current liabilities	**19,145**	28,549
Net working capital	**23,509**	22,154

1 Net working capital is calculated as current assets minus current liabilities. See "Non-GAAP and Other Financial Measures and Ratios".

- Cash and cash equivalents decreased to $21.4 million at June 30, 2026 from $24.1 million at December 31, 2025.
- Net working capital increased to $23.5 million at June 30, 2026 from $22.2 million at December 31, 2025. The reduction in current liabilities and collection of joint-operation receivables more than offset lower cash and higher trade receivables.
- Trade receivables increased to $14.6 million at June 30, 2026 from $7.0 million at December 31, 2025, while joint-operation receivables decreased to $2.0 million from $14.8 million following collections during the period.
- Net cash provided by operating activities was $3.1 million for the six months ended June 30, 2026 compared with $17.2 million in the comparative period. The decrease primarily reflected lower collections of opening receivables and the settlement of trade and related-party payables during the current period.
- Net cash provided by investing activities was $84 for the six months ended June 30, 2026 compared with net cash used of $145 in the comparative period. The current-period amount included net withdrawals of $86 from the restricted abandonment trust and disposal proceeds of $23, partly offset by property, plant and equipment purchases of $25.
- Net cash used in financing activities was $5.9 million for the six months ended June 30, 2026, comprising dividends declared of $6.3 million, of which $5.9 million was paid in cash, and lease principal payments of $48, compared with $13.7 million used in the comparative period comprising dividends paid of $13.5 million and lease principal payments of $161.

CAPITAL RESOURCES, COMMITMENTS AND FINANCIAL ASSURANCE

The Company's capital resources consist primarily of cash and cash equivalents, working capital and, where applicable, funding arrangements with its joint-operation partner, shareholders and related parties. The Company did not have material third-party long-term debt outstanding at June 30, 2026.

The Company has commitments and financial-assurance obligations associated with the Misión Contract Area. At June 30, 2026, these included a $0.9 million letter of credit supporting minimum and additional work commitments, an environmental bond of MXN 10.6 million and a bond posted in connection with the ASEA sanction. The ASEA bond required a $1.0 million cash counter-guarantee, which is presented as a guarantee deposit. In March 2026, the additional exploration period was extended to April 10, 2029. The commitment to drill the Kabil-1 well, with an estimated cost of $1.8 million, remained in effect.

The Company maintains a restricted abandonment trust to fund future abandonment activities in the Misión Contract Area. The trust is presented as a non-current restricted financial asset and may be used only for qualifying abandonment and restoration activities in accordance with the Misión Contract and approved development plans. The funds are not available for general operating, working-capital or distribution requirements.

Abandonment trust deposits were $11.6 million at June 30, 2026 compared with $11.7 million at December 31, 2025. During the six-month period, the Company contributed $255 and withdrew $341 for qualifying abandonment activities.

At June 30, 2026 and December 31, 2025, the Company did not have restricted cash separate from the restricted abandonment trust and guarantee deposits.

ASSET RETIREMENT OBLIGATIONS

The Company recognizes asset retirement obligations for the estimated future costs of plugging and abandoning wells and carrying out related site-restoration activities in the Misión Contract Area. The obligation is estimated using management's best estimate of the timing and amount of future abandonment costs and is adjusted for changes in estimates, payments, accretion and foreign-exchange effects, as applicable.

Asset retirement obligations ($000's)	**2026 ($)**	**2025 ($)**
Current portion	**523**	707
Non-current portion	**10,109**	9,762
Total asset retirement obligations	**10,632**	10,469

- Total asset retirement obligations were $10.6 million at June 30, 2026 compared with $10.5 million at December 31, 2025. The current portion was at $523 (2025 - $707), while the non-current portion increased to $10.1 million from $9.8 million.
- At June 30, 2026, the asset retirement obligation was estimated using an inflation rate of 2.20% and a discount rate of 6.04%, consistent with December 31, 2025. The estimate included 158 wells and the Company's share of estimated cost per well of $74.
- The estimate is sensitive to assumptions regarding the timing and amount of future abandonment activities, inflation, discount rates, regulatory requirements and the scope of work required to abandon wells and restore sites.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance-sheet financing arrangements such as unconsolidated special-purpose entities. In the normal course of operations, the Company uses letters of credit, surety bonds and other financial-assurance instruments relating to work-program, environmental, safety and regulatory obligations. The related letter of credit, guarantee and provision recognized at June 30, 2026 are recorded separately in the Financial Statements; the financial-assurance instruments are described in the commitments and contingencies disclosures.

RELATED PARTY TRANSACTIONS

At June 30, 2026 and December 31, 2025, the Company was jointly controlled by Tecpetrol Operaciones, S.A. de C.V. ("Tecpetrol Operaciones") and Industrial Perforadora de Campeche, S.A. de C.V. ("IPC"). The Company enters into transactions with related parties in the normal course of business, including operating and administrative services, technical personnel support, purchases of products and other services and treasury administration.

Under the shareholders' agreement, the Company pays Tecpetrol Operaciones for certain indirect services, calculated based on an agreed percentage of monthly expenditures.

During the six months ended June 30, 2026, operating and administrative services provided by Tecpetrol Operaciones were $1.3 million compared with $1.4 million in the comparative period. Net technical personnel and training services were a recovery of $0.1 million compared with expense of $0.3 million in the comparative period.

Net interest expense from related parties was $0.3 million in both periods. Purchases of products and other services, net were $0.2 million compared with $0.1 million in the comparative period.

The following table summarizes the Company's related party balances:

As at ($000's)	2026 ($)	December 31, 2025 ($)
Cash under treasury arrangements included in cash and cash equivalents	**18,724**	18,744
Amounts due from shareholders	**84**	325
Amounts due from other related parties	**295**	180
Total related-party receivables	**379**	**505**
Related-party payables	**671**	6,991

- Cash under treasury arrangements was $18.7 million at June 30, 2026 and December 31, 2025. These balances are held in the Company's name, administered by a related party of the Company and included in cash and cash equivalents.
- Related-party receivables decreased to $379 at June 30, 2026 from $505 at December 31, 2025. Related-party payables decreased to $671 from $7.0 million, reflecting settlements during the period.
- Related-party receivables and payables are denominated in U.S. dollars, are unsecured and non-interest-bearing, unless otherwise disclosed in the Financial Statements, and are settled in cash in the normal course of business.

FINANCIAL INSTRUMENTS

The Company's financial instruments principally comprise cash and cash equivalents; the restricted abandonment trust; trade receivables; joint-operation receivables and funding balances; related-party balances; guarantee deposits; trade and other payables; and lease liabilities.

These financial assets and liabilities are measured at amortized cost. Their carrying amounts and financial-statement classifications are disclosed in the Financial Statements. Risk-management activities are overseen by management and the shareholders. The Company did not use derivative financial instruments during the six months ended June 30, 2026.

Commodity-price risk. Natural-gas and condensate prices affect the Company's financial performance and future cash flows. Management estimates that a US$0.10/MMBtu increase or decrease in the realized natural-gas price, based on natural-gas sales volumes for the three and six months ended June 30, 2026, would have increased or decreased revenue by approximately $0.2 million and $0.5 million respectively, with all other variables held constant. The Company does not use commodity-price derivatives.

Foreign-exchange risk. The Company's functional and presentation currency is the U.S. dollar, while certain monetary assets, liabilities and expenditures are denominated in Mexican pesos. Management monitors exchange-rate movements but does not use foreign-exchange derivatives.

Credit risk. Credit exposure is concentrated in PEP, which represented substantially all trade receivables and was also the counterparty to joint-operation receivables and funding balances at June 30, 2026. Cash and treasury balances are maintained with financial institutions and related parties. Management monitors counterparty credit quality, contractual payment status, subsequent receipts, disputes and other forward-looking information. No material expected credit loss allowance was recognized at June 30, 2026.

Liquidity risk. The Company manages liquidity by monitoring forecast and actual cash flows, collecting trade and joint-operation receivables, coordinating funding requirements with PEP and accessing cash and related-party treasury arrangements. At June 30, 2026, the Company had cash and cash equivalents of $21.4 million, net working capital of $23.5 million and no material third-party interest-bearing debt.

Interest-rate risk. The Company had no material interest-bearing debt at June 30, 2026. Its principal exposure relates to interest earned on cash, treasury balances and restricted deposits. Changes in market interest rates would affect future finance income but were not considered material at June 30, 2026.

Fair values. The carrying amounts of the Company's financial instruments approximate their fair values, principally because of the short-term or demand nature of most instruments and the market-based terms applicable to cash and restricted deposits.

Financial-instrument income and expenses. During the six months ended June 30, 2026, the Company recognized interest income of $0.3 million (2025—$0.3 million), other interest expense of less than $0.1 million (2025—less than $0.1 million), bank charges of less than $0.1 million (2025—$2.2 million) and a foreign-exchange gain of less than $0.1 million (2025—$0.4 million).

NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS

This MD&A refers to net working capital and oil-and-gas metrics. These measures do not have standardized meanings under IFRS and may not be comparable to similar measures used by other issuers.

Net working capital is calculated as current assets minus current liabilities. Management uses net working capital to assess short-term liquidity. The calculation of net working capital is shown in the liquidity table above.

Operating margin before G&A, depletion, depreciation and other items is calculated as sales revenues minus operating costs. Management uses this measure to assess field-level operating performance before general and administrative expenses, depletion and depreciation, finance items, income taxes and other items. The calculation is presented in the selected financial information table above.

Boe and boe/d are oil and gas metrics used to express natural gas and condensate volumes on a common energy-equivalency basis using a 6 Mcf:1 bbl conversion ratio. These metrics do not represent value equivalency and should not be used in isolation.

ACCOUNTING POLICIES AND ESTIMATES

Material Accounting Policies

The Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting using the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2025, except as otherwise disclosed in the Financial Statements.

No material changes in accounting policies were identified during the six months ended June 30, 2026, except as disclosed in the Financial Statements.

Critical Accounting Estimates

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect reported amounts and related disclosures. Estimates and underlying assumptions are reviewed on an ongoing basis, and actual results may differ materially. The following discussion should be read together with the Financial Statements.

The areas identified in the Financial Statements involving significant estimation uncertainty or judgment are:

Oil and gas reserves and depletion. Estimates of reserves are used in determining unit-of-production depletion and assessing impairment. These estimates depend on recoverable volumes, production profiles, commodity prices, operating costs, future development expenditures and the timing of production. Changes in these assumptions could materially affect depletion and the carrying amounts of oil and gas assets.

Asset retirement obligations. The obligation is measured using estimates of the scope and timing of abandonment and restoration activities, future costs, inflation and discount rates. Changes in these assumptions may affect both the obligation and the carrying amount of the related assets.

Provisions and contingencies. Recognition and measurement of legal, regulatory and environmental provisions require estimates of the probability, timing and amount of future cash outflows. The ultimate outcome of these matters may differ from management's estimates.

Joint operation classification. Management assessed the contractual arrangements, legal form and other facts and circumstances relating to the Misión arrangement and concluded that the parties have rights to the assets and obligations for the liabilities. Accordingly, the Misión arrangement is classified as a joint operation under IFRS 11.

IAEEH credit recoverability. The recoverability of IAEEH credits requires judgment regarding the Company's eligibility to apply the credits against future obligations, the timing of their utilization and the outcome of related tax proceedings. Changes in these assumptions or outcomes could affect the impairment allowance and the net carrying amount recognized for the credits.

BUSINESS RISKS AND UNCERTAINTIES

The following summarizes the principal risks that are most relevant to SMB and the Misión Contract Area. This summary is not exhaustive and should be read together with the detailed risk factors in the Financial Statements and other information made publicly available by the Company.

Commodity prices and commercialization. The Company's revenues, cash flows, reserve economics and development plans are sensitive to natural-gas and condensate prices and applicable contractual pricing adjustments. Processing, redelivery and commercialization arrangements with Pemex, including the pricing terms under the GPSA, may affect SMB's ability to monetize its production entitlement and the economic viability of planned activities.

Mature-field production, reserves and development execution. The Misión fields are mature and reservoir pressures are declining across most fields. Maintaining or increasing production depends on timely infill drilling, recompletions, workovers and facility activity. Reserve estimates and production forecasts are inherently uncertain, and delays or unsuccessful activity could cause production and reserves to decline more rapidly than anticipated.

Misión Contract and regulatory environment. Operations are subject to the Misión Contract and extensive, evolving Mexican energy, environmental, safety, fiscal and land-access requirements. The transfer of upstream regulatory functions from CNH to SENER may affect the administration of approvals and work programs. Failure to obtain or maintain required approvals, permits, extensions, guarantees or financial assurance could delay activity, increase costs or affect contractual rights.

Dependence on PEP and joint-operation arrangements. PEP holds the remaining 51% participating interest and has meaningful rights over work programs, budgets and other operating-committee decisions. Its financial condition, strategic priorities and participation in cash calls may affect the timing and scope of development. SMB also depends on PEP-related processing, transportation and commercialization infrastructure and is exposed to the timing of collections from PEP.

Security, field access and community relations. Security conditions in the Burgos Basin may restrict access by personnel and contractors, interrupt production, delay development activity and increase costs. Theft, vandalism, extortion, road blockages, land-access disputes or community matters could also disrupt operations. Remote monitoring and automated field-management systems reduce, but do not eliminate, these risks.

Operational, environmental and climate risks. Drilling, production, gathering, processing and transportation are exposed to equipment failure, accidents, leaks, fire, severe weather, natural disasters and other force-majeure events. Environmental or climate-related regulation may increase operating, remediation and abandonment costs. Insurance may not be available or sufficient to cover every loss.

Liquidity and financial assurance. Liquidity is affected by the timing of collections from PEP, cash-call funding, operating and development expenditures and contractual work commitments. Restricted abandonment-trust funds and guarantee deposits are not available for general operations. Foreign-exchange movements and changes in interest rates may also affect results and cash resources.

Suppliers, contractors, personnel and systems. The Company relies on third-party service providers, equipment, field infrastructure and qualified technical personnel. Supply constraints, contractor non-performance, loss of key personnel or failures in operational and information systems could delay activity, increase costs or disrupt financial reporting and operations.

Pending ownership transactions. The August 13, 2026 share purchase agreements relating to the Company remain subject to regulatory and other customary approvals and simultaneous closing. The transactions may be delayed, completed on different terms or not completed, and the related ownership transition could affect contractual, guarantee, personnel and operating arrangements.

These and other risks could materially affect the Company's production, revenues, operating costs, capital expenditures, liquidity, financial condition and future results. Readers should also review the related risk factors and other information available to the Company.

SUBSEQUENT EVENTS

On August 13, 2026, Tecpetrol Operaciones and IPC entered into separate share purchase agreements with Petro Frontera, S.A.P.I. de C.V. for the sale of their respective 50% interests in the Company. Completion is subject to regulatory and other customary approvals and the simultaneous closing of both agreements. The transactions had not been completed as of the date of this MD&A.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A constitutes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information includes statements regarding the Company's future plans, objectives, strategies, operations, production, development activities, capital expenditures, liquidity, regulatory matters, commodity prices, operating costs, decommissioning obligations, environmental matters, contractual obligations, taxes and other expectations relating to future periods.

Forward-looking information is often, but not always, identified by words such as "anticipate", "believe", "budget", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "outlook", "plan", "potential", "project", "proposed", "scheduled", "should", "target", "will" and similar expressions, or statements that certain actions, events or results "may", "could", "should" or "will" occur or be achieved.

Forward-looking information in this MD&A includes, among other things, statements regarding expected production and operating performance, field optimization activities, future development, recompletion, workover, drilling, facility and maintenance activities, expected capital expenditures and sources of funding, future revenues, operating costs, royalties, taxes, working capital and liquidity, the timing, scope and cost of abandonment obligations, regulatory approvals and permits, reserve estimates, future production and related assumptions, and the completion and effects of the share purchase agreements and related proposed reverse takeover transaction, where applicable.

Forward-looking information is based on assumptions that management considers reasonable as of the date of this MD&A, including assumptions regarding commodity prices, production rates, decline rates, well performance, development plans, operating costs, royalty and fiscal terms, capital expenditures, access to equipment and services, availability of personnel and contractors, regulatory approvals, foreign exchange rates, tax laws, financing availability, field performance, infrastructure capacity and the continuation of applicable contractual and regulatory arrangements.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such information. These risks include, without limitation, risks relating to oil and gas exploration, development and production; commodity price volatility; reservoir performance; decline rates; drilling, recompletion and workover results; operating hazards; equipment failure; pipeline, processing and transportation constraints; cost inflation; availability of services and personnel; foreign exchange fluctuations; interest rates; changes in laws, regulations, fiscal terms, royalties or taxes; regulatory approvals and compliance; environmental liabilities; decommissioning obligations; counterparty performance; reliance on PEP and other stakeholders; political, fiscal, social, security and operating conditions in Mexico; access to capital; and the other risks described in this MD&A and elsewhere in the Information Circular.

Actual results may differ materially from those anticipated in forward-looking information. Readers should not place undue reliance on forward-looking information. The forward-looking information contained in this MD&A is made as of the date of this MD&A and will not be updated except as required by applicable securities laws.

OIL AND GAS MATTERS ADVISORY

References to oil and natural gas production in this MD&A are intended to refer to the applicable product types under National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“NI 51-101”), including conventional natural gas and condensate, as applicable.

Production and sales volumes may be presented in barrels of oil equivalent (“boe”). Boe is calculated using a conversion ratio of 6 Mcf of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A conversion ratio of 6 Mcf:1 bbl is based on an energy-equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

Detailed reserves and related technical disclosure for the Misión Contract Area is provided separately in the statement of reserves data and other oil and gas information prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. The property description in this MD&A is limited to the context required to understand the Company’s results of operations, financial condition, liquidity and risks.

Servicios Múltiples de Burgos, S.A. de C.V.

For the years ended December 31, 2025, and 2024

The following is management's discussion and analysis ("MD&A") of Servicios Múltiples de Burgos, S.A. de C.V. ("SMB" or the "Company") for the years ended December 31, 2025 and 2024. This MD&A discusses the Company's financial condition, results of operations, cash flows and liquidity, as well as information concerning the Company's future outlook based on currently available information.

This MD&A has been prepared by management as of October 1, 2026 and should be read in conjunction with the Company's audited financial statements as at December 31, 2025 and December 31, 2024, together with the accompanying notes (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS Accounting Standards. This MD&A contains forward-looking statements. See "Forward-Looking Statements".

Unless otherwise indicated, all amounts are expressed in thousands of United States dollars ("U.S. dollars" or "USD") and financial table amounts are presented in thousands of U.S. dollars.

This MD&A refers to certain non-GAAP financial measures, supplementary financial measures, and oil and gas metrics. These measures do not have standardized meanings under IFRS Accounting Standards and may not be comparable to similar measures presented by other issuers. See "Non-GAAP and Other Financial Measures and Ratios" in this MD&A.

References to "boe" mean barrels of oil equivalent derived by converting natural gas to oil in the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil. Boe may be misleading, particularly if used in isolation. A 6 Mcf:1 bbl conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

BASIS OF PRESENTATION AND PURPOSE

This MD&A has been prepared solely to accompany the Company's standalone financial statements prepared in accordance with IFRS Accounting Standards for inclusion in the management information circular and related filings of International Frontier Resources Corporation in connection with its proposed reverse takeover transaction involving Kinjal Corporation and the related transactions referred to therein. This MD&A should be read together with those IFRS financial statements and the notes thereto.

The IFRS financial statements and this MD&A were prepared specifically for that Canadian securities-law disclosure purpose. The Company ordinarily prepares its statutory financial statements in Mexico in accordance with Mexican financial reporting rules (Normas de Información Financiera, or "NIF"). The IFRS financial statements and this MD&A do not replace, amend, restate or modify the Company's Mexican NIF financial statements.

Differences may exist between the IFRS financial statements and the Company's Mexican NIF financial statements, including differences in the recognition, measurement, presentation or disclosure of deferred income taxes, oil and gas properties, reserve-based estimates, depletion, asset retirement obligations, contingencies and related accounting judgments.

KEY ASSETS AND WORKING INTERESTS

The Company's principal asset is its 49% working interest in, and operatorship of, the Hydrocarbon Exploration and Extraction Contract CNH-M3-MISIÓN/2018 with the Comisión Nacional de Hidrocarburos ("CNH") (the "Misión Contract"), covering the Misión Contract Area in the Burgos Basin in northern Mexico. Petróleos Mexicanos Exploración y Producción ("PEP"), a subsidiary of Petróleos Mexicanos ("PEMEX"), holds the remaining 51% working interest.

The Company has operated in the Misión Contract Area since 2003, initially under a financed public works contract with PEP for the development, infrastructure and maintenance of non-associated gas fields. Following Mexico's energy reforms of 2013, that contract was migrated to the Misión Contract on March 2, 2018. The Misión Contract is a production sharing contract with an initial 25-year term and may be extended for two additional five-year periods, subject to applicable requirements.

The property description in this MD&A is limited to the context required to understand the Company's results of operations, financial condition, liquidity and risks. Detailed reserves and technical disclosure for the Misión Contract Area is provided separately in the statement of reserves data and other oil and gas information prepared in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

OVERALL PERFORMANCE

Selected Financial and operating information

The following table summarizes selected financial and operating information for the Company. Financial amounts are in thousands of USD. Production volumes are presented on the Company's working-interest basis.

For the years ended December 31, *($000's) except otherwise noted*	2025	2024
Operating data		
Natural gas production (MMcf)	**4,650**	11,350
Condensate production (bbl)	**2,868**	32,115
Total production (boe) (1)	**777,811**	1,923,812
Average daily natural gas production (MMcf/d)	**12.7**	31.0
Average daily condensate production (bbl/d)	**7.9**	87.7
Average daily production (boe/d) (1)	**2,131**	5,256
Financial		
Revenue	**8,481**	22,745
Natural gas sales revenues	***8,284***	*21,300*
Condensate revenues	***197***	*1,445*
Operating costs	**(13,181)**	(16,561)
Operating margin before G&A and other items(3)	**(4,700)**	6,184
General and administrative expenses	**(1,033)**	(1,490)
Depletion and depreciation	**(3,204)**	(8,306)
Depreciation of right of use assets	**(214)**	(362)
Operating loss	**(9,151)**	(3,974)
Total other income (expense), net	**954**	(2,950)
Loss and comprehensive loss	**(8,197)**	(6,924)
Basic and diluted loss per share ($)	**(8.20)**	(6.92)
Property, plant and equipment additions	**199**	1,469
Dividends	**16,000**	-

As at, *($000's) except otherwise noted*	December 31, 2025	December 31, 2024
Statements of financial position		
Cash and cash equivalents	**24,113**	8,686
Total assets	**80,437**	108,564
Total liabilities	**38,630**	42,560
Total equity	**41,807**	66,004
Net working capital(2)	**22,154**	43,620

(1) boe is calculated using 6 Mcf of natural gas to 1 bbl of oil equivalent. boe may be misleading, particularly if used in isolation. A 6 Mcf:1 bbl conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

(2) *Net working capital is calculated as current assets minus current liabilities. See "Non-GAAP and Other Financial Measures and Ratios".*

(3) *Operating margin before G&A, depletion, depreciation, and other items is calculated as revenue minus operating costs, excluding depletion and depreciation. Management uses this measure to assess field-level operating performance before general and administrative expenses, depletion and depreciation, finance items, income taxes and other items.*

- The Company's 2025 results were primarily affected by a reduction in production from the Misión Contract Area. Natural gas production decreased by 59% to 4,650 MMcf in 2025 from 11,350 MMcf in 2024, while condensate production decreased by 91% to 2,868 bbl from 32,115 bbl. The decrease in production reflected reduced production from the Misión Contract Area during 2025.
- Revenue decreased by $14.3 million, or 63%, to $8.5 million in 2025 from $22.7 million in 2024. The decrease in revenue primarily reflected lower production volumes during the year.
- Operating costs decreased by $3.4 million, or 20%, to $13.2 million in 2025 from $16.6 million in 2024, consistent with the decline in production.
- Depletion and depreciation decreased by $5.1 million or 61% to $3.2 million in 2025 from $8.3 million in 2024.
- The Company recorded an operating loss of $9.2 million in 2025 compared with $4.0 million in 2024 because the decline in revenue exceeded the reduction in costs.
- The Company recorded loss and comprehensive loss of $8.2 million in 2025 compared with $6.9 million in 2024.
- Cash and cash equivalents increased to $24.1 million at December 31, 2025 from $8.7 million at December 31, 2024. Net working capital decreased to $22.2 million at December 31, 2025, from $43.6 million at December 31, 2024, primarily due to lower trade and other receivables, partially offset by higher cash and cash equivalents and lower current liabilities.
- Total assets at December 31, 2025 and 2024 included a net deferred tax asset of $3.0 million recognized in respect of unused tax-loss carryforwards.

RESULTS OF OPERATIONS

Production Volumes

The following table presents the Company's production volumes for 2025 and 2024. Production volumes reflect SMB's 49% working interest in the Misión Contract Area and may not correspond to sales volumes or entitlement volumes.

For the years ended December 31,	**2025**	**2024**
Natural gas (MMcf)	4,650	11,350
Condensate (bbl)	2,868	32,115
Total (boe)	**777,811**	**1,923,812**
Average daily production (boe/d)	**2,131**	**5,256**

- Natural gas production decreased by 59% to 4,650 MMcf in 2025 from 11,350 MMcf in 2024, while condensate production decreased by 91% to 2,868 bbl from 32,115 bbl. The decrease in production was primarily due to security conditions in the operating area and the resulting temporary shut-in of certain wells and gathering stations after SMB requested force-majeure relief under the Misión Contract. The affected wells and gathering stations reopened on December 15, 2025, and the force-majeure request remained under review.

REVENUE

For the years ended December 31, ***($000's)***	**2025** **($)**	**2024** **($)**
Natural gas	8,284	21,300
Condensate	197	1,445
Total revenue	**8,481**	**22,745**

- Revenue decreased by $14.3 million, or 63%, to $8.5 million in 2025 from $22.7 million in 2024. Natural gas revenue decreased by $13.0 million, or 61%, and condensate revenue decreased by $1.2 million, or 86%. The decrease in revenue primarily reflected lower production volumes during the year.
- Natural gas sales in 2025 were made to PEP. In December 2025, the Company entered into a new condensate sales contract with Strata BPS. Natural gas sales in 2024 were made to PEP. Pricing is determined under the applicable sales arrangements and measured at designated measurement or delivery points based on delivered volumes.

OPERATING COSTS

For the years ended December 31, ($000's)	2025 ($)	2024 ($)
Contract operating	3,263	2,463
Licence fees, taxes and surface rights	2,552	3,339
Employee costs	3,315	4,051
Repairs and maintenance	1,045	1,409
Processing and compression fees	1,160	2,056
Workovers and well services	770	1,415
Transportation	228	402
Professional and technical services	437	804
Materials, chemicals and consumables	138	330
Fuel, power and water	94	122
Other operating costs and internal allocations	179	170
Total operating costs	**13,181**	**16,561**

Operating costs decreased by $3.4 million, or 20%, to $13.2 million in 2025 from $16.6 million in 2024, primarily due to lower activity levels and service costs.

GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31, *($000's)*	2025 ($)	2024 ($)
Professional services and fees	915	1,355
Other administrative expenses	118	135
Total general and administrative expenses	**1,033**	**1,490**

- General and administrative expenses decreased by $457, or 31%, to $1.0 million in 2025 from $1.5 million in 2024. The decrease was primarily due to lower professional services and fees and was consistent with lower activity levels during the year.

OTHER INCOME (EXPENSES)

Other income, net was $2.3 million in 2025 compared with other expenses, net of $2.5 million in 2024. The 2025 amount included $1.4 million of Impuesto por la Actividad de Exploración y Extracción de Hidrocarburos ("IAEEH") credits relating to prior periods, $967 recovered from IPC for legal, labour and related costs incurred in prior periods, and a $73 impairment reversal arising from the reassessment of the carrying value of the IAEEH credits. These amounts were partially offset by $99 other net operating expenses, $44 of legal claims, fines and contingencies, and a $10 loss on disposal of property, plant and equipment.

FINANCE INCOME, FINANCE EXPENSES AND OTHER FINANCIAL RESULTS

For the years ended December 31, *($000's)*	2025 ($)	2024 ($)
Finance income	880	1,427
Finance expenses	(865)	(919)
Bank charges and fees	(2,125)	(38)
Net finance income (expenses)	**(2,110)**	**470**

- The Company recorded net finance expenses of $2.1 million in 2025 compared with net finance income of $470 in 2024. Finance income of $880 (2024 - $1.4 million) was offset by finance expenses of $865 (2024 - $919) and bank charges and fees of $2.1 million (2024 - $38).

CAPITAL EXPENDITURES AND PROPERTY, PLANT AND EQUIPMENT

For the years ended December 31, ***($000's)***	**2025** **($)**	**2024** **($)**
For the years ended December 31,		
Property, plant and equipment additions	199	1,469
As at December 31,		
Net book value of property, plant and equipment	14,849	18,288
Right-of-use assets	211	423

- Property, plant and equipment additions were $199 in 2025 compared with $1.5 million in 2024, reflecting a lower level of capital activity during the year.
- The net book value of property, plant and equipment decreased to $14.8 million on December 31, 2025 from $18.3 million on December 31, 2024, primarily due to depreciation and disposals, partially offset by additions.

SUMMARY OF QUARTERLY RESULTS

SMB is a privately held company and was not a reporting issuer in Canada during the eight most recently completed quarters. Accordingly, a summary of quarterly results for the eight most recently completed quarters has not been presented in this MD&A.

FINANCIAL POSITION, CASH FLOWS AND LIQUIDITY

The Company's liquidity requirements include operating expenditures, work program expenditures, lease payments, abandonment and decommissioning obligations, taxes, working capital and general corporate requirements.

The following table summarizes the Company's cash and net working capital position:

As at, **($000's)**	**December 31, 2025** **($)**	**December 31, 2024** **($)**
Cash and cash equivalents	24,113	8,686
Current assets	50,703	76,385
Current liabilities	28,549	32,765
Net working capital(1)	**22,154**	**43,620**

(1) *Net working capital is calculated as current assets including cash and cash equivalents minus current liabilities. See "Non-GAAP and Other Financial Measures and Ratios".*

- Cash and cash equivalents increased to $24.1 million at December 31, 2025 from $8.7 million at December 31, 2024.
- Net working capital decreased to $22.2 million at December 31, 2025 from $43.6 million at December 31, 2024, primarily due to lower trade and other receivables, including $1.3 million of amounts receivable from a shareholder that were settled on a non-cash basis against dividends payable. The decrease in net working capital was partially offset by higher cash and lower current liabilities. The Company also paid $13.5 million of dividends in cash during 2025.
- The decrease in receivables was primarily due to collections during the year, including amounts receivable from PEP and joint operation receivable balances. These collections were the principal driver of cash provided by operating activities.
- Net cash provided by operating activities was $28.6 million in 2025, compared with net cash used in operating activities of $19.9 million in 2024, primarily reflecting the collection and timing of trade and other receivables and joint-operation receivables.
- Net cash provided by investing activities was $493 in 2025, compared with net cash used of $1.3 million in 2024. The 2025 amount included a $1.9 million release of restricted cash and $40 of proceeds from asset disposals, partly offset by $1.2 million of net contributions to the restricted abandonment trust and $199 of purchases of property, plant and equipment.

- Net cash used in financing activities was $13.8 million in 2025, principally comprising $13.5 million of dividends paid and $260 of lease principal payments, compared with $397 used in 2024.

CAPITAL RESOURCES, COMMITMENTS AND FINANCIAL ASSURANCE

The Company's capital resources consist primarily of cash and cash equivalents, working capital and, where applicable, funding arrangements with its joint operation partner, shareholders and related parties. The Company did not have third-party long-term debt outstanding at December 31, 2025.

The Company has commitments and financial-assurance obligations associated with the Misión Contract Area. At December 31, 2025, these included a $875 letter of credit supporting minimum and additional work commitments, an environmental bond of MXN 10.6 million (USD$591) and a bond posted in connection with the ASEA sanction. The ASEA bond required a $978 cash counter-guarantee, which is presented as a deposit. The Company also funds the restricted abandonment trust described below.

The Company maintains a restricted abandonment trust to fund future abandonment activities in the Misión Contract Area. The trust is presented as a non-current restricted financial asset and may be used only for qualifying abandonment and restoration activities in accordance with the Misión Contract and approved development plans. The funds are not available for general operating, working capital or distribution requirements.

Abandonment trust deposits were $11.7 million at December 31, 2025 compared with $10.5 million at December 31, 2024.

At December 31, 2025, the Company did not have restricted cash. At December 31, 2024, restricted cash of approximately $1.9 million was presented separately from cash and cash equivalents and related to restrictions on certain bank accounts in connection with labour claims. Those restrictions were released during 2025.

ASSET RETIREMENT OBLIGATIONS

The Company recognizes asset retirement obligations for the estimated future costs of plugging and abandoning wells and carrying out related site-restoration activities in the Misión Contract Area. The obligation is estimated using management's best estimate of the timing and amount of future abandonment costs and is adjusted for changes in estimates, payments made, accretion and foreign-exchange or translation effects, as applicable.

As at, ($000's)	December 31, 2025 ($)	December 31, 2024 ($)
Current portion	707	905
Non-current portion	9,762	9,465
Total asset retirement obligations	**10,469**	**10,370**

- Total asset retirement obligations were $10.5 million at December 31, 2025, substantially unchanged from 2024. The current portion decreased to $707 from $905, while the non-current portion increased to $9.8 million from $9.5 million.
- At December 31, 2025, the asset retirement obligation was estimated using an inflation rate of 2.20% and a discount rate of 6.04%, compared with an inflation rate of 2.10% and a discount rate of 8.02% at December 31, 2024.
- The estimate is sensitive to assumptions regarding the timing and amount of future abandonment activities, inflation, discount rates, regulatory requirements and the scope of work required to abandon wells and restore sites.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance-sheet financing arrangements such as unconsolidated special-purpose entities. In the normal course of operations, the Company uses letters of credit, surety bonds and other financial-assurance instruments relating to work-program, environmental and regulatory obligations. The related cash counter-

guarantee and provision recognized at December 31, 2025 are recorded separately in the Financial Statements; the financial-assurance instruments are described in the commitments and contingencies disclosures.

RELATED PARTY TRANSACTIONS

At December 31, 2025 and 2024, the Company was jointly controlled by Tecpetrol Operaciones, S.A. de C.V. ("Tecpetrol Operaciones") and Industrial Perforadora de Campeche, S.A. de C.V. ("IPC"). The Company enters into transactions with related parties in the normal course of business, including operating and administrative services, technical personnel support, purchases of products and other services and treasury administration.

Under the shareholders' agreement, the Company pays Tecpetrol Operaciones for certain indirect services, calculated based on an agreed percentage of monthly expenditures.

During 2025, operating and administrative services provided by Tecpetrol Operaciones were $3.0 million, compared with $2.1 million in 2024. Technical personnel and training services provided by other related parties were $428 in 2025, compared with $913 in 2024. Net interest income associated with treasury arrangements was $524 in 2025, compared with $983 in 2024; this interest was earned on treasury balances and was not interest charged on amounts due to or from related parties.

The following table summarizes the Company's related party balances:

As at, ($000's)	December 31, 2025 ($)	December 31, 2024 ($)
Cash under treasury arrangements included in cash and cash equivalents	**18,744**	8,508
Amounts due from joint-controlling shareholders	**325**	1,541
Amounts due from other related parties	**180**	33
Total due from related parties	**505**	1,574
Total due to related parties	**6,991**	6,363

- Cash under treasury arrangements increased to $18.7 million at December 31, 2025 from $8.5 million at December 31, 2024. These balances are held in the Company's name, administered by a related party of the Company as part of the Company's treasury arrangements, available to fund operating requirements and included in cash and cash equivalents.
- Amounts due from related parties decreased to $505 at December 31, 2025, from $1.6 million at December 31, 2024, primarily due to the settlement of amounts due from joint-controlling shareholders. Amounts due to related parties increased to $7.0 million from $6.4 million, primarily reflecting the timing of settlement of amounts owing to joint-controlling shareholders and affiliated entities for services and other transactions in the normal course of business.
- Amounts due to and from related parties are denominated in U.S. dollars, are unsecured and non-interest-bearing, and are settled in cash in the normal course of business.

FINANCIAL INSTRUMENTS

The Company's financial instruments principally comprise cash and cash equivalents; restricted cash; restricted abandonment trust; trade and other receivables; joint operation receivables; amounts due from and due to related parties; deposits; joint operation funding balances; and trade and other payables.

These financial assets and liabilities are measured at amortized cost. Their carrying amounts and financial statement classifications are disclosed in Note 25 to the Financial Statements. Risk-management activities are overseen by management and the shareholders. The Company did not use derivative financial instruments during 2025 or 2024.

Commodity-price risk. Commodity-price risk is the risk that the Company's financial performance and future cash flows will fluctuate as a result of changes in natural gas and condensate prices. The Company's natural gas sales prices are affected by international reference prices and applicable contractual pricing adjustments. Condensate prices are also affected by market prices and the terms of the relevant sales arrangements. The Company does not use commodity-price derivatives to manage this exposure. Management estimates that a favourable or unfavourable change of US$0.10/MMBtu in the reference natural-gas price would have increased or decreased loss and

comprehensive loss by approximately $0.5 million in 2025 and $1.1 million in 2024, respectively, assuming production, sales volumes and all other variables remained constant.

Foreign-exchange risk. The Company's functional and presentation currency is the U.S. dollar. Foreign-exchange risk arises principally from monetary assets and liabilities, operating expenditures and statutory balances denominated in Mexican pesos. These assets primarily comprise cash and cash equivalents, restricted cash, the IAEEH credit, joint operation receivables, amounts due from related parties and income tax credits. The liabilities primarily comprise taxes payable, amounts due from related parties, other provisions, employee benefit obligations and lease liabilities. Management monitors Mexican-peso monetary exposures and exchange-rate movements but does not use foreign-exchange derivatives. During 2025, the Company recognized a foreign-exchange gain of $790 (2024-loss of $960).

Credit risk. Credit exposure is concentrated in PEP, which represented substantially all of the Company's trade and other receivables at December 31, 2025 and was also the counterparty to joint-operation receivables. Significant PEP balances are assessed individually based on payment status, subsequent collections and settlement activity. Calculated expected credit losses were not material, and no loss allowance was recognized. Cash and cash equivalents and restricted cash are maintained with established financial institutions, including accounts administered under the related party treasury arrangements.

Liquidity risk. The Company manages liquidity by monitoring actual and forecast cash flows, collecting trade and other receivables and joint-operation receivables, coordinating funding requirements with the joint-operation participants and using available treasury arrangements. At December 31, 2025, the Company had cash and cash equivalents of $24.1 million, net working capital of $22.2 million and no third-party long-term debt. The $11.7 million restricted abandonment trust and $978 deposit were not available for general operating or working capital requirements. Liquidity remains sensitive to the timing of collections from PEP, operating expenditures and Misión work-program funding requirements.

Interest-rate risk. The Company had no material interest-bearing debt at December 31, 2025 and 2024. Its principal exposure relates to interest earned on cash and cash equivalents, the restricted abandonment trust and deposits. Changes in market interest rates would affect future finance income but would not have had a material effect on the Company's 2025 and 2024 results.

Fair values. The carrying amounts of the Company's financial instruments approximate their fair values, principally because of the short-term or demand nature of most instruments and the market-based returns applicable to cash and cash equivalents and restricted deposits. The Company recognized no fair-value gains or losses, deferred or unrecognized gains or losses, or gains or losses from hedging activities during 2025 or 2024.

Financial-instrument income and expenses. During 2025, the Company recognized interest income of $544 (2024—$1.0 million), other interest expense of $33 (2024 — $73), bank charges and fees of $2.1 million (2024 — $38), and a foreign exchange gain of $790 (2024 — loss of $960). These amounts are presented as finance income, finance expenses, bank charges and fees, and foreign exchange gain or loss, respectively.

NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS

This MD&A refers to net working capital and boe-based production metrics. These measures do not have standardized meanings under IFRS and may not be comparable to similar measures used by other issuers.

Net working capital is calculated as current assets minus current liabilities. Management uses net working capital to assess short-term liquidity. The calculation of net working capital is shown in the liquidity table above.

Operating margin before G&A, depletion, depreciation and other items is calculated as revenue minus operating costs, excluding depletion and depreciation. Management uses this measure to assess field-level operating performance before general and administrative expenses, depletion and depreciation, finance items, income taxes and other items. The calculation is presented in the Financial and Operating Summary above.

Boe and boe/d are oil and gas metrics used to express natural gas and condensate volumes on a common energy-equivalency basis using a 6 Mcf:1 bbl conversion ratio. BOE metrics do not represent value equivalency and should not be used in isolation.

ACCOUNTING POLICIES, AND ESTIMATES

Material Accounting Policies

The Financial Statements have been prepared in accordance with IFRS Accounting Standards. The Company's material accounting policies are described in Note 3 to the Financial Statements and have been applied consistently for the periods presented, except as otherwise disclosed in the Financial Statements.

No material changes in accounting policies were identified for the year ended December 31, 2025, except as disclosed in the Financial Statements.

Critical Accounting Estimates

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect reported amounts and related disclosures. Estimates and underlying assumptions are reviewed on an ongoing basis, and actual results may differ materially. The following discussion should be read together with Note 3 to the Financial Statements.

The areas identified in the Financial Statements involving significant estimation uncertainty or judgement are:

Oil and gas reserves and depletion. Estimates of reserves are used in determining unit-of-production depletion and assessing impairment. These estimates depend on recoverable volumes, production profiles, commodity prices, operating costs, future development expenditures and the timing of production. Changes in these assumptions could materially affect depletion and the carrying amounts of oil and gas assets.

Asset retirement obligations. The obligation is measured using estimates of the scope and timing of abandonment and restoration activities, future costs, inflation and discount rates. Changes in these assumptions may affect both the obligation and the carrying amount of the related assets.

Provisions and contingencies. Recognition and measurement of legal, regulatory and environmental provisions require estimates of the probability, timing and amount of future cash outflows. The ultimate outcome of these matters may differ from management's estimates.

Joint operation classification. Management assessed the contractual arrangements, legal form and other facts and circumstances relating to the Misión arrangement and concluded that the parties have rights to the assets and obligations for the liabilities. Accordingly, the Misión arrangement is classified as a joint operation under IFRS 11.

IAEEH credits. The recoverability of IAEEH tax credits requires management to estimate the amounts expected to be utilized against future IAEEH obligations. Changes in expected utilization may affect the carrying amount of the credits and the related impairment recognized in the Financial Statements.

BUSINESS RISKS AND UNCERTAINTIES

The following summarizes the principal risks that are most relevant to SMB and the Misión Contract Area. This summary is not exhaustive and should be read together with the detailed risk factors in the Information Circular.

Commodity prices and commercialization. The Company's revenues, cash flows, reserve economics and development plans are sensitive to natural-gas and condensate prices and applicable contractual pricing adjustments. Processing, redelivery and commercialization arrangements with Pemex, including the pricing terms under the GPSA, may affect SMB's ability to monetize its production entitlement and the economic viability of planned activities.

Mature-field production, reserves and development execution. The Misión fields are mature and reservoir pressures are declining across most fields. Maintaining or increasing production depends on timely infill drilling, recompletions, workovers and facility activities. Reserve estimates and production forecasts are inherently uncertain, and delays or unsuccessful activity could cause production and reserves to decline more rapidly than anticipated.

Misión Contract and regulatory environment. Operations are subject to the Misión Contract and extensive, evolving Mexican energy, environmental, safety, fiscal and land-access requirements. The transfer of upstream regulatory functions from CNH to SENER may affect the administration of approvals and work programs. Failure to obtain, maintain or renew required approvals, permits, extensions, guarantees or financial assurance could delay activity, increase costs or affect contractual rights.

Dependence on PEP and joint-operation arrangements. PEP holds the remaining 51% participating interest and has meaningful rights over work programs, budgets and other operating-committee decisions. Its financial condition, strategic priorities and participation in cash calls may affect the timing and scope of development. SMB also depends on PEP-related processing, transportation and commercialization infrastructure and is exposed to the timing of collections from PEP.

Security, field access and community relations. Security conditions in the Burgos Basin may restrict access by personnel and contractors, interrupt production, delay development activity and increase costs. Theft, vandalism, extortion, road blockages, land-access disputes or community matters could also disrupt operations. Remote monitoring and automated field-management systems reduce, but do not eliminate, these risks.

Operational, environmental and climate risks. Drilling, production, gathering, processing and transportation are exposed to equipment failure, accidents, leaks, fire, severe weather, natural disasters and other force-majeure events. Environmental or climate-related regulation may increase operating, remediation and abandonment costs. Insurance may not be available or sufficient to cover every loss.

Liquidity and financial assurance. Liquidity is affected by the timing of collections from PEP, cash-call funding, operating and development expenditures and contractual work commitments. Restricted abandonment-trust funds and guarantee deposits are not available for general operations. Foreign exchange movements and changes in interest rates may also affect results and cash resources.

Suppliers, contractors, personnel and systems. The Company relies on third-party service providers, equipment, field infrastructure and qualified technical personnel. Supply constraints, contractor non-performance, loss of key personnel or failures in operational and information systems could delay activity, increase costs or disrupt financial reporting and operations.

Pending ownership transactions. The August 13, 2026 share purchase agreements relating to the Company remain subject to regulatory and other customary approvals and simultaneous closing. The transactions may be delayed, completed on different terms or not completed, and the related ownership transition could affect contractual, guarantee, personnel and operating arrangements.

These and other risks could materially affect the Company’s production, revenues, operating costs, capital expenditures, liquidity, financial condition and future results. Readers should also review the detailed risk factors and related disclosure in the Information Circular.

SUBSEQUENT EVENTS

On January 28, 2026, the shareholders approved and paid a dividend of approximately $6.3 million (MXN 108.1 million).

In March 2026, the additional exploration period under the Misión Contract was extended to April 10, 2029. The remaining minimum work commitment includes the drilling of the Kabil-1 exploration well at an estimated cost of approximately $1.8 million, and the related performance guarantee is required to remain in effect for the extended period.

On August 13, 2026, Tecpetrol Operaciones, and IPC entered into separate share purchase agreements with Petro Frontera, S.A.P.I. de C.V. for the sale of their respective 50% interests in the Company. Completion is subject to regulatory and other customary approvals and the simultaneous closing of both agreements. The transactions had not been completed as of the date of this MD&A.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A constitutes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information includes statements regarding the Company's future plans, objectives, strategies, operations, production, development activities, capital expenditures, liquidity, regulatory matters, commodity prices, operating costs, decommissioning obligations, environmental matters, contractual obligations, taxes and other expectations relating to future periods.

Forward-looking information is often, but not always, identified by words such as "anticipate", "believe", "budget", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "outlook", "plan", "potential", "project", "proposed", "scheduled", "should", "target", "will" and similar expressions, or statements that certain actions, events or results "may", "could", "should" or "will" occur or be achieved.

Forward-looking information in this MD&A includes, among other things, statements regarding expected production and operating performance, field optimization activities, future development, recompletion, workover, drilling, facility and maintenance activities, expected capital expenditures and sources of funding, future revenues, operating costs, royalties, taxes, working capital and liquidity, the timing, scope and cost of abandonment obligations, regulatory approvals and permits, reserve estimates, future production and related assumptions, and the completion and effects of the share purchase agreements and related proposed reverse takeover transaction, where applicable.

Forward-looking information is based on assumptions that management considers reasonable as of the date of this MD&A, including assumptions regarding commodity prices, production rates, decline rates, well performance, development plans, operating costs, royalty and fiscal terms, capital expenditures, access to equipment and services, availability of personnel and contractors, regulatory approvals, foreign exchange rates, tax laws, financing availability, field performance, infrastructure capacity and the continuation of applicable contractual and regulatory arrangements.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such information. These risks include, without limitation, risks relating to oil and gas exploration, development and production; commodity price volatility; reservoir performance; decline rates; drilling, recompletion and workover results; operating hazards; equipment failure; pipeline, processing and transportation constraints; cost inflation; availability of services and personnel; foreign exchange fluctuations; interest rates; changes in laws, regulations, fiscal terms, royalties or taxes; regulatory approvals and compliance; environmental liabilities; decommissioning obligations; counterparty performance; reliance on PEP and other stakeholders; political, fiscal, social, security and operating conditions in Mexico; access to capital; and the other risks described in this MD&A and elsewhere in the Information Circular.

Actual results may differ materially from those anticipated in forward-looking information. Readers should not place undue reliance on forward-looking information. The forward-looking information contained in this MD&A is made as of the date of this MD&A and will not be updated except as required by applicable securities laws.

OIL AND GAS MATTERS ADVISORY

References to oil and natural gas production in this MD&A are intended to refer to the applicable product types under National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), including conventional natural gas and condensate, as applicable.

Production and sales volumes may be presented in barrels of oil equivalent ("boe"). Boe is calculated using a conversion ratio of 6 Mcf of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A conversion ratio of 6 Mcf:1 bbl is based on an energy-equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

Detailed reserves and related technical disclosure for the Misión Contract Area is provided separately in the statement of reserves data and other oil and gas information prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. The property description in this MD&A is limited to the context required to understand the Company's results of operations, financial condition, liquidity and related risks.

APPENDIX "F"
SMB FINANCIAL STATEMENTS

See attached.

Disclaimer

The financial information respecting SMB contained in this Information Circular has been provided by SMB to Kinjal and IFR. Neither SMB nor any of their respective affiliates, directors, officers, employees, agents, advisers, representatives, shareholders, or controlling persons shall have any liability or obligations whatsoever as a reporting issuer, issuer, resulting issuer, promoter, solicitor, expert, underwriter, sponsor, filing person, or other person responsible for the adequacy, accuracy, completeness, filing, dissemination, or use of this Information Circular, the associated SEDAR+ filings, TSX Venture Exchange submissions, or other securities-law disclosure, whether by virtue of approving, authorizing, or permitting the use of any SMB special-purpose standalone financial statements prepared in accordance with IFRS Accounting Standards and related management's discussion and analysis for Canadian securities-law disclosure purposes, or otherwise.

The IFRS financial statements of SMB prepared in accordance with IFRS Accounting Standards have been prepared for inclusion in this Information Circular and related filings of IFR in connection with its proposed reverse takeover transaction involving Kinjal and the related transactions referred to therein

The IFRS financial statements of SMB included in this Information Circular have been prepared specifically for Canadian securities-law disclosure purpose. SMB ordinarily prepares its statutory financial statements in Mexico in accordance with Mexican financial reporting rules (Normas de Información Financiera, or "NIF"). The IFRS financial statements and associated MD&A included in this Information Circulardo not replace, amend, restate or modify the SMB's Mexican NIF financial statements.

Differences may exist between the IFRS financial statements and the SMB's Mexican NIF financial statements, including differences in the recognition, measurement, presentation or disclosure of deferred income taxes, oil and gas properties, reserve-based estimates, depletion, asset retirement obligations, contingencies and related accounting judgments.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.
CONDENSED INTERIM FINANCIAL STATEMENTS
June 30, 2026 and 2025
(Unaudited)

	Page
Condensed Interim Statements of Financial Position	3
Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)	4
Condensed Interim Statements of Changes in Shareholders' Equity	5
Condensed Interim Statements of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7–21

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at June 30, 2026 and 2025
Unaudited
Amounts in thousands of U.S. dollars, unless otherwise stated

	Notes	June 30, 2026 (unaudited)	December 31, 2025 (audited)
ASSETS			
Current assets			
Cash and cash equivalents	5	**$ 21,430**	$ 24,113
Trade and other receivables	6	**14,608**	6,989
Prepaid expenses and other assets	7	**421**	469
Due from related parties	8	**379**	505
Joint operation receivables	9	**1,993**	14,818
Deposits	14	**978**	978
Income tax credits	10	**2,735**	2,654
Inventories		**110**	177
Total current assets		**42,654**	50,703
Non-current assets			
Restricted abandonment trust	5	**11,588**	11,674
Property, plant and equipment	11	**11,544**	14,849
Right-of-use assets		**168**	211
Deferred tax asset		**1,845**	3,000
Total non-current assets		**25,145**	29,734
Total assets		**67,799**	80,437
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	12	**5,569**	9,598
Due to related parties	8	**671**	6,991
Joint operation funding balances	9	**8,659**	8,499
Taxes payable		**1,433**	527
Other provisions	14	**2,182**	2,122
Asset retirement obligations	13	**523**	707
Lease liabilities		**108**	105
Total current liabilities		**19,145**	28,549
Non-current liabilities			
Asset retirement obligations	13	**10,109**	9,762
Employee benefits		**188**	167
Lease liabilities		**107**	152
		10,404	10,081
Total liabilities		**29,549**	38,630
SHAREHOLDERS' EQUITY			
Share capital	15	**90**	90
Other reserves	15	**19**	19
Retained earnings	15	**38,141**	41,698
Total shareholders' equity		**38,250**	41,807
Total liabilities and shareholders' equity		**$ 67,799**	$ 80,437

Commitments and contingencies (Note 20)
Subsequent event (Note 24)

(Signed) "Jose Alexander Pineda Briseno Director General

See accompanying notes to the condensed interim financial statements.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.

CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the three and six months ended June 30, 2026 and 2025

Unaudited

Amounts in thousands of U.S. dollars, unless otherwise stated except per share amounts

	Note	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Revenue	16	**$ 4,562**	$ 2,854	**$ 10,899**	$ 4,655
Expenses					
Operating costs	17	**(3,431)**	(3,145)	**(7,320)**	(6,448)
General and administrative expenses	17	**(253)**	(299)	**(463)**	(541)
Depletion and depreciation	11	**(1,639)**	(803)	**(3,329)**	(1,654)
Depreciation of right-of-use assets		**(22)**	(73)	**(43)**	(171)
Total expenses		**(5,345)**	(4,320)	**(11,155)**	(8,814)
Operating loss		**(783)**	(1,466)	**(256)**	(4,159)
Other income (expenses)					
Other income (expense), net	18	**3,602**	502	**4,052**	1,354
Finance income	19	**172**	292	**346**	528
Finance costs	19	**(161)**	(172)	**(312)**	(374)
Bank charges and fees	19	**(7)**	(6)	**(11)**	(2,183)
Foreign exchange gain (loss)		**(12)**	449	**32**	407
Total other income (expenses)		**3,594**	1,065	**4,107**	(268)
Income (loss)		**2,811**	(401)	**3,851**	(4,427)
Deferred tax expense		**(844)**	-	**(1,155)**	-
Income (loss) and comprehensive income (loss)		**$ 1,967**	$ (401)	**$ 2,696**	$ (4,427)
Income (loss) attributable to ordinary shareholders		**$ 1,967**	$ (401)	**$ 2,696**	$ (4,427)
Weighted-average ordinary shares outstanding		**1,000,000**	1,000,000	**1,000,000**	1,000,000
Basic and diluted income (loss) per share		**$ 1.97**	$ (0.40)	**$ 2.70**	$ (4.43)

See accompanying notes to the condensed interim financial statements.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2026 and 2025
Unaudited
Amounts in thousands of U.S. dollars, unless otherwise stated

	Share capital	Other reserves	Retained earnings	Total shareholders' equity
Balance, December 31, 2024	$ 90	$ 19	$ 65,895	$ 66,004
Loss and comprehensive loss	–	–	(4,427)	(4,427)
Dividends (note 15)	–	–	(16,000)	(16,000)
Balance, June 30, 2025	**90**	**19**	**45,468**	**45,577**
Balance, December 31, 2025	**90**	**19**	**41,698**	**41,807**
Income and comprehensive income	–	–	2,696	2,696
Dividends (note 15)	–	–	(6,253)	(6,253)
Balance, June 30, 2026	**$ 90**	**$ 19**	**$ 38,141**	**$ 38,250**

See accompanying notes to the condensed interim financial statements.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2026 and 2025
Unaudited
Amounts in thousands of U.S. dollars, unless otherwise stated

	Note	2026	2025
Operating activities			
Income (loss) and comprehensive income (loss)		**$ 2,696**	$ (4,427)
Adjustments for items not affecting cash unless otherwise stated:			
Depletion and depreciation	11	**3,329**	1,654
Depreciation of right-of-use assets		**43**	171
Accretion of asset retirement obligations	13	**309**	404
(Gain) loss on disposal of property, plant and equipment	18 / 11	**(22)**	50
Deferred tax expense		**1,155**	-
Settlements of asset retirement obligations	13	**(184)**	-
Foreign exchange and other non-cash remeasurement adjustments		**(8)**	(40)
Unrealized foreign exchange (gain) loss		**250**	(410)
Changes in non-cash working capital and other operating balances	21	**(4,478)**	19,791
Net cash from operating activities		**3,090**	17,193
Investing activities			
Purchases of property, plant and equipment	11	**(25)**	(487)
Proceeds on disposal of property, plant and equipment	11	**23**	342
Withdrawals from restricted abandonment trust	5	**341**	-
Contributions to restricted abandonment trust	5	**(255)**	-
Net cash from (used in) investing activities		**84**	(145)
Financing activities			
Dividends paid	15	**(5,876)**	(13,491)
Principal portion of lease payments		**(48)**	(161)
Net cash used in financing activities		**(5,924)**	(13,652)
Effect of exchange rate changes on cash and cash equivalents		**67**	66
Net increase (decrease) in cash and cash equivalents		**(2,683)**	3,462
Cash and cash equivalents, beginning of period	5	**24,113**	10,542
Cash and cash equivalents, end of period	5	**$ 21,430**	$ 14,004

See accompanying notes to the condensed interim financial statements.

1. Nature of operations

Servicios Múltiples de Burgos, S.A. de C.V. (the “Company” or “SMB”) is a Sociedad Anónima de Capital Variable ("S.A. de C.V."), a corporation organized under the laws of Mexico and has its registered office in Reynosa, Tamaulipas, Mexico.

The Company was incorporated to perform activities under its contractual arrangements with Pemex Exploración y Producción (“PEP”). Operations commenced on November 28, 2003 and relate to the development, operation and maintenance of non-associated natural gas fields in the Misión Block in Tamaulipas and Nuevo León, Mexico.

Following the migration of the financed public works contract, on March 2, 2018 the National Hydrocarbons Commission (“CNH”) entered into an exploration and extraction contract with SMB as operator. PEP and SMB hold participating interests of 51% and 49%, respectively. The contract has an initial term of 25 years and may be extended twice for periods of five years each.

The contract is a production-sharing arrangement under which the parties receive hydrocarbons in kind as recovery of eligible costs and as their share of the remaining operating profit. SMB markets its share of natural gas and condensate production.

Due to security conditions in the operating area, on December 14, 2024 the Company requested force-majeure relief and temporarily shut in certain wells and gathering stations. The affected wells and gathering stations reopened on December 15, 2025. The force-majeure request remained pending at December 31, 2025. On December 17, 2025, the Company entered into a condensate sales agreement with Strata BPS.

At June 30, 2026, Tecpetrol Operaciones, S.A. de C.V. (“Tecpetrol Operaciones”) and Industrial Perforadora de Campeche, S.A. de C.V. (“IPC”) each held 50% of the Company’s outstanding shares.

2. Basis of presentation

These unaudited condensed interim financial statements (the “financial statements”) have been prepared in accordance with IAS 34, Interim Financial Reporting, using IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”). A summary of the Company's material accounting policy information is presented in Note 3.

Certain information and disclosures normally required to be included in the notes to the financial statements have been condensed or omitted. Accordingly, the financial statements should be read in conjunction with the financial statements for the year-ended December 31, 2025, which were prepared in accordance with IFRS.

These financial statements were authorized for issue on October 1, 2026 by the Shareholders of the Company.

Basis of measurement

These financial statements have been prepared on a historical-cost basis, except where another measurement basis is required by IFRS Accounting Standards.

The financial statements have been prepared on a going-concern basis.

Functional and presentation currency

The Company’s functional and presentation currency is the U.S. dollar. Unless otherwise indicated, amounts are presented in thousands of U.S. dollars.

3. Material accounting policy information

The financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited financial statements for the year ended December 31, 2025.

The preparation of the financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses for the reporting period. The judgments, estimates, and assumptions are based on current data and relevant information available to the Company at the time of the interim financial statements preparation. Accordingly, actual reported amounts may differ from estimated amounts as future confirming events occur.

4. Adoption of new standards

New accounting pronouncements adopted effective January 1, 2026

Effective January 1, 2026, the Company adopted Amendments to Classification and Measurement of Financial Instruments – Amendments IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments clarify requirements related to the settlement of financial liabilities using electronic payment systems, assessment of contractual cash flow characteristics of financial assets, and related disclosure requirements. The adoption of these amendments did not have a material impact on the Company's financial statements.

New standards, interpretations and amendments not yet effective

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, with earlier application permitted. IFRS 18 introduces new presentation and disclosure requirements, including a defined structure for the statement of profit or loss, new required subtotals, enhanced aggregation and disaggregation guidance, and disclosures related to management-defined performance measures. The Company is continuing to assess the impact of the standard and has not yet determined the impact on its financial statements.

5. Cash and cash equivalents and restricted abandonment trust

	June 30, 2026	December 31, 2025
Cash and cash equivalents	**$ 2,706**	$ 5,369
Cash under treasury arrangements	**18,724**	18,744
Cash and cash equivalents	**$ 21,430**	$ 24,113
Restricted abandonment trust—non-current (i)	**$ 11,588**	$ 11,674

(i) Restricted abandonment trust

	June 30, 2026
Balance, beginning of period	**$ 11,674**
Contributions	**255**
Withdrawals	**(341)**
Balance, end of period	**$ 11,588**

5. Cash and cash equivalents and restricted abandonment trust - continued

At June 30, 2026, and December 31, 2025 the trust assets were held in cash deposits and cash equivalent instruments restricted for abandonment and restoration purposes

6. Trade and other receivables

Trade and other receivables consist of the following at June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Trade receivables (i)	**$ 14,592**	$ 6,959
Advances and other receivables	**16**	30
	$ 14,608	$ 6,989

(i) Trade receivables consist of the following at June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
PEP	**$ 14,592**	$ 6,947
Strata BPS	**-**	12
Trade receivables	**$ 14,592**	$ 6,959

Trade receivables arise from sales of natural gas and condensate and are unsecured and non-interest-bearing.

The Company applies the simplified approach under IFRS 9 and measures the loss allowance at lifetime expected credit losses. The calculated loss allowance was not material at June 30, 2026 and December 31, 2025.

7. Prepaid expenses and other assets

	June 30, 2026	December 31, 2025
IAEEH tax credits (i)	**$ 357**	$ 281
Prepaid expenses	**64**	188
	$ 421	$ 469

(i) IAEEH credits

IAEEH credits represent amounts recoverable under the IAEEH regime in Mexico. At June 30, 2026, the gross IAEEH credit balance was $1.4 million (2025 - $1.3 million). An impairment allowance of $1.0 million (2025 - $1.0 million) was recognized against the balance, resulting in a net carrying amount of $357 (2025 - $281).

During 2026, the Company did not recognized any reversal of impairment loss (2025 – reversal of impairment loss - $73 following its reassessment of the recoverability of the IAEEH credit balance. Refer to note 18).

8. Related parties

At June 30, 2026 and December 31, 2025, the Company was jointly controlled by Tecpetrol Operaciones and IPC each of which held 50% of the Company's shares. Other related parties comprise entities related to the joint-controlling shareholders.

a) Related party balances at June 30, 2026 and December 31, 2025 are comprised of:

	June 30, 2026	December 31, 2025
Due from related parties		
Joint-controlling shareholders (i)	**$ 84**	$ 325
Other related parties (ii)	**295**	180
Total due from related parties	**$ 379**	$ 505

	June 30, 2026	December 31, 2025
Due to related parties		
Joint-controlling shareholders	**$ 671**	$ 3,385
Other related parties	**-**	3,606
Total due to related parties	**$ 671**	$ 6,991

(i) Amounts due from shareholders represent amounts recoverable from IPC for legal costs incurred by the Company on its behalf. The balances are unsecured, non-interest-bearing and have no fixed repayment terms.

(ii) Amounts due from and due to related parties are denominated in U.S. dollars and are non-interest bearing. The balances are unsecured, are settled in cash in the normal course of business and no guarantees have been given or received.

Certain bank accounts held in the Company's name are administered by a related party of the Company under the Company's treasury arrangements. The related cash balances are included in cash and cash equivalents, as described in Note 5.

b) Related-party expenses (income) for the period ended June 30, 2026 and 2025 consist of the following:

Six months ended June 30, 2026	**Joint controlling Shareholders**	**Other related parties**	**Total**
Operating and administrative services	$ 1,349	$ -	$ **1,349**
Technical personnel and training services	-	(148)	**(148)**
Interest income (expense), net	9	(267)	**(258)**
Purchases of products and other services, net	226	(1)	**225**
Net related-party expense	**$ 1,584**	**$ (416)**	**$ 1,168**

Six months ended June 30, 2025	**Joint controlling Shareholders**	**Other related parties**	**Total**
Operating and administrative services	$ 1,361	$ -	$ **1,361**
Technical personnel and training services	-	257	**257**
Interest income (expense), net	12	(315)	**(303)**
Purchases of products and other services, net	216	(98)	**118**
Net related party expense	**$ 1,589**	**$ (156)**	**$ 1,433**

8. Related party balances and transactions - continued

Tecpetrol Operaciones

Under the SMB shareholders' agreement, the Company pays Tecpetrol Operaciones for indirect services received, calculated based on the percentage of monthly expenditures specified in the agreement.

Key management personnel services are provided by Tecpetrol Operaciones. The Company incurred expenses of $1.349 million and $1.361 million for the provision of these services during the six-month periods ended June 30, 2026 and 2025, respectively. These amounts are included in third-party contract operating costs in note 17 and in operating and administrative services in the related-party transaction tables above.

IPC

During the six months ended June 30, 2026 and 2025, the Company recognized recoveries from IPC of $84 and $967, respectively, for previous costs. The 2026 recovery related to costs incurred during the period and remained receivable at June 30, 2026. The 2025 recovery related to costs incurred in prior periods. These recoveries are included in other income (expenses), as described in note 18.

9. Joint operations

The Company is the operator and holds a 49% participating interest in the Misión joint operation. PEP holds the remaining 51% participating interest.

Under the joint-operation arrangements, the Company periodically requests funding from PEP for its share of estimated operating and capital expenditures. Joint operation receivables are subsequently reconciled to actual qualifying expenditures, with resulting differences reflected in subsequent joint operation receivables and settlements.

The balances arising from this process were as follows:

	June 30, 2026	December 31, 2025
Joint operation receivables	**$ 1,993**	$ 14,818
Joint operation funding balances	**$ 8,659**	$ 8,499

Joint operation receivables represent amounts billed to PEP for its share of approved operating and capital expenditures under the Misión joint-operating arrangement that remained outstanding at the reporting date.

Joint operation funding balances represent funding received from PEP that remained to be applied against qualifying joint-operation expenditures at the reporting date.

10. Income tax credits

	June 30, 2026
Balance, beginning of period	**2,654**
Foreign exchange	**81**
Balance, end of period	**2,735**

Income tax credits comprise advance payments of corporate income tax and other income tax amounts available for application against future income tax liabilities or recovery in accordance with Mexican tax legislation. No refund application had been initiated at June 30, 2026.

11. Property, plant and equipment

	Development and production assets	Machinery and equipment	Exploration and evaluation	Works in progress	Others	Total
Cost						
Balance at December 31, 2025	80,344	2,014	123	534	2,367	85,382
Additions	-	-	-	25	-	**25**
Transfers	23	-	-	(26)	3	**-**
Disposals	-	-	-	-	(33)	**(33)**
Balance, June 30, 2026	**80,367**	**2,014**	**123**	**533**	**2,337**	**85,374**
Accumulated depletion, depreciation and impairment						
Balance at December 31, 2025	67,546	1,119	123	-	1,745	**70,533**
Depletion and depreciation	3,154	66	-	-	109	**3,329**
Disposals	-	-	-	-	(32)	**(32)**
Balance, June 30, 2026	**70,700**	**1,185**	**123**	**-**	**1,822**	**73,830**
Carrying amount						
Balance, June 30, 2026	**9,667**	**829**	**-**	**533**	**515**	**11,544**
Balance, December 31, 2025	**12,798**	**895**	**-**	**534**	**622**	**14,849**

During the six months ended June 30, 2026, the Company disposed of property and equipment with a gross carrying amount of $33 and accumulated depletion and depreciation of $32. Disposal proceeds were $23, resulting in a gain on disposal of $22. During the six months ended June 30, 2025, the Company derecognized property and equipment with a gross carrying amount of $536 and accumulated depreciation of $144. Cash disposal proceeds were $342, resulting in a loss on disposal of $50.

Additions to property, plant and equipment were $25 during the six months ended June 30, 2026 (six months ended June 30, 2025 - $487). These additions were settled in cash.

Estimated future development costs of approximately $35.1 million were included in the depletion base for each of the six-month periods ended June 30, 2026 and 2025.

No indicators of impairment or impairment reversal were identified at June 30, 2026 or December 31, 2025.

12. Trade and other payables

	June 30, 2026	December 31, 2025
Trade payables	**1,049**	2,670
Other payables	**3,221**	6,086
Accruals	**560**	647
Social security and other taxes	**739**	195
Total trade and other payables	**5,569**	9,598

Trade and other payables are unsecured, generally non-interest-bearing and settled in the ordinary course of business. Other payables are comprised of accrued consideration payable to landowners under surface access arrangements in the Mision Contract Area.

During the period the Company recorded a derecognition of historical obligations to landowners in the amount of $3.1 million. Refer to note 18.

13. Asset retirement obligations

a) Asset retirement obligations at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026
Balance at beginning of year	$ 10,469
Effect of changes in foreign exchange rates	38
Accretion expense	309
Abandonment expenditures	(184)
Balance at end of period	**$ 10,632**

	June 30, 2026
Current portion	$ 523
Non-current portion	10,109
Total asset retirement obligations	**$ 10,632**

b) Principal assumptions

	June 30, 2026
Wells included in the estimate	158
Estimated cost per well (company share)	$ 73
Inflation rate	2.20%
Discount rate	6.04%
Expected settlement period	2026-2028

The Company maintains a restricted abandonment trust under the Misión exploration and extraction contract. The trust assets are presented separately and are not offset against the asset retirement obligations. See Note 5.

14. Other provisions

	June 30, 2026
Balance at beginning of period	2,122
Foreign exchange translation	60
Balance at end of period	**2,182**

At June 30, 2026 the provision is related to the Company's 49% share of an administrative penalty imposed by the Mexican Agency for Safety, Energy and Environment ("ASEA") following irregularities identified during an inspection of the Misión 2 gas-gathering station on February 2, 2023.

ASEA initially imposed a sanction of MXN 77,805,000. The Company challenged that resolution through administrative and judicial proceedings. ASEA subsequently issued a substitute resolution imposing a sanction of MXN 72,165,000, against which the Company filed a review appeal. The appeal was admitted and remained pending at June 30, 2026. Enforcement of the challenged resolution was suspended pending resolution of the appeal.

14. Other provisions - continued

The provision represents management's estimate of the Company's share of the obligation and remained recorded at MXN 38,124,449 at June 30, 2026 and December 31, 2025. No amounts were paid or derecognized during 2026 and 2025. The timing of any settlement cannot be reasonably determined while the legal challenge remains unresolved. The provision is classified as current.

The related guarantee deposit was as follows:

	June 30, 2026
Cash counter guarantee – current	**978**

A bond was posted in respect of the challenged resolution. The issuance of the bond required the Company to provide a cash counter-guarantee of $978, which is presented separately as a current guarantee deposit. The bond and related guarantee deposit have not been offset against the provision. Further information regarding the proceeding is provided in note 20.

15. Share capital and dividends

a) Share capital

At June 30, 2026 and December 31, 2025, the Company had statutory share capital of MXN 1,000,000, comprising 1,000,000 registered ordinary shares issued and fully paid, each with a nominal value of MXN 1. The corresponding carrying amount presented in these financial statements was $90 at each of those dates.

All share classes confer equal rights and obligations. The issued shares comprised 50,000 fixed-capital shares, consisting of 10,000 CMF-A shares, 10,000 CMF-B shares, 25,000 CMF-C shares and 5,000 CMF-D shares, and 950,000 variable-capital shares, consisting of 190,000 CV-A shares, 190,000 CV-B shares, 475,000 CV-C shares and 95,000 CV-D shares.

The minimum fixed portion of the Company's share capital is MXN 50,000 and is not subject to withdrawal. The variable portion of the Company's share capital is unlimited. Increases or decreases in variable capital require approval by an ordinary shareholders' meeting, while changes to the minimum fixed capital require approval by an extraordinary shareholders' meeting.

There were no changes in the number of issued and fully paid shares during the period ended June 30, 2026 and the year ended December 31, 2025.

b) Other reserves

Under Mexican corporate law, at least 5% of annual net income is required to be transferred to the legal reserve until the reserve reaches 20% of paid-in share capital. At June 30, 2026 and December 31, 2025, the legal reserve was $19 and had reached the required statutory level.

c) Dividends

On January 28, 2026, the shareholders approved a cash dividend of MXN 108,098,586, equivalent to approximately $6.3 million. The dividend was recognized as a distribution from retained earnings. Of this amount $5.9 million was paid during the six months ended June 30, 2026 and $0.4 million was settled by offset against amounts recoverable from a shareholder.

On March 27, 2025, the shareholders approved a cash dividend of MXN 321,219,000, equivalent to MXN 321.219 per share and $16 million in total. The dividend was recognized as a distribution from retained

earnings. Of this amount, $13.5 million was settled in cash and $2.5 million was settled by offset against amounts recoverable from a shareholder.

16. Revenue

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Natural gas	**$ 4,085**	$ 2,854	**$ 9,845**	$ 4,655
Condensate	**477**	-	**1,054**	-
Total revenue	**$ 4,562**	$ 2,854	**$ 10,899**	$ 4,655

Natural gas sales to PEP were $9.8 million and represented approximately 90% of the Company's total revenue for the six months ended June 30, 2026 (2025 - $4.7 million and 100%). The related concentration of credit risk is discussed in note 23.

17. Operating costs and general and administrative expenses

Operating costs

Operating expenses include the following costs incurred during the three and six months ended June 30, 2026 and 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Third-party contract operating	**$ 788**	$ 718	**$ 1,610**	$ 1,511
Licence fees, taxes and surface rights	**731**	665	**1,571**	1,317
Employee costs	**534**	720	**1,298**	1,430
Repairs and maintenance	**403**	202	**740**	472
Processing and compression fees	**340**	286	**646**	574
Workovers and well services	**269**	166	**545**	397
Transportation	**146**	74	**347**	130
Professional and technical services	**94**	99	**262**	203
Materials, chemicals and consumables	**51**	28	**86**	60
Fuel, power and water	**20**	18	**37**	29
Other operating costs and internal allocations, net	**55**	169	**178**	325
Total operating costs	**$ 3,431**	$ 3,145	**$ 7,320**	$ 6,448

Administrative expenses

General and administration expenses include the following costs incurred during the three and six months ended June 30, 2026 and 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Professional fees and services	**$ 200**	$ 272	**$ 385**	$ 476
Other administrative expenses	**53**	27	**78**	65
Total general and administrative expenses	**$ 253**	$ 299	**$ 463**	$ 541

18. Other income (expenses)

Other income (expenses) include the following during the three and six months ended June 30, 2026 and 2025:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Expense recoveries and other income (loss) (i)	**$ 7**	$ (91)	**$ 6**	$ 778
IAEEH credits (Note 7)	**486**	593	**918**	593
Impairment reversal on IAEEH receivable	**-**	-	**-**	73
Derecognition of historical landowner payables (ii)	**3,109**	-	**3,109**	-
Gain (loss) on disposal of property, plant and equipment	**-**	-	**22**	(50)
Other operating expenses	**-**	-	**(3)**	(40)
Total other operating income (expenses)	**$ 3,602**	$ 502	**$ 4,052**	$ 1,354

(i) Reimbursements and other operating income for the six months ended June 30, 2026 included $84 of recoveries from IPC for costs incurred during the period (six months ended June 30, 2025 - $967). For the three months ended June 30, 2026, $25 of recoveries from IPC for costs incurred in prior periods, partly offset by $189 of other operating expenses in each respective period. At June 30, 2026, the $84 receivable was included in amounts due from related parties. Refer to note 8.

(ii) During the six months ended June 30, 2026, the Company recognized a gain of $3.1 million from the derecognition of historical obligations to landowners accrued from 2018 through March 2021, which management determined were no longer payable. Refer to note 12.

19. Finance income and expenses

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Finance income				
Interest income	123	148	268	316
Indexation of tax credits and other finance income	49	144	78	212
Total finance income	**172**	**292**	**346**	**528**
Finance expenses				
Accretion of asset retirement obligations	(156)	(205)	(309)	(404)
Other interest income (expense)	(5)	33	(3)	30
Total finance costs	**(161)**	**(172)**	**(312)**	**(374)**
Bank charges and fees (i)	(7)	(6)	(11)	(2,183)

(i) During the first quarter of 2025, the Company incurred a fee of $2.152 million payable to Banco Santander for services provided to facilitate the collection of $30.741 million of outstanding receivables from PEP. The fee was calculated as 7% of the amounts collected.

20. Commitments and contingencies

a) Commitments

To secure the performance of its obligations under the Misión exploration and extraction contract, the Company arranged an unconditional and irrevocable letter of credit of $875 in support of the minimum work program and additional work commitments applicable to the exploration periods. The letter of credit expires on September 8, 2027. As a result of conditions established in the environmental impact assessment, a bond of MXN 10,623,442 was issued on behalf of the Company. The bond expires on December 31, 2026. In March 2026, the additional exploration period was extended to April 10, 2029. The commitment to drill the Kabil-1 well, with an estimated cost of $1.8 million, remained in effect.

b) Contingencies

The Company has initiated annulment proceedings to recover favorable balances relating to the Hydrocarbon Exploration and Extraction Activities Tax ("IAEEH") for the periods from August through December 2019. The proceedings remained unresolved at June 30, 2026. Additional favorable balances of approximately MXN 264,110,348 have not been recognized as assets because their recovery remains dependent on the outcome of the proceedings. The ASEA proceeding, related provision and cash counter-guarantee are described in note 14.

The Company is involved in claims and negotiations with landowners concerning surface-access rights, the legalization of easements and alleged property damage in the Misión Contract Area. Amounts payable under established surface-access arrangements are included in trade and other payables in note 12. No additional provision has been recognized for unresolved matters because management has not concluded that a probable and reliably measurable obligation exists. The ultimate outcomes and timing of resolution remain uncertain.

The Company is involved in various legal, regulatory and administrative proceedings that arise in the normal course of business. At June 30, 2026 and December 31, 2025, management concluded that no additional provision was required because a material outflow was not considered probable or the amounts involved were not material to the financial statements.

The Company's request for recognition of force majeure arising from security conditions and related interruptions remained under review by the relevant governmental authorities. The wells and gathering stations affected by the temporary shutdown were reopened on December 15, 2025. No provision has been recognized in relation to the force majeure request. See Note 1.

21. Supplemental cash flow information

	Six months ended June 30,	
Changes in non-cash working capital	**2026**	**2025**
Trade and other receivables	(7,564)	25,162
Prepaid expenses and other assets	48	236
Due from related parties	(251)	(1,009)
Joint operation receivables	12,831	(6,590)
Inventories	67	17
Trade and other payables	(4,296)	2,366
Due to related parties	(6,320)	1,060
Joint operation funding balances	160	(798)
Taxes payable	847	(653)
Changes in non-cash working capital	**(4,478)**	**19,791**

21. Supplemental cash flow information - continued

The amounts above are based on changes in the corresponding statement of financial position balances, adjusted for non-cash transactions, foreign-exchange remeasurement and reclassifications between financial-statement categories. During 2026, dividends payable to IPC of $377 (2025 - $2.5 million) were settled by offset against amounts receivable from IPC. This settlement reduced the related-party receivable without generating a cash receipt and was therefore excluded from operating cash flows. Refer to notes 8 and 15.

22. Capital management

The Company's objectives in managing capital are to safeguard its ability to continue as a going concern, maintain sufficient liquidity to fund its operations and contractual commitments, and preserve financial flexibility for the benefit of its shareholders.

The Company manages capital by monitoring working capital, cash-flow forecasts, operating and capital expenditure requirements and shareholders' equity. The Company may adjust its operating expenditures, distributions to shareholders and funding arrangements in response to changes in its financial position and expected liquidity requirements.

The following summarizes the amounts managed as capital:

	June 30, 2026	December 31, 2025
Current assets	**$ 42,654**	$ 50,703
Current liabilities	**(19,145)**	(28,549)
Working capital	**23,509**	22,154
Shareholders' equity	**38,250**	41,807

The Company was not subject to externally imposed capital requirements at June 30, 2026 and December 31, 2025. There were no changes in the Company's objectives, policies or processes for managing capital during the six-month period ended June 30, 2026.

23. Financial risk management

Risk-management framework

The Company is exposed principally to commodity-price risk, foreign-exchange risk, credit risk and liquidity risk. Risk-management activities are overseen by management and the shareholders.

Credit risk

	June 30, 2026
Cash and cash equivalents	21,430
Restricted abandonment trust	11,588
Trade and other receivables	14,608
Due from related parties	379
Joint operation receivables	1,993
Refundable guarantee deposits	978
Maximum credit exposure	**50,976**

23. Financial risk management - continued

Credit risk relating to trade receivables is concentrated in PEP. At June 30, 2026, amounts receivable from PEP represented substantially all trade receivables, and joint-operation receivables were also due from PEP as the other participant in the Misión joint operation.

	Less than 30 days	30–60 days	61–90 days	91–120 days	More than 120 days	Total
Trade receivable	5,793	3,524	2,111	3,164	-	14,592
Other accounts receivable	-	-	-	-	16	16
Joint operation receivables	1,993	-	-	-	-	1,993
Total amount receivable from PEP	**7,786**	**3,524**	**2,111**	**3,164**	**16**	**16,601**

Significant PEP balances are assessed individually based on contractual payment status, disputed amounts, subsequent collection and settlement activity and PEP's creditworthiness. The older condensate receivable is being recovered through the application of amounts otherwise payable to PEP in respect of its share of current condensate sales.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities as they become due.

Liquidity risk is principally affected by the timing of collections from PEP, At June 30, 2026 no trade or joint-operation receivables were outstanding for more than 120 days. Liquidity requirements include operating expenditures and amounts payable to related parties for services. The Company manages liquidity risk by monitoring cash on hand, coordination of collections and cash call funding with PEP.

At June 30, 2026, the Company had cash and cash equivalents of $21.4 million (2025 - $24.1 million) and net working capital of approximately $23.5 million (2025 – $22.2 million). The Company had no third-party long-term debt outstanding. The restricted abandonment trust of $11.6 million (2025 - $11.7 million) and guarantee deposits of $978 (2025 - $978) were not available to fund general operating or working-capital requirements.

The following table details the remaining contractual maturities of the Company's financial liabilities, inclusive of lease liabilities at June 30, 2026:

Contractual cash flows	Less than 3 months	3–12 months	1–2 years	2–5 years	Over 5 years	Total
Trade and other payables, excluding statutory liabilities	4,830	-	-	-	-	4,830
Due to related parties	671	-	-	-	-	671
Joint-operation funding balances	8,659	-	-	-	-	8,659
Lease liabilities (undiscounted payments)	27	82	31	48	51	239
Total	**14,187**	**82**	**31**	**48**	**51**	**14,399**

Commodity-price risk

Natural-gas and condensate prices affect revenue, operating performance and future cash flows. The Company does not use commodity-price derivatives. Based on natural-gas sales volumes for the six months ended June 30, 2026, a $0.10/MMBtu increase or decrease in the realized natural-gas price would have increased or decreased revenue and income before tax by approximately $0.2 million (2025 $0.2 million) with all other variables held constant.

23.Financial risk management - continued

Foreign-exchange and interest-rate risk

The Company's functional and presentation currency is the U.S. dollar. Foreign-exchange risk arises principally from monetary assets and liabilities, operating expenditures and statutory balances denominated in Mexican pesos. These assets primarily comprise cash and cash equivalents, the IAEEH credit and income tax credits. The liabilities primarily comprise taxes payable, other provisions, employee benefit obligations and lease liabilities.

Management monitors Mexican-peso monetary exposures and exchange-rate movements but does not use foreign-exchange derivatives. During the six months ended June 30, 2026, the Company recognized a foreign-exchange gain of $32 (2025 - $407).

Interest-rate risk

Interest-rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company did not have material interest-bearing debt at June 30, 2026 and December 31, 2025. Its principal exposure relates to interest earned on cash and cash equivalents, the restricted abandonment trust and deposits. Changes in market interest rates would affect future finance income but would not have had a material effect on the Company's 2026 and 2025 results.

The Company does not use interest-rate derivatives to manage this exposure.

Fair values

The Company's financial assets and financial liabilities are principally measured at amortized cost.

The carrying amounts and estimated fair values of the Company's financial instruments were as follows:

	Carrying amount 2026	Fair values, 2026	Carrying amount 2025	Fair value 2025
Cash and cash equivalents	21,430	21,430	24,113	24,113
Trade and other receivables	14,608	14,608	6,989	6,989
Due from related parties	379	379	505	505
Joint operation receivables	1,993	1,993	14,818	14,818
Deposits	978	978	978	978
Restricted abandonment trust	11,588	11,588	11,674	11,674
Trade and other financial payables	5,569	5,569	9,598	9,598
Due to related parties	671	671	6,991	6,991
Joint operation payables	8,659	8,659	8,499	8,499

The carrying amounts approximate fair value because the instruments are either payable on demand, contractually short-term or expected to be recovered or settled through the established collection, cash-call and joint-account settlement processes.

24. Subsequent events

On August 13, 2026, Tecpetrol Operaciones and IPC entered into separate share purchase agreements with Petro Frontera, S.A.P.I. de C.V. for the sale of their respective 50% interests in the Company. Completion is subject to regulatory and other customary approvals and the simultaneous closing of both agreements. As of the date these financial statements were authorized for issuance, the transactions had not been completed. Accordingly, no adjustments have been recognized in these financial statements. The transfer of shares is not expected to have a direct financial effect on the Company.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.

FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

Contents

	Page
Independent auditor's report	3
Statements of financial position	5
Statements of loss and comprehensive loss	6
Statements of changes in shareholders' equity	7
Statements of cash flows	8
Notes to the financial statements	9-37

To the Shareholders of Servicios Múltiples de Burgos, S.A. de C.V.:

Opinion

We have audited the financial statements of Servicios Múltiples de Burgos, S.A. de C.V. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

MNP LLP
2000, 112 - 4th Avenue SW, Calgary AB, T2P 0H3 1.877.500.0792 T: 403.263.3385 F: 403.269.8450

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Calgary, Alberta

October 1, 2026

MNP LLP

Chartered Professional Accountants

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025 and 2024
(Amounts in thousands of U.S. dollars, unless otherwise stated)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	5	**$ 24,113**	$ 8,686
Restricted cash	5	**-**	1,856
Trade and other receivables	6	**6,989**	37,283
Prepaid expenses and other assets	7	**469**	506
Due from related parties	8	**505**	1,574
Joint operation receivables	9	**14,818**	23,046
Deposits	15	**978**	978
Income tax credits	10	**2,654**	2,352
Inventories		**177**	104
Total current assets		**50,703**	76,385
Restricted abandonment trust	5	**11,674**	10,468
Property, plant and equipment	11	**14,849**	18,288
Right-of-use assets	12	**211**	423
Deferred tax asset	21	**3,000**	3,000
Total non-current assets		**29,734**	32,179
Total assets		**80,437**	108,564
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	13	**9,598**	12,461
Due to related parties	8	**6,991**	6,363
Joint operation funding balances	9	**8,499**	10,221
Taxes payable		**527**	671
Other provisions	15	**2,122**	1,881
Asset retirement obligations	14	**707**	905
Lease liabilities	12	**105**	263
Total current liabilities		**28,549**	32,765
Asset retirement obligations	14	**9,762**	9,465
Employee benefit obligations		**167**	114
Lease liabilities	12	**152**	216
		10,081	9,795
Total liabilities		**38,630**	42,560
Shareholders' Equity			
Share capital	16	**90**	90
Other reserves	16	**19**	19
Retained earnings		**41,698**	65,895
Total shareholders' equity		**41,807**	66,004
Total liabilities and shareholders' equity		**$ 80,437**	$ 108,564

Commitments (Note 22)
Subsequent events (Note 26)

(Signed) "Jose Alexander Pineda Briseno Director General

Director General

See accompanying notes to the financial statements.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2025 and 2024
(Amounts in thousands of U.S. dollars, unless otherwise stated except per share amounts)

	Note	2025	2024
Revenue	17	**$ 8,481**	$ 22,745
Expenses			
Operating costs	18	**(13,181)**	(16,561)
General and administrative	18	**(1,033)**	(1,490)
Depletion and depreciation	11	**(3,204)**	(8,306)
Depreciation of right of use assets	12	**(214)**	(362)
Total expenses		**(17,632)**	(26,719)
Operating loss		**(9,151)**	(3,974)
Other income (expenses)			
Other income (expense)	19	**2,274**	(2,460)
Finance income	20	**880**	1,427
Finance expenses	20	**(865)**	(919)
Bank charges and fees	20	**(2,125)**	(38)
Foreign exchange gain (loss)		**790**	(960)
Total other income (expenses)		**954**	(2,950)
Loss and comprehensive loss		**$ (8,197)**	$ (6,924)
Loss attributable to ordinary shareholders		**$ (8,197)**	$ (6,924)
Weighted-average ordinary shares outstanding	16	**1,000,000**	1,000,000
Basic and diluted loss per share		**$ (8.20)**	**$ (6.92)**

See accompanying notes to the financial statements.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2025 and 2024

(Amounts in thousands of U.S. dollars, unless otherwise stated)

	Share capital	Other reserves	Retained earnings	Total shareholders' equity
Balance, December 31, 2023	**$ 90**	**$ 19**	**$ 72,819**	**$ 72,928**
Loss and comprehensive loss	-	-	(6,924)	(6,924)
Balance, December 31, 2024	**90**	**19**	**65,895**	**66,004**
Loss and comprehensive loss	-	-	(8,197)	(8,197)
Dividends (Note 16(c))	-	-	(16,000)	(16,000)
Balance, December 31, 2025	**$ 90**	**$ 19**	**$ 41,698**	**$ 41,807**

See accompanying notes to the financial statements.

SERVICIOS MÚLTIPLES DE BURGOS, S.A. DE C.V.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(Amounts in thousands of U.S. dollars, unless otherwise stated)

	Note	2025	2024
Operating activities			
Loss and comprehensive loss		**$ (8,197)**	$ (6,924)
Adjustments for items not affecting cash unless otherwise stated:			
Depreciation of property, plant and equipment	11	**3,204**	8,306
Depreciation of right-of-use assets	12	**214**	362
Accretion of asset retirement obligations	14	**832**	846
Interest earned on restricted abandonment trust	5	**(2)**	(5)
Gain(loss) on disposal of oil and gas assets	11	**10**	(7)
Legal provision expense	15,19	**-**	1,881
Employee service cost and net interest		**61**	38
Employee benefits paid		**(45)**	(21)
Payments of asset retirement obligations	14	**(224)**	(139)
Unrealized foreign exchange (gain) loss		**(830)**	668
Changes in non-cash working capital and other operating balances	23	**33,570**	(24,912)
Net cash provided by (used in) operating activities		**28,593**	(19,907)
Investing activities			
Purchases of property, plant and equipment	11	**(199)**	(1,469)
Proceeds from sale of property and equipment		**40**	7
Contributions to restricted abandonment trust	5	**(1,204)**	(1,644)
Release of restricted cash	5	**1,856**	1,840
Net cash provided by (used in) investing activities		**493**	(1,266)
Financing activities			
Dividends paid	16	**(13,491)**	-
Principal portion of lease payments	12	**(260)**	(397)
Net cash used in financing activities		**(13,751)**	(397)
Effect of exchange-rate changes on cash and cash equivalents		**92**	180
Net increase (decrease) in cash		**15,427**	(21,390)
Cash and cash equivalents, beginning of year	5	**8,686**	30,076
Cash and cash equivalents, end of year	5	**$ 24,113**	$ 8,686

See accompanying notes to the financial statements.

1. Nature of operations

Servicios Múltiples de Burgos, S.A. de C.V. (the "Company" or "SMB") is a sociedad anónima de capital variable incorporated and domiciled in Mexico and has its registered office in Reynosa, Tamaulipas, Mexico.

The Company was incorporated to perform activities under its contractual arrangements with Pemex Exploración y Producción ("PEP"). Operations commenced on November 28, 2003 and relate to the development, operation and maintenance of non-associated natural gas fields in the Misión Block in Tamaulipas and Nuevo León, Mexico.

Following the migration of the financed public works contract, on March 2, 2018 the National Hydrocarbons Commission ("CNH") entered into an exploration and extraction contract with SMB as operator. PEP and SMB hold participating interests of 51% and 49%, respectively. The contract has an initial term of 25 years and may be extended twice for periods of five years each.

The contract is a production-sharing arrangement under which the parties receive hydrocarbons in kind as recovery of eligible costs and as their share of the remaining operating profit. SMB markets its share of natural gas and condensate production.

Due to security conditions in the operating area, on December 14, 2024 the Company requested Force-majeure relief and temporarily shut in certain wells and gathering stations. The affected wells and gathering stations reopened on December 15, 2025. The Force-majeure request remained pending at December 31, 2025. On December 17, 2025, the Company entered into a condensate sales agreement with Strata BPS.

At December 31, 2025 and 2024, Tecpetrol Operaciones, S.A. de C.V. ("Tecpetrol Operaciones") and Industrial Perforadora de Campeche, S.A. de C.V. ("IPC") each held 50% of the Company's outstanding shares.

2. Basis of preparation and statement of compliance

Statement of compliance

The financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. A summary of the Company's material accounting policy information is presented in Note 3.

These financial statements were authorized for issue on October 1, 2026 by the Shareholders of the Company.

Basis of measurement

These financial statements have been prepared on a historical-cost basis, except where another measurement basis is required by IFRS Accounting Standards, as described in Note 3.

The financial statements have been prepared on a going-concern basis.

2. Basis of preparation and statement of compliance - continued

Functional and presentation currency

The Company's functional and presentation currency is the United States ("U.S.") dollar. Unless otherwise indicated, amounts are presented in thousands of U.S. dollars.

Transactions denominated in foreign currencies are translated into U.S. dollars at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date. Foreign exchange gains and losses arising from settlement or translation are recognized in profit or loss. Non-monetary items measured at historical cost are translated at the exchange rates prevailing on the original transaction dates.

3. Material accounting policy information

Joint operations and operator accounting

The Misión arrangement is a joint operation under IFRS 11 because the parties have rights to the assets and obligations for the liabilities of the arrangement. The Company acts as operator and recognizes its 49% share of the joint operation's assets, liabilities, revenue and expenses. PEP holds the remaining 51% interest.

In relation to its interest in a joint operation, the Company recognizes:

- its assets, including its share of assets held jointly;
- its liabilities, including its share of liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- its share of revenue from the sale of output by the joint operation; and
- its expenses, including its share of expenses incurred jointly.

The Company accounts for assets, liabilities, revenue and expenses relating to its interest in the joint operation in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenue and expenses.

Joint operation receivables are requests for funding from the joint operation participants to finance approved operating and capital expenditures. Amounts due from a participant are recognized as receivables when the Company has an enforceable right to reimbursement. Amounts received in excess of the participant's share of expenditures are recognized as liabilities until applied. Cash-call receipts are not revenue. Expenditures incurred by the joint operation are recognized by their nature and allocated in accordance with the participating interests and the joint operating agreement.

Revenue

The Company's revenue principally consists of sales of natural gas and condensate representing the Company's share of production from the Misión Contract Area. Revenue is accounted for under IFRS 15 Revenue from Contracts with Customers.

Revenue is recognized when control of the product transfers to the customer, which occurs at a point in time when the natural gas or condensate is delivered at the contractual delivery or measurement point, the significant risks of loss and rewards of ownership of the commodity have passed, the customer has accepted the product in accordance with the contract and the Company has a present right to payment.

Revenue is measured at the transaction price specified in the contract, based on the contractual pricing formula and measured volumes delivered, net of discounts, adjustments, sales taxes and amounts collected on behalf of third parties. Pricing may reference market indices and contractual quality,

3. Material accounting policy information - continued

transportation, commercialization or other adjustments. Where price or volume remains subject to final determination, revenue is estimated using the most likely amount or expected value, as appropriate, and is included only to the extent that a significant reversal is not highly probable.

The Company generally invoices customers after delivery based on approved measurement information. A receivable is recognized when the right to consideration is unconditional. The Company does not normally have material contract assets, contract liabilities, significant financing components or material obligations for returns.

Fiscal levies and other government-take amounts that are imposed on the Company rather than collected from customers are recognized as operating costs. Taxes collected from customers on behalf of governmental authorities are excluded from revenue.

All revenue was generated from sales of natural gas and condensate produced from the Misión Contract Area and was recognized at a point in time when control of the hydrocarbons transferred to the customer at the applicable contractual delivery or measurement point.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash, have original maturities of three months or less and are subject to an insignificant risk of changes in value.

Certain bank accounts held in the Company's name are administered by a related party of the Company as part of the Company's treasury arrangements. The related balances are available for the Company's operating requirements and are included in cash and cash equivalents.

Restricted abandonment trust

Contributions to the abandonment trust are recognized as a restricted financial asset and measured at amortized cost. The trust asset is not offset against the asset retirement obligation because the Company remains primarily obligated to perform the abandonment and restoration activities and does not have a legally enforceable right to settle the obligation net.

The restricted trust is classified as non-current because the funds may be used only to perform future abandonment and restoration activities in accordance with the Misión Contract and approved development plans. Interest earned on the trust is recognized as finance income using the effective interest method. Contributions to and withdrawals from the trust are classified as investing activities in the statement of cash flows.

Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Regular-way purchases and sales of financial assets are recognized on the trade date.

Except for trade receivables without a significant financing component, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments not measured at fair value through profit or loss ("FVTPL") are added to or deducted from their fair value, as applicable. Transaction costs relating to instruments measured at FVTPL are recognized immediately in the statement of loss and comprehensive loss. Trade receivables without a significant financing component are initially measured at the transaction price determined in accordance with IFRS 15.

3. Material accounting policy information - continued

Financial assets measured at amortized cost include cash and cash equivalents, restricted cash, restricted abandonment trust, trade and other receivables, amounts due from related parties, joint operation receivables, and deposits. Financial liabilities measured at amortized cost include trade and other payables, amounts due to related parties and joint operation funding balances.

Classification and measurement of financial assets

A financial asset is measured at amortized cost when:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are subsequently measured using the effective interest method, net of any expected credit loss allowance. Interest income, foreign-exchange gains and losses, impairment gains and losses and gains or losses on derecognition are recognized in the statement of loss and comprehensive loss.

A debt investment is measured at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual cash flows are solely payments of principal and interest. Interest income, foreign-exchange gains and losses and impairment are recognized in the statement of loss and comprehensive loss. Other changes in fair value are recognized in other comprehensive income and are reclassified to income or loss on derecognition.

Financial assets that do not qualify for measurement at amortized cost or fair value through other comprehensive income are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset at FVTPL when doing so eliminates or significantly reduces an accounting mismatch.

The Company's cash and cash equivalents, restricted cash, trade and other receivables, amounts due from related parties, joint operation receivables, and deposits and other contractual receivables are classified as financial assets measured at amortized cost.

The restricted abandonment trust is classified and measured based on the nature of its underlying financial assets and the business model under which those assets are managed. Cash deposits and qualifying debt instruments held to collect contractual cash flows are measured at amortized cost.

Prepaid expenses and other assets that are settled through the receipt of goods or services are not financial assets. Income tax, value-added tax and other statutory receivables arising under legislation rather than contract are also outside the scope of IFRS 9.

Classification and measurement of financial liabilities

Financial liabilities are classified as either financial liabilities measured at amortized cost or financial liabilities measured at FVTPL.

A financial liability is measured at FVTPL when it is held for trading, is a derivative or is designated as such on initial recognition. Changes in fair value are recognized in the statement of loss and comprehensive loss.

3. Material accounting policy information - continued

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign-exchange gains and losses and gains or losses on derecognition are recognized in the statement of loss and comprehensive loss.

The Company's financial liabilities measured at amortized cost comprise trade and other payables, amounts due to related parties and joint operating funding balances.

Income taxes, value-added taxes, payroll taxes, social-security obligations and other statutory liabilities imposed by law rather than arising from a contract are not financial liabilities. Lease liabilities are recognized and measured in accordance with IFRS 16.

Expected credit losses

The Company applies the simplified approach under IFRS 9 to trade and other receivables and recognizes lifetime expected credit losses.

For other financial assets measured at amortized cost, including joint operation receivables and amounts due from related parties, the Company recognizes 12-month expected credit losses unless credit risk has increased significantly since initial recognition, in which case lifetime expected credit losses are recognized.

Expected credit losses reflect historical collection experience, contractual payment status, counterparty-specific credit information, subsequent settlement activity, current economic conditions and reasonable and supportable forecasts. Material exposures to PEP are assessed individually. Receivables are written off when there is no reasonable expectation of recovery.

Derecognition and offsetting

A financial asset is derecognized when the contractual rights to its cash flows expire or when substantially all the risks and rewards of ownership are transferred. A financial liability is derecognized when the related obligation is discharged, cancelled or expires.

Financial assets and financial liabilities are offset only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Joint operation receivables and joint operation funding balances

Joint operation receivables are recognized when approved expenditures or joint-account settlements give rise to an enforceable right to reimbursement from PEP. These balances are financial assets measured at amortized cost, net of expected credit losses. Cash-call receipts are not recognized as revenue.

Amounts received in excess of PEP's share of joint operation expenditures are recognized as liabilities until applied.

Prepaid expenses and other assets

Advances and prepayments for goods or services are measured at cost until the related goods or services are received, at which time they are recognized as assets or expenses according to their nature.

Statutory tax credits are outside the scope of IFRS 9 and are presented at the amounts expected to be recovered or applied, net of any allowance for amounts not expected to be recovered.

3. Material accounting policy information - continued

IAEEH credits

IAEEH credits represent amounts recoverable under the Impuesto por la Actividad de Exploración y Extracción de Hidrocarburos ("IAEEH"), a statutory levy imposed on hydrocarbon exploration and extraction activities in Mexico. The credits are recognized when recovery is considered probable and are measured at the amount expected to be recovered. The Company assesses recoverability at each reporting date based on all available information, including legal, regulatory and administrative developments. An impairment loss is recognized when the carrying amount exceeds the estimated recoverable amount and is reversed when the estimated recoverable amount increases.

Deposits

Refundable deposits represent amounts paid as security under contractual arrangements. The deposits are financial assets and are initially measured at fair value and subsequently measured at amortized cost. Deposits are classified as current or non-current based on the expected date of release.

Exploration and evaluation assets

Expenditures incurred before the Company has obtained the legal right to explore a specific area are recognized in the statement of loss and comprehensive loss as incurred. After the legal right to explore has been obtained, directly attributable exploration and evaluation expenditures are capitalized in accordance with IFRS 6.

Exploration and evaluation assets are not depreciated or depleted while technical feasibility and commercial viability are being assessed. They are assessed for impairment when facts and circumstances indicate that their carrying amount may not be recoverable. When technical feasibility and commercial viability are demonstrable, the assets are assessed for impairment and reclassified to property, plant and equipment.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation, depletion and impairment losses. Cost includes expenditures directly attributable to bringing an asset to the location and condition necessary for its intended use and the initial estimate of dismantling, removal and site-restoration costs when an obligation exists.

Development and production assets include drilled wells, qualifying workovers, production facilities and exploitation rights associated with the Misión Contract Area. Decommissioning assets represent costs capitalized upon the initial recognition and subsequent remeasurement of asset retirement obligations.

Subsequent expenditures are capitalized when it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. Repairs and maintenance are recognized in operating costs as incurred. The carrying amount of a replaced component is derecognized.

Works in progress are measured at cost and are not depreciated or depleted until available for use. Land is not depreciated.

Depletion and depreciation

Producing oil and gas assets are depleted using the unit-of-production method based on the Company's 49% share of estimated oil and gas reserves. Reserve estimates are based on independent reserve evaluations prepared in accordance with the Society of Petroleum Engineers ("SPE") Petroleum Resources Management System.

3. Material accounting policy information - continued

Reserve estimates are reviewed at least annually. Changes are accounted for prospectively as changes in accounting estimates. Other property, plant and equipment is depreciated on a straight-line basis over its estimated useful life as follows:

Asset class	Estimated useful life
Machinery and equipment not depleted using the unit-of-production method	10 years
Other assets	3 to 12.5 years

Depreciation and depletion commence when an asset is available for use or, for producing oil and gas assets, when production commences. Residual values, useful lives and depreciation methods are reviewed annually and adjusted prospectively when appropriate.

Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognized in the statement of loss and comprehensive loss.

Impairment of non-financial assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances indicate that their carrying amounts may not be recoverable, including the indicators specified in IFRS 6.

Oil and gas properties, right-of-use assets and other non-financial assets are reviewed at each reporting date for indicators of impairment or reversal. When an indicator exists, the recoverable amount of the individual asset or cash-generating unit (“CGU”) is estimated. The Misión development and production assets are generally assessed as a single CGU because their production, infrastructure and cash inflows are interdependent.

Recoverable amount is the higher of fair value less costs of disposal and value in use. An impairment loss is recognized in the statement of loss and comprehensive loss when carrying amount exceeds recoverable amount. Impairment losses are reversed when the estimates used to determine recoverable amount improve, but only to the carrying amount that would have existed, net of depreciation or depletion, had no impairment loss been recognized.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A lease exists when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, the Company recognizes a right-of-use asset and a lease liability, except for short-term leases and leases of low-value assets, for which lease payments are recognized as an expense on a straight-line basis over the lease term.

The lease term comprises the non-cancellable period of the lease together with periods covered by an extension option when the Company is reasonably certain to exercise that option and periods covered by a termination option when the Company is reasonably certain not to exercise that option.

3. Material accounting policy information - continued

Lease liabilities are initially measured at the present value of unpaid lease payments, discounted using the interest rate implicit in the lease when readily determinable or otherwise the Company's incremental borrowing rate. Lease liabilities are subsequently increased for interest, reduced by payments and remeasured for qualifying changes in lease terms, lease payments or modifications.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for qualifying remeasurements of the related lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset unless ownership is expected to transfer to the Company.

Foreign-currency lease liabilities are retranslated at each reporting date, with resulting exchange differences recognized in the statement of loss and comprehensive loss.

Asset retirement obligations

The Company's asset retirement obligations arise from its 49% participating interest in the Misión Contract Area and relate principally to the future plugging and abandonment of wells and restoration of the related sites.

A provision is recognized for the estimated costs of plugging and abandoning wells and restoring related sites when the Company has a present legal or constructive obligation, an outflow of resources is probable and the amount can be estimated reliably. For obligations relating to the Misión joint operation, the Company recognizes the liabilities it incurs directly and its share of liabilities incurred jointly.

The provision is measured at the present value of the expenditures expected to settle the obligation. An equivalent amount is initially included in the cost of the related property, plant and equipment and is depleted over the useful life of the related assets. The unwinding of the discount is recognized in finance expenses.

Changes in estimated costs, timing, inflation or discount rates are added to or deducted from the carrying amount of the related asset. A decrease is not deducted in excess of the carrying amount of the asset, and any excess is recognized in statement of loss and comprehensive loss. An increase in the carrying amount of the related asset is considered in assessing whether the asset may be impaired. The adjusted carrying amount is depleted prospectively over the remaining useful life of the related asset.

Expenditures incurred in settling the obligation are applied against the provision.

Other provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

For obligations arising from the Misión joint operation, the Company recognizes liabilities it incurs directly and its share of liabilities incurred jointly. The amount recognized reflects the Company's enforceable legal obligation under the contractual arrangements and applicable law.

When the effect of the time value of money is material, provisions are discounted using a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability that have not been reflected in the estimated cash flows. The unwinding of the discount is recognized in finance expenses.

3. Material accounting policy information – continued

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. A provision is reversed when an outflow of resources is no longer probable.

A contingent liability is disclosed when there is a possible obligation arising from past events, or a present obligation that is not recognized because an outflow is not probable or the amount cannot be measured reliably, unless the possibility of an outflow is remote.

A contingent asset is disclosed when an inflow of economic benefits is probable and is recognized only when realization is virtually certain.

Reimbursements expected from third parties are recognized as separate assets only when it is virtually certain that reimbursement will be received if the Company settles the obligation. A reimbursement asset cannot exceed the amount of the related provision.

Income taxes

Income tax expense or recovery comprises current and deferred income tax. Income taxes are recognized in statement of loss and comprehensive loss, except when they relate to items recognized in other comprehensive income or directly in shareholders' equity, in which case they are recognized in other comprehensive income or directly in equity.

Current income tax is the expected tax payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, including adjustments relating to prior periods.

Deferred income tax is recognized for temporary differences between the carrying amounts of assets and liabilities and their tax bases, and for unused tax losses and credits, except for temporary differences for which recognition is prohibited by IAS 12.

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses and credits can be utilized. Deferred tax assets are reviewed at each reporting date and reduced or recognized to reflect changes in the probability of recovery.

Deferred tax assets and liabilities are measured using tax rates expected to apply when the assets are realized or the liabilities are settled, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax balances relate to income taxes imposed by the same taxation authority on the same taxable entity.

Uncertain income tax treatments are measured based on whether it is probable that the taxation authority will accept the treatment. Where acceptance is not probable, the uncertainty is reflected using the most likely amount or expected value, as appropriate.

Earnings per share

Basic earnings or loss per share is calculated by dividing the income or loss attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Basic and diluted earnings or loss per share are the same because the Company has no dilutive potential ordinary shares.

3. Material accounting policy information – continued

Employee benefits

Short-term employee benefits are recognized as an expense as employees render the related service. A liability is recognized for the undiscounted amount expected to be paid when the Company has a present legal or constructive obligation and the amount can be estimated reliably.

Seniority-premium obligations are accounted for as defined benefit obligations and are measured annually using the projected unit credit method. Service cost and net interest are recognized in profit or loss. Remeasurements of the net defined benefit obligation are recognized immediately in other comprehensive income and are not subsequently reclassified to profit or loss.

Statutory indemnity benefits that accumulate through employee service are accounted for as other long-term employee benefits and are measured using the projected unit credit method. Service cost, net interest and remeasurements relating to these benefits are recognized in profit or loss.

Finance income and finance expenses

Interest income and interest expense on financial instruments are recognized using the effective interest method.

Finance income includes interest on bank deposits, related-party placements and restricted deposits, together with other financing returns. Finance costs include interest on lease liabilities, the unwinding of the discount on decommissioning and restoration obligations, bank charges and other financing costs.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign-exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income or loss.

Share capital, other reserves and dividends

Ordinary shares are classified as equity. Equity contributions denominated in a currency other than the Company's functional currency are translated into U.S. dollars using the exchange rate at the date of the transaction and are not subsequently retranslated. Incremental costs directly attributable to the issuance of equity instruments are recognized as a deduction from equity, net of any related income-tax effects.

The legal reserve is recognized in accordance with Mexican corporate law and is presented as a separate component of equity. Transfers to the legal reserve are appropriations of retained earnings and do not affect income or loss.

Dividends are recognized as liabilities and deducted from equity when they have been appropriately authorized and are no longer at the discretion of the Company. Dividends approved after the reporting date are disclosed as non-adjusting events and are not recognized as liabilities at the reporting date.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Interest received and interest paid, including interest on lease liabilities, are classified as operating activities. Dividends paid and principal payments of lease liabilities are classified as financing activities.

Purchases of property, plant and equipment and contributions to or withdrawals from the abandonment trust are classified as investing activities. Material non-cash investing and financing transactions are excluded from the statement of cash flows and disclosed separately.

3. Material accounting policy information - continued

Material accounting judgements, estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgement regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Significant accounting estimates

a) Expected credit losses on receivables

The measurement of expected credit losses on receivables requires management to estimate the probability, timing and amount of future collections. The expected credit loss allowance is based on management's best estimate of recoverable amounts using reasonable and supportable information available at the reporting date, including historical loss experience, current conditions and forward-looking information where relevant.
Changes in assumptions regarding collectability, the financial condition of counterparties, expected recovery patterns, or other relevant factors could result in material adjustments to the carrying amounts of receivables and the related impairment allowances in future periods.

b) Oil and gas reserves and depletion

Annually, the Company’s proved plus probable reserves are estimated by independent reserve engineers with reference to available geological, geophysical, and engineering data.

Estimates of petroleum and natural gas reserves are inherently uncertain; require the application of judgement; and are subject to regular revision, either upward or downward, based on new information.

Unit-of-production depletion also depends on the carrying amount of producing assets and the estimated future development expenditures required to access the reserves included in the depletion calculation.

c) Asset retirement obligations

Asset retirement obligations are measured using estimates of the scope and timing of abandonment and restoration activities, future costs, inflation and discount rates. Changes in these assumptions may affect both the obligation and the carrying amount of the related assets.

d) Provisions and contingencies

The recognition and measurement of legal, regulatory and environmental provisions require estimates of the probability, timing and amount of future cash outflows. The outcome of these matters may differ from management’s estimates.

3. **Material accounting policy information - continued**

e) Recoverability of IAEEH credits

The recoverable amount of IAEEH credits is subject to estimation uncertainty. Changes in assumptions regarding recovery may result in material adjustments to the carrying amount of IAEEH credits and related impairment allowance in future periods.

Significant accounting judgements

a) Cash generating unit

The determination of a CGU requires judgement in defining a group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks, and materiality.

b) Assessment of credit risk and impairment indicators for financial assets

The Company exercises judgment in assessing whether receivables have experienced a significant increase in credit risk and in identifying objective evidence that the collectability of receivables may be affected. These judgements require consideration of counterparty-specific circumstances, historical collection experience, current economic and regulatory conditions, and other information available at the reporting date. Such judgments affect the determination of whether an impairment allowance is required and the basis on which expected credit losses are measured.

c) IAEEH credits

Judgement is required in determining the recognition and recoverability of IAEEH credits. Management considers the applicable legislative framework and all relevant facts and circumstances in assessing the expected recovery of these amounts.

d) Joint operation classification

The contractual arrangements, legal form and other facts and circumstances relating to the Misión arrangement were assessed. The parties were determined to have rights to the assets and obligations for the liabilities of the arrangement; accordingly, the Misión arrangement is classified as a joint operation under IFRS 11.

e) Functional currency

The currency that primarily influences the Company’s sales prices and operating costs was assessed. Based on the predominance of these primary indicators, management determined that the U.S. dollar is the currency of the primary economic environment in which the Company operates and, accordingly, is the Company's functional currency.

f) Impairment and impairment-reversal indicators

Judgement is required in determining whether indicators of impairment or impairment reversal exist and whether the recoverable amount of an asset or CGU must be estimated.

The Misión development and production assets are generally assessed as a single CGU because their production, infrastructure and cash inflows are interdependent. The assessment considers changes in commodity prices, reserves, production levels, operating costs, discount rates, market conditions, technology, legal and regulatory requirements, security and access conditions,

3. **Material accounting policy information - continued**

and evidence that the assets may be obsolete or underperforming. Changes in these factors may require an impairment test or indicate that a previously recognized impairment loss should be reversed.

g) Deferred tax asset recognition

Judgement is applied in determining whether it is probable that sufficient future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilized. The assessment considers the reversal of taxable temporary differences, forecast taxable income and the expiry periods of tax losses and credits.

h) Going concern

Judgement is applied in assessing whether the going-concern basis of accounting is appropriate, taking into consideration liquidity, forecast operating performance, cash-call and treasury arrangements, contractual commitments and events after the reporting period.

4. Recent accounting pronouncements

a) New accounting pronouncements adopted effective January 1, 2025

i) Lack of Exchangeability—Amendments to IAS 21

The Company adopted *Lack of Exchangeability—Amendments to IAS 21* on January 1, 2025. The amendments specify how an entity assesses whether a currency is exchangeable into another currency and how it determines the exchange rate to use when a currency is not exchangeable. The amendments also introduce related disclosure requirements.

The adoption of these amendments did not have a material effect on the financial statements because the currencies relevant to the Company's transactions were exchangeable during the periods presented.

b) New standards, interpretations and amendments not yet effective

The following standards, amendments to standards, and interpretations have been issued by the IASB and are effective in future accounting periods that the Company has decided not to adopt early.

i) IFRS 7: Financial Instruments: Disclosures and IFRS 9: Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures to address the classification and measurement of financial instruments, with an emphasis to clarify the date of recognition and derecognition of financial asset and liabilities, effective January 1, 2026, with early adoption permitted. The Company is currently reviewing the impact the amendment will have on the financial statements.

ii) IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosures in Financial Statements, to replace IAS 1, Presentation of Financial Statements, effective January 1, 2027, with early adoption permitted. The new standard sets out the requirements for presentation and disclosures in the financial statements. The Company is presently reviewing the impact the standard will have on the financial statements.

5. Cash and cash equivalents, restricted cash and restricted abandonment trust

	December 31, 2025	December 31, 2024
Cash and cash equivalents	**$ 5,369**	$ 178
Cash under treasury arrangements	**18,744**	8,508
Cash and cash equivalents	**24,113**	8,686
Restricted cash (i)	**-**	1,856
Restricted abandonment trust—non-current (ii)	**$ 11,674**	$ 10,468

(i) Restricted cash

At December 31, 2024, cash balances of $1.9 million were held in bank accounts subject to judicial seizure in connection with labour claims. There was no restricted cash balance in these accounts at December 31, 2025.

(ii) Restricted abandonment trust

	2025	2024
Balance, beginning of year	**$ 10,468**	$ 8,819
Contributions	**1,204**	1,644
Interest earned	**2**	5
Balance, end of year	**$ 11,674**	$ 10,468

At December 31, 2025, and December 31, 2024, the trust assets were held in cash deposits and cash-equivalent instruments restricted for abandonment and restoration purposes.

6. Trade and other receivables

Trade and other receivables consist of the following at December 31, 2025, and 2024:

	December 31, 2025	December 31, 2024
Trade receivables (i)	**$ 6,959**	$ 37,085
Advances and other receivables	**30**	198
	$ 6,989	**$ 37,283**

(i) Trade receivables consist of the following at December 31, 2025, and 2024:

	December 31, 2025	December 31, 2024
PEP	**$ 6,947**	$ 37,085
Strata BPS	**12**	-
Total trade receivables	**$ 6,959**	$ 37,085

Trade receivables arise from sales of natural gas and condensate and are unsecured and non-interest bearing.

7. Prepaid expenses and other assets

	December 31, 2025	December 31, 2024
IAEEH credits (i)	**$ 281**	$ 339
Prepaid expenses	**188**	167
Total prepaid expenses and other assets	**$ 469**	$ 506

(i) IAEEH credits

IAEEH credits represent amounts recoverable under the IAEEH regime in Mexico. At December 31, 2025, the gross IAEEH credit balance was $1.3 million (2024 - $1.3 million). An impairment allowance of $1.0 million (2024 - $1.0 million) was recognized against the balance, resulting in a net carrying amount of $281 (2024 - $339).

During 2025, the Company recognized a reversal of impairment loss of $73 (2024 - impairment loss of $995 thousand) following its reassessment of the recoverability of the IAEEH credit balance. Refer to note 19.

8. Related party balances and transactions

At December 31, 2025 and 2024, the Company was jointly controlled by Tecpetrol Operaciones and IPC each of which held 50% of the Company's shares. Other related parties comprise entities related to the joint-controlling shareholders.

a) Related party balances at December 31, 2025 and 2024 comprise:

	December 31, 2025	December 31, 2024
Due from related parties		
Joint-controlling shareholders (i)	**$ 325**	$ 1,541
Other related parties	**180**	33
Total due from related parties	**$ 505**	$ 1,574

	December 31, 2025	December 31, 2024
Due to related parties		
Joint-controlling shareholders	**$ 3,385**	$ 3,560
Other related parties	**3,606**	2,803
Total due to related parties	**$ 6,991**	$ 6,363

(i) Amounts due from joint-controlling shareholders represent amounts recoverable from IPC for legal costs incurred by the Company on its behalf. The balances are unsecured, non-interest-bearing and have no fixed repayment terms.

Amounts due from and due to related parties are denominated in U.S. dollars and are non-interest-bearing. The balances are unsecured, are settled in cash in the normal course of business and no guarantees have been given or received.

Certain bank accounts held in the Company's name are administered by a related party of the Company under the Company's treasury arrangements. The related cash balances are included in cash and cash equivalents, as described in note 5.

8. Related party balances and transactions - continued

b) Related-party expenses (income) for the year ended December 31, 2025 and December 31, 2024 consist of the following:

Year ended December 31, 2025	Joint-controlling shareholders	Other related parties	Total
Operating and administrative services	$ 2,995	$ -	$ 2,995
Technical personnel and training services	-	428	428
Interest expense (income), net	17	(541)	(524)
Purchases of products and other services, net	417	(118)	299
Net related-party expense	**$ 3,429**	**$ (231)**	**$ 3,198**

Year ended December 31, 2024	Joint-controlling shareholders	Other related parties	Total
Operating and administrative services	$ 2,120	$ -	$ 2,120
Technical personnel and training services	-	913	913
Interest income, net	-	(983)	(983)
Purchases of products and other services	480	2	482
Net related-party expense	**$ 2,600**	**$ (68)**	**$ 2,532**

Tecpetrol Operaciones

Under the SMB shareholders' agreement, the Company pays Tecpetrol Operaciones for indirect services received, calculated based on the percentage of monthly expenditures specified in the agreement.

Key management personnel services are provided by Tecpetrol Operaciones. The Company incurred expenses of $3.0 million and $2.1 million for the provision of those services during the years ended December 31, 2025 and 2024, respectively. These amounts are included in contract operating costs in note 18 and in operating and administrative services in the related-party transaction tables above.

IPC

During 2025, the Company recognized recoveries of $1.3 million (2024 - $130) from IPC relating to costs incurred by the Company.

Of the total recoveries recognized in 2025, $967 related to costs incurred in prior periods and was recognized in expense recoveries and other operating income, net. Refer to note 19.

The remaining $325 (2024 - $130) related to costs incurred during the year and was recorded as a reduction of the related operating expenses. Refer to note 18.

At December 31, 2025, $325 (2024 - $1,541) remained receivable from IPC and is included in amounts due from related parties.

During 2025, dividends payable to IPC of $2.5 million were settled by offset against amounts receivable from IPC. The amounts offset comprised $1.3 million of existing receivables and $1.2 million relating to court-related bank withdrawals and restricted bank balances. Refer to note 16.

9. Joint operations

The Company is the operator and holds a 49% participating interest in the Misión joint operation. PEP holds the remaining 51% participating interest.

Under the joint operation arrangements, the Company periodically requests funding from PEP for its share of estimated operating and capital expenditures. Joint operation receivables are subsequently reconciled to actual qualifying expenditures, with resulting differences reflected in subsequent joint operation receivables and settlements.

The balances arising from this process were as follows:

	December 31, 2025	December 31, 2024
Joint operation receivables	**$ 14,818**	$ 23,046
Joint operation funding balances	**$ 8,499**	$ 10,221

Joint operation receivables represent amounts billed to PEP for its share of approved operating and capital expenditures under the Misión joint-operating arrangement that remained outstanding at the reporting date.

Joint operation funding balances represent funding received from PEP that remained to be applied against qualifying joint operation expenditures at the reporting date.

10. Income tax credits

	December 31, 2025	December 31, 2024
Income tax credits	**$ 2,654**	$ 2,352

Income tax credits comprise advance payments of corporate income tax and other income tax amounts available for application against future income tax liabilities or recovery in accordance with Mexican tax legislation. No refund application had been initiated at December 31, 2025 and 2024.

11. Property, plant and equipment

	Development and production assets	Machinery and equipment	Exploration and evaluation assets	Works in progress	Other assets	Total
Cost						
Balance, December 31, 2023	$ 78,077	$ 1,738	$ 123	$ 2,847	$ 2,870	$ 85,655
Additions	-	-	-	1,463	6	1,469
Transfers	2,308	231	-	(2,714)	175	-
Changes in asset retirement obligations (Note 14)	(745)	-	-	-	-	(745)
Balance, December 31, 2024	**79,640**	**1,969**	**123**	**1,596**	**3,051**	**86,379**
Additions	-	-	-	199	-	199
Transfers	1,076	45	-	(1,261)	140	-
Changes in asset retirement obligations (Note 14)	(372)	-	-	-	-	(372)
Disposals and derecognitions	-	-	-	-	(824)	(824)
Balance, December 31, 2025	**80,344**	**2,014**	**123**	**534**	**2,367**	**85,382**
Accumulated depletion, depreciation and impairment						
Balance, December 31, 2023	56,813	863	123	-	1,986	59,785
Depletion and depreciation	7,915	126	-	-	265	8,306
Balance, December 31, 2024	**64,728**	**989**	**123**	**-**	**2,251**	**68,091**
Depletion and depreciation	2,818	130	-	-	256	3,204
Disposals and derecognitions	-	-	-	-	(762)	(762)
Balance, December 31, 2025	**$ 67,546**	**$ 1,119**	**$ 123**	**$ -**	**$ 1,745**	**$ 70,533**

11. Property, plant and equipment - continued

	Development and production assets	Machinery and equipment	Exploration and evaluation assets	Works in progress	Other assets	Total
Carrying amount						
Balance, December 31, 2024	**$ 14,912**	**$ 980**	**$ -**	**$ 1,596**	**$ 800**	**$ 18,288**
Balance, December 31, 2025	**$ 12,798**	**$ 895**	**$ -**	**$ 534**	**$ 622**	**$ 14,849**

During 2025, the Company derecognized oil and gas assets with a gross carrying amount of $824 (2024 - $Nil) and accumulated depletion and depreciation of $762 (2024 - $Nil). After joint operation cutbacks and recoveries of $12 and cash disposal proceeds of $40, the Company recognized a loss of $10 (2024- gain of $7).

Additions to property, plant and equipment were $199 in 2025 (2024—$1.5 million).

No indicators of impairment were identified during the years ended December 31, 2025 or 2024.

12. Leases

The Company leases gas compressors, buildings, office space and other operating equipment.

a) Right-of-use assets

		2025		2024
Balance, beginning of year	**$**	**423**	**$**	564
Additions		**3**		245
Lease terminations and modifications		**(1)**		(24)
Depreciation		**(214)**		(362)
Balance, end of year	**$**	**211**	$	423

b) Lease liabilities

The lease liabilities for the years ended December 31, 2025 and 2024 were as follows:

		December 31, 2025		December 31, 2024
Balance, beginning of year	**$**	**479**	$	674
Additions		**1**		245
Disposals		**-**		(6)
Interest expense		**16**		41
Lease payments		**(276)**		(438)
Foreign exchange		**37**		(37)
Balance, end of year	**$**	**257**	$	479

		December 31, 2025		December 31, 2024
Current	**$**	**105**	$	263
Non-current		**152**		216
Total lease liabilities	**$**	**257**	$	479

12. Leases - continued

Total cash outflows relating to recognized lease liabilities were $276 in 2025 and $438 in 2024, comprising principal payments of $260 and $397, respectively, and interest payments of $16 and $41, respectively.

Interest expense on lease liabilities is included in finance expenses. Foreign-exchange differences arising on Mexican-peso-denominated lease liabilities are recognized in the statement of loss and comprehensive loss. The undiscounted maturity analysis of lease liabilities is included in note 25.

13. Trade and other payables

	December 31, 2025	December 31, 2024
Trade payables	**$ 2,670**	$ 5,254
Other payables	**6,086**	6,156
Accruals	**647**	725
Social security and other taxes	**195**	326
Total trade and other payables	**$ 9,598**	$ 12,461

Trade and other payables are unsecured, generally non-interest-bearing and settled in the ordinary course of business.

Other payables are comprised of accrued consideration payable to landowners under surface access arrangements in the Misión Contract Area.

14. Asset retirement obligations

a) Asset retirement obligations at December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Balance at beginning of year	**$ 10,370**	$ 10,266
Change in estimates	**(372)**	(745)
Effect of changes in foreign exchange rates	**(137)**	142
Accretion expense	**832**	846
Abandonment expenditures	**(224)**	(139)
Balance at end of year	**$ 10,469**	$ 10,370

	December 31, 2025	December 31, 2024
Current portion	**$ 707**	$ 905
Non-current portion	**9,762**	9,465
Total asset retirement obligations	**$ 10,469**	$ 10,370

14. Asset retirement obligations - continued

b) Principal assumptions

	December 31, 2025	December 31, 2024
Wells included in the estimate	**158**	165
Estimated cost per well (company share)	**$ 73**	$ 80
Inflation rate	**2.20%**	2.10%
Discount rate	**6.04%**	8.02%
Expected settlement period	**2026-2028**	2025-2030

The Company maintains a restricted abandonment trust under the Misión exploration and extraction contract. The trust assets are presented separately and are not offset against the asset retirement obligations. Refer to note 5.

15. Other provisions

	December 31, 2025	December 31, 2024
Balance at beginning of year	**$ 1,881**	$ -
Provision recognized during the year (Note 19)	**-**	1,881
Foreign exchange translation	**241**	-
Balance at end of year	**$ 2,122**	$ 1,881

At December 31, 2025 and 2024, the provision is related to the Company's 49% share of an administrative penalty imposed by the Mexican Agency for Safety, Energy and Environment ("ASEA") following irregularities identified during an inspection of the Misión 2 gas-gathering station on February 2, 2023.

ASEA initially imposed a sanction of MXN 77,805,000 (US$4.3 million). The Company challenged that resolution through administrative and judicial proceedings. ASEA subsequently issued a substitute resolution imposing a sanction of MXN 72,165,000 (US$4.01 million), against which the Company filed a review appeal. The appeal was admitted and remained pending at December 31, 2025. Enforcement of the challenged resolution was suspended pending resolution of the appeal.

The provision represents management's estimate of the Company's share of the obligation and remained recorded at MXN 38,124,449 (US$2.12 million) at December 31, 2025 and 2024. The timing of any settlement cannot be reasonably determined while the legal challenge remains unresolved. The provision is classified as current.

The related deposit was as follows:

	December 31, 2025	December 31, 2024
Cash counter guarantee – current	**$ 978**	$ 978

A bond was posted in respect of the challenged resolution. The issuance of the bond required the Company to provide a cash counter guarantee of $978, which is presented separately as a current deposit. The bond and related guarantee deposit have not been offset against the provision.

16. Share capital, other reserves and dividends

a) Share capital

At December 31, 2025 and 2024, the Company had statutory share capital of MXN 1,000,000, comprising 1,000,000 registered ordinary shares issued and fully paid, each with a nominal value of MXN 1 (US$.09). The corresponding carrying amount presented in these financial statements was $90 at each of those dates.

All share classes confer equal rights and obligations. The issued shares comprised 50,000 fixed-capital shares, consisting of 10,000 CMF-A shares, 10,000 CMF-B shares, 25,000 CMF-C shares and 5,000 CMF-D shares, and 950,000 variable-capital shares, consisting of 190,000 CV-A shares, 190,000 CV-B shares, 475,000 CV-C shares and 95,000 CV-D shares.

The minimum fixed portion of the Company's share capital is MXN 50,000 (US$4.5) and is not subject to withdrawal. The variable portion of the Company's share capital is unlimited. Increases or decreases in variable capital require approval by an ordinary shareholders' meeting, while changes to the minimum fixed capital require approval by an extraordinary shareholders' meeting.

There were no changes in the number of issued and fully paid shares during the years ended December 31, 2025 and 2024.

b) Other reserves

Under Mexican corporate law, at least 5% of annual net income is required to be transferred to the legal reserve until the reserve reaches 20% of paid-in share capital. At December 31, 2025 and 2024, the legal reserve was $19 and had reached the required statutory level.

c) Dividends

On March 27, 2025, the shareholders approved a cash dividend of MXN 321,219,000, equivalent to MXN 321.219 per share and $16.0 million in total, which was recognized as a distribution from retained earnings. Of this amount, $13.5 million was settled in cash and $2.5 million was settled on a non-cash basis by offset against amounts recoverable from IPC, a shareholder. Refer to note 8. No dividends were declared or paid during 2024.

17. Revenue

Revenue from contracts with customers consisted of the following during the years ended December 31, 2025 and December 31, 2024:

		2025		2024
Natural gas	**$**	**8,284**	$	21,300
Condensate		**197**		1,445
Total revenue	**$**	**8,481**	$	22,745

One customer, PEP, represented substantially all of the Company's revenue for the years ended December 31, 2025 and 2024. The related concentration of credit risk is discussed in note 25.

18. Operating costs and administrative expenses

Operating costs

Operating costs include the following costs incurred during the years ended December 31, 2025 and 2024:

		2025		2024
Employee costs	**$**	**3,315**	$	4,051
Contract operating		**3,263**		2,463
Licence fees, taxes and surface rights		**2,552**		3,339
Repairs and maintenance		**1,045**		1,409
Processing and compression fees		**1,160**		2,056
Workovers and well services		**770**		1,415
Transportation		**228**		402
Professional and technical services		**437**		804
Materials, chemicals and consumables		**138**		330
Other operating costs and internal allocations		**179**		170
Fuel, power and water		**94**		122
Total operating costs	**$**	**13,181**	$	16,561

Administrative expenses

General and administrative expenses include the following costs incurred during the years ended December 31, 2025 and 2024:

		2025		2024
Professional fees and services	**$**	**915**	$	1,355
Other administrative expenses		**118**		135
Total general and administrative expenses	**$**	**1,033**	$	1,490

19. Other income (expenses)

Other income (expenses) includes the following during the years ended December 31, 2025 and 2024:

		2025		2024
Expense recoveries and other operating income, net (i)	**$**	**868**	$	84
IAEEH credits (Note 7)		**1,387**		330
Impairment reversal (loss) on IAEEH credits (Note 7)		**73**		(995)
Gain (loss) on disposal of property, plant and equipment (Note 11)		**(10)**		7
Legal provision expense (Note 15)		**-**		(1,881)
Other operating expenses		**(44)**		(5)
Total other operating income (expenses)	**$**	**2,274**	$	(2,460)

(i) Expense recoveries and other operating income, net, in 2025 included $967 (2024 - $Nil) recovered from IPC for costs incurred in prior periods, partly offset by $99 of other net operating expenses. Refer to note 8.

20. Finance income and expenses

Finance income and expenses include the following during the years ended December 31, 2025 and 2024:

	2025	2024
Finance income		
Interest income	**$ 544**	$ 986
Indexation of IAEEH credits	**336**	441
Total finance income	**$ 880**	$ 1,427

	2025	2024
Finance expenses		
Accretion of asset retirement obligations (Note 14)	**$ (832)**	$ (846)
Other interest expense	**(33)**	(73)
Total finance expenses	**(865)**	(919)
Bank charges and fees (i)	**$ (2,125)**	$ (38)

(i) During 2025, the Company incurred a fee of $2.1 million (2024 - $Nil) payable to Banco Santander for services provided to facilitate the collection of $30.7 million of outstanding receivables from PEP. The fee was calculated as 7% of the amounts collected.

21. Taxes

a) Income tax expense or recovery for the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
Loss before income taxes	**$ (8,197)**	$ (6,924)
Statutory tax rate	**30%**	30%
Expected income tax recovery at the statutory rate of 30%	**2,459**	2,077
Tax effects of differences between accounting and taxable results, including foreign-exchange and other differences	**3,557**	(2,286)
Unrecognized tax benefit	**(6,016)**	209
Income tax expense or recovery	**$ -**	$ -

b) Deferred tax assets and (liabilities)

Deferred tax assets and (liabilities) were as follows:

	2025	2024
Property, plant and equipment, net of resource pools	**$ (966)**	$ (491)
Right-of-use assets, inventories and other	**(63)**	(6)
Other taxable temporary differences	**(20)**	(5)
Total deferred tax liabilities	**(1,049)**	(502)
Asset retirement obligations and other provisions	**1,049**	502
Tax loss carry forwards	**3,000**	3,000
Total deferred tax assets	**4,049**	3,502
Deferred tax asset	**$ 3,000**	$ 3,000

21. Taxes - continued

At December 31, 2025 and 2024, the Company recognized a net deferred tax asset of $3.0 million in respect of unused tax-loss carryforwards. Recognition is supported by management's forecasts of operating cash flows and expected future taxable income, which indicate that sufficient taxable profits will be available to utilize the recognized tax losses. Deferred tax assets associated with asset retirement obligations and provisions were recognized only to the extent of offsetting deferred tax liabilities. The deferred tax assets and liabilities relate to income taxes imposed by the same taxation authority on the same taxable entity and have been offset in the statements of financial position.

c) Gross deductible temporary differences:

The gross deductible temporary differences were as follows:

		2025		2024
Unused tax-loss carry forwards	**$**	**30,147**	$	8,647
Asset retirement obligations and other provisions		**6,973**		5,697
Trade and other payables		**7,667**		8,357
Prepaid expenses and other assets		**1,760**		1,217
Lease liabilities		**256**		-
Employee benefit obligations		**167**		-
Total deductible temporary differences	**$**	**46,970**	$	23,918

d) Tax losses

At December 31, 2025, the Company had unused tax-loss carry forwards of approximately MXN 721.3 million as follows:

Year of origin	Expiry year	MXN millions	USD Millions
2023	2033	$ 309.8	$ 17.2
2024	2034	25.2	1.4
2025	2035	386.3	21.5
Total		**$ 721.3**	**$ 40.1**

No unused tax-loss carry forwards originating in periods before 2023 remained available at December 31, 2025.

22. Commitments and contingencies

a) Commitments

To secure the performance of its obligations under the Misión exploration and extraction contract, the Company arranged an unconditional and irrevocable letter of credit of $875 in support of the minimum work program and additional work commitments applicable to the exploration periods. The letter of credit expires on September 8, 2027. As a result of conditions established in the environmental impact assessment, a bond of MXN 10,623,442 (US$591) was issued on behalf of the Company. The bond expires on December 31, 2026.

In March 2026, the additional exploration period was extended to April 10, 2029. The commitment to drill the Kabil-1 well, with an estimated cost of $1.8 million, remained in effect.

22. Commitments and contingencies

b) Contingencies

The Company has initiated annulment proceedings to recover favourable balances relating to the IAEEH for the periods from August through December 2019. The proceedings remained unresolved at December 31, 2025. Additional favourable balances of approximately MXN 264,110,348 (US$14.7 million) have not been recognized as assets because their recovery remains dependent on the outcome of the proceedings.

The ASEA proceeding, related provision and cash counter-guarantee are described in note 15.

The Company is involved in various legal, regulatory and administrative proceedings that arise in the normal course of business. Management does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company's financial position. Where required, the Company has provided bonds and other forms of security in connection with certain proceedings and regulatory matters. At December 31, 2025 and 2024, management has concluded that no provision is required in respect of these matters because an additional material outflow is not considered probable or the amounts involved are not material to the financial statements. The ultimate outcomes and timing of resolution of these matters remain uncertain.

The Company’s request for recognition of Force-majeure arising from security conditions and related interruptions remained under review by the relevant governmental authorities. The wells and gathering stations affected by the temporary shutdown were reopened on December 15, 2025. No provision has been recognized in relation to the Force-majeure request. Refer to note 1.

23. Supplemental cash flow information

Changes in non-cash working capital and other operating balances included in operating activities are comprised of:

Changes in non-cash working capital and other operating balances	**2025**	**2024**
Trade and other receivables	**$ 30,178**	$ (14,309)
Prepaid expenses and other assets	**37**	1,515
Due from related parties	**(1,257)**	(1,570)
Joint operation receivables	**8,910**	(5,762)
Deposits	**-**	(969)
Income tax credits	**236**	(644)
Inventories	**(73)**	25
Trade and other payables	**(2,993)**	(8,058)
Due to related parties	**628**	(270)
Joint operation funding balances	**(1,722)**	4,381
Taxes payable	**(374)**	749
Changes in non-cash working capital and other operating balances	**$ 33,570**	$ (24,912)

The amounts above are based on changes in the corresponding statement of financial position balances, adjusted for non-cash transactions, foreign-exchange remeasurement and reclassifications between financial statement categories. During 2025, dividends payable to IPC of $2.5 million were settled by offset against amounts receivable from IPC. This settlement reduced the related-party receivable without generating a cash receipt and was therefore excluded from operating cash flows. Refer to notes 8 and 16.

24. Capital management

The Company's objectives in managing capital are to safeguard its ability to continue as a going concern, maintain sufficient liquidity to fund its operations and contractual commitments, and preserve financial flexibility for the benefit of its shareholders.

The Company manages capital by monitoring working capital, cash-flow forecasts, operating and capital expenditure requirements and shareholders' equity. The Company may adjust its operating expenditures, distributions to shareholders and funding arrangements in response to changes in its financial position and expected liquidity requirements.

The following summarizes the amounts managed as capital:

	December 31, 2025	December 31, 2024
Current assets	**$ 50,703**	$ 76,385
Current liabilities	**(28,549)**	(32,765)
Working capital	**22,154**	43,620
Shareholders' equity	**41,807**	66,004

The Company was not subject to externally imposed capital requirements at December 31, 2025 or 2024. There were no changes in the Company's objectives, policies or processes for managing capital during 2025.

25. Financial risk management

Credit risk

Credit risk is the risk of financial loss if a customer, joint operation participant, financial institution or other counterparty fails to meet its contractual obligations.

The maximum exposure to credit risk at the reporting date is generally represented by the carrying amount of the Company's financial assets, as follows:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	**$ 24,113**	$ 8,686
Restricted cash	**-**	1,856
Restricted abandonment trust	**11,674**	10,468
Trade and other receivables	**6,989**	37,283
Due from related parties	**505**	1,574
Joint operation receivables	**14,818**	23,046
Deposits	**978**	978
Maximum credit exposure	**$ 59,077**	$ 83,891

Cash and cash equivalents and restricted cash are maintained with established financial institutions. Certain bank accounts held in the Company's name are administered by a related party of the Company under the treasury arrangements described in note 5. The Company monitors the financial standing of the institutions holding its funds and does not consider the related credit risk to be significant.

Credit risk relating to trade receivables is concentrated in PEP. At December 31, 2025, amounts receivable from PEP represented substantially all trade receivables, and joint operation receivables were also due from PEP as the other participant in the Misión joint operation.

25. Financial risk management – continued

Aging of trade and other receivables and joint operation receivables at December 31, 2025

	Less than 30 days ($)	30–60 days ($)	61–90 days ($)	91–120 days ($)	More than 120 days ($)	Total ($)
Trade receivables	1,811	602	-	-	4,546	6,959
Advances and other receivables	-	-	-	-	30	30
Joint operation receivables	1,997	981	799	1,280	9,761	14,818
	3,808	**1,583**	**799**	**1,280**	**14,337**	**21,807**

Significant PEP balances are assessed individually based on contractual payment status, disputed amounts, subsequent collection and settlement activity and PEP's creditworthiness. Subsequent to year end, substantially all of natural gas sales receivables and $14.8 million of joint operation receivables outstanding at December 31, 2025 were collected. The condensate receivables of $4.5 million at December 31, 2025 are being recovered through the application of amounts otherwise payable to PEP in respect of its share of current condensate sales. Subsequent to year end approximately $1.4 million was applied against the outstanding balance.

No loss allowance was recognized for the Company's remaining receivables because the calculated amounts were not material to the financial statements. Based on the factors described above, the remaining receivables were not considered credit-impaired.

The Company also had joint operating funding balances to PEP. These payables were presented separately and were not offset against the joint operation receivables because the criteria for offsetting were not met.

Deposits and the restricted abandonment trust are subject to restrictions on use but were not past due or credit impaired. The nature and purpose of these balances are described in notes 5 and 15.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities as they become due.

Liquidity risk is principally affected by the timing of collections from PEP, including $14.3 million of trade receivables and joint operation receivables outstanding for more than 120 days at December 31, 2025. Liquidity requirements include operating expenditures and amounts payable to related parties for services. The Company manages liquidity risk by monitoring cash on hand and coordination of collections and cash call funding with PEP.

At December 31, 2025, the Company had cash and cash equivalents of $24.1 million (2024 - $8.7 million) and net working capital of approximately $22.2 million (2024 – $43.6 million). The Company had no third-party long-term debt outstanding. The restricted abandonment trust of $11.7 million (2024 - $10.5 million) and deposits of $978 (2024 - $978) were not available to fund general operating or working-capital requirements.

25. Financial risk management – continued

The following table details the remaining contractual maturities of the Company's financial liabilities, inclusive of lease liabilities at December 31, 2025:

Contractual cash flows	Less than 3 months ($)	3–12 months ($)	1–2 years ($)	2–5 years ($)	Over 5 years ($)	Total ($)
Trade and other payables, excluding statutory liabilities	9,403	-	-	-	-	9,403
Due to related parties	6,991	-	-	-	-	6,991
Joint operation funding balances	8,499	-	-	-	-	8,499
Lease liabilities (undiscounted payments)	27	82	78	48	58	293
Total	**24,920**	**82**	**78**	**48**	**58**	**25,186**

The Company's ability to meet its obligations may be affected by the timing of collections from PEP, including trade receivables and joint operation receivables, the timing and level of operating expenditures and the funding requirements of the Misión work program.

Commodity-price risk

Commodity-price risk is the risk that the Company's financial performance and future cash flows will fluctuate as a result of changes in natural gas and condensate prices.

The Company's natural gas sales prices are affected by international reference prices and applicable contractual pricing adjustments. Condensate prices are also affected by market prices and the terms of the relevant sales arrangements. The Company does not use commodity-price derivatives to manage this exposure.

Management estimates that a favourable or unfavourable change of US$0.10/MMBtu in the reference natural-gas price would have increased or decreased loss and comprehensive loss by approximately $0.5 million in 2025 and $1.1 million in 2024, respectively, assuming production, sales volumes and all other variables remained constant.

Foreign-exchange risk

The Company's functional and presentation currency is the U.S. dollar. Foreign-exchange risk arises principally from monetary assets and liabilities, operating expenditures and statutory balances denominated in Mexican pesos. These assets primarily comprise cash and cash equivalents, restricted cash, the IAEEH credit, joint operation receivables, amounts due from related parties and income tax credits. The liabilities primarily comprise taxes payable, amounts due from related parties, other provisions, employee benefit obligations and lease liabilities.

Management monitors Mexican-peso monetary exposures and exchange-rate movements but does not use foreign-exchange derivatives. During 2025, the Company recognized a foreign-exchange gain of $790 (2024-loss of $960).

Based on recorded foreign-exchange results, a 5% change in the Mexican peso against the U.S. dollar is estimated to affect profit or loss before tax by approximately $0.3 million (2024 — $0.3 million).

Interest-rate risk

Interest-rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

25. Financial risk management – continued

The Company did not have material interest-bearing debt at December 31, 2025 and 2024. Its principal exposure relates to interest earned on cash and cash equivalents, the restricted abandonment trust and deposits. Changes in market interest rates would affect future finance income but would not have had a material effect on the Company's 2025 and 2024 results.

The Company does not use interest-rate derivatives to manage this exposure.

Fair values

The Company's financial assets and financial liabilities are principally measured at amortized cost.

The carrying amounts and estimated fair values of the Company's financial instruments were as follows:

	Carrying amount 2025 ($)	Fair value 2025 ($)	Carrying amount 2024 ($)	Fair value 2024 ($)
Cash and cash equivalents	**24,113**	**24,113**	8,686	8,686
Restricted cash	**-**	**-**	1,856	1,856
Trade and other receivables	**6,989**	**6,989**	37,283	37,283
Due from related parties	**505**	**505**	1,574	1,574
Joint operation receivables	**14,818**	**14,818**	23,046	23,046
Restricted abandonment trust	**11,674**	**11,674**	10,468	10,468
Deposits	**978**	**978**	978	978
Trade and other payables, excluding statutory liabilities	**9,403**	**9,403**	12,135	12,135
Due to related parties	**6,991**	**6,991**	6,363	6,363
Joint operation funding balances	**8,499**	**8,499**	10,221	10,221

The carrying amounts approximate fair value because the instruments are either payable on demand, contractually short-term or expected to be recovered or settled through the established collection, cash-call and joint-account settlement processes. The restricted abandonment trust is classified as non-current due to its restricted use, and its carrying amount approximates fair value.

26. Subsequent events

On January 28, 2026, the shareholders approved a cash dividend of approximately $6.3 million (MXN 108,098,586), equivalent to approximately US$6.30 (MXN 108.10) per share.

In March 2026, the additional exploration period under the Misión exploration and extraction contract was extended to April 10, 2029. The remaining minimum work commitment includes the drilling of the Kabil-1 exploration well at an estimated cost of approximately $1.8 million. The extension also requires the related performance guarantee to remain in effect for the extended period.

On August 13, 2026, Tecpetrol Operaciones and IPC entered into separate share purchase agreements with Petro Frontera, S.A.P.I. de C.V. for the sale of their respective 50% interests in the Company. Completion is subject to regulatory and other customary approvals and the simultaneous closing of both agreements. As of the date these financial statements were authorized for issuance, the transactions had not been completed. Accordingly, no adjustments have been recognized in these financial statements. The transfer of shares is not expected to have a direct financial effect on the Company.

October 1, 2026

Alberta Securities Commission
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Financial and Consumer Services Division (Prince Edward Island)
Office of the Superintendent of Securities Service, Newfoundland and Labrador

Dear Sirs/Madams:

Re: Servicios Múltiples de Burgos, S.A. de C.V.

We refer to the Management Information Circular of International Frontier Resources Corporation ("IFRC") dated October 1, 2026 (the "Information Circular") relating to the proposed reverse takeover of IFRC by Kinjal Corporation and the related transactions described therein.

We consent to being named and to the use in the above-mentioned Information Circular, of our report dated October 1, 2026, to the shareholders of Servicios Múltiples de Burgos, S.A. de C.V. on the following financial statements:

- Statements of financial position as at December 31, 2025 and December 31, 2024.
- Statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2025 and December 31, 2024, and notes, comprising material accounting policy information.

We report that we have read the Information Circular and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the prospectus as these terms are described in the CPA Canada Handbook–Assurance.

Yours truly,

MNP LLP

Chartered Professional Accountants

APPENDIX "G"
PRO FORMA FINANCIAL STATEMENTS

See attached.

PRO FORMA FINANCIAL STATEMENTS

International Frontier Resources Corporation

(to be renamed Kinjal Gas Ltd.)

Unaudited Pro Forma Consolidated Financial Statements

As at June 30, 2026, for the six months ended June 30, 2026 and for the year ended December 31, 2025

International Frontier Resources Corporation (to be renamed Kinjal Gas Ltd.)
NOTICE TO READER

(Amounts in thousands of U.S. dollars, unaudited)

The following unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only to give effect to the Reverse Takeover Transaction, the Mexican Asset Transactions, the Concurrent Financing and the Debt Facility as if the transactions had occurred on the dates described in Note 1.

The unaudited pro forma consolidated financial statements may not be indicative of the consolidated financial position or consolidated results of operations that would have occurred had the transactions been completed on those dates, nor are they indicative of future results. They should be read in conjunction with the historical financial statements and other financial information included elsewhere in this Information Circular.

The historical financial information of Servicios Múltiples de Burgos, S.A. de C.V. ("SMB") used in preparing these unaudited pro forma consolidated financial statements has been derived from SMB's standalone financial statements prepared in accordance with IFRS Accounting Standards for inclusion in the management information circular and related Canadian securities-law filings of International Frontier Resources Corporation in connection with the proposed reverse takeover transaction involving Kinjal Corporation and the related transactions described therein. SMB ordinarily prepares its statutory financial statements in Mexico in accordance with Mexican financial reporting rules (Normas de Información Financiera, or "NIF"). SMB's IFRS financial statements, and the historical information derived from them and reflected in these unaudited pro forma consolidated financial statements, do not replace, amend, restate or modify SMB's Mexican NIF financial statements. Differences may exist between SMB's IFRS financial statements and its Mexican NIF financial statements, including differences in the recognition, measurement, presentation or disclosure of deferred income taxes, oil and gas properties, reserve-based estimates, depletion, asset retirement obligations, contingencies and related accounting judgments.

International Frontier Resources Corporation (to be renamed Kinjal Gas Ltd.)
Unaudited Pro Forma Consolidated Statement of Financial Position
As at June 30, 2026

(Amounts in thousands of U.S. dollars, unaudited)

	Note	IFR (Consolidated)	Kinjal	SMB	Pro forma adjustments	Pro forma
ASSETS						
Current assets						
Cash and cash equivalents	2,3	36	1,227	21,430	(6,224)	16,469
Trade and other receivables		37	-	14,608	-	14,645
Due from related parties		-	-	379	-	379
Joint operation receivables		-	-	1,993	-	1,993
Prepaid expenses and other assets		8	40	421	-	469
Deposits		-	80	978	(80)	978
Income tax credits		-	-	2,735	-	2,735
Inventory		-	-	110	-	110
Total current assets		**81**	**1,347**	**42,654**	**(6,304)**	**37,778**
Non-current assets						
Restricted abandonment trust		-	-	11,588	-	11,588
Deposits / restricted cash	3	-	250	-	625	875
Property, plant and equipment	3	-	-	11,544	18,366	29,910
Right-of-use assets		-	-	168	-	168
Deferred tax asset		-	-	1,845	-	1,845
Investment in Tonalli	3	-	-	-	10	10
Total non-current assets		**-**	**250**	**25,145**	**19,001**	**44,396**
Total assets		**81**	**1,597**	**67,799**	**12,697**	**82,174**
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable and accrued liabilities		170	54	5,569	-	5,793
Related-party liabilities	3	2,077	-	671	(2,748)	-
Joint operating funding balances		-	-	8,659	-	8,659
Other provisions		-	-	2,182	-	2,182
Taxes payable		-	-	1,433	-	1,433
Current portion of asset retirement obligations		-	-	523	-	523
Other current liabilities	3	-	-	108	1,365	1,473
SAFE liability	2	-	2,716	-	(2,716)	-
Current portion of long-term debt		42	-	-	-	42
Deferred purchase consideration - current	3	-	-	-	3,306	3,306
Total current liabilities		**2,289**	**2,770**	**19,145**	**(793)**	**23,411**
Non-current liabilities						
Asset retirement obligations		-	-	10,109	-	10,109
Other long-term liabilities		-	-	295	-	295
Long-term debt, net of financing costs	3	-	-	-	24,400	24,400
Deferred purchase consideration - non-current	3	-	-	-	2,972	2,972
Total liabilities		**2,289**	**2,770**	**29,549**	**26,579**	**61,187**
Shareholders' equity						
Share capital	2	47,142	-	90	24,553	71,785
Contributed surplus and other reserves	2,3	11,900	-	19	(19)	11,900
Retained earnings / accumulated deficit	3,4	(61,250)	(1,173)	38,141	(38,416)	(62,698)
Total shareholders' equity		**(2,208)**	**(1,173)**	**38,250**	**(13,882)**	**20,987**
Total liabilities and shareholders' equity		**81**	**1,597**	**67,799**	**12,697**	**82,174**

International Frontier Resources Corporation (to be renamed Kinjal Gas Ltd.)
Unaudited Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the six months ended June 30, 2026
(Amounts in thousands of U.S. dollars, unaudited)

	Note	IFR (Consolidated)	Kinjal	SMB	Pro forma adjustments	Pro forma
Revenue		-	-	10,899	-	10,899
Operating costs		-	-	(7,320)	-	(7,320)
General and administrative		(146)	(527)	(463)	-	(1,136)
Loss on equity investment in Tonalli	4	(344)	-	-	344	-
Depreciation, depletion and amortization	4	-	-	(3,372)	(1,162)	(4,534)
Other income (expense)		16	(100)	4,052	-	3,968
Fair value loss on SAFE liability	4	-	(543)	-	543	-
Finance income		-	-	346	-	346
Finance costs		(86)	(3)	(291)	-	(380)
Pro forma debt financing expense	4	-	-	-	(1,991)	(1,991)
Deferred purchase consideration accretion	4	-	-	-	(155)	(155)
Income tax expense		-	-	(1,155)	-	(1,155)
Net loss and comprehensive loss		**(560)**	**(1,173)**	**2,696**	**(2,421)**	**(1,458)**
Basic and diluted loss per share (US$)	5					**(0.02)**

International Frontier Resources Corporation (to be renamed Kinjal Gas Ltd.)
Unaudited Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the year ended December 31, 2025
(Amounts in thousands of U.S. dollars, unaudited)

	Note	IFR (Consolidated)	Kinjal	SMB	Pro forma adjustments	Pro forma
Revenue		-	-	8,481	-	8,481
Operating costs		-	-	(13,181)	-	(13,181)
General and administrative		(146)	-	(1,033)	-	(1,179)
Loss on equity investment in Tonalli	4	(560)	-	-	560	-
Depreciation, depletion and amortization	4	-	-	(3,418)	(1,040)	(4,458)
Other income (expense)		21	-	2,274	-	2,295
Finance income		-	-	880	-	880
Finance costs and foreign exchange		(27)	-	(2,200)	-	(2,227)
Pro forma debt financing expense	4	-	-	-	(4,141)	(4,141)
Deferred purchase consideration accretion	4	-	-	-	(551)	(551)
Transaction costs	4	-	-	-	(1,405)	(1,405)
Income tax expense		-	-	-	-	-
Net loss and comprehensive loss		**(712)**	**-**	**(8,197)**	**(6,577)**	**(15,486)**
Basic and diluted loss per share (US$)	5					**(0.20)**

1. Basis of presentation

These unaudited pro forma consolidated financial statements have been prepared for illustrative purposes to give effect to the Reverse Takeover Transaction, the Mexican Asset Transactions, the Concurrent Financing and the Debt Facility.

The unaudited pro forma consolidated statement of financial position as at June 30, 2026 assumes that the transactions occurred on June 30, 2026. The unaudited pro forma consolidated statements of loss and comprehensive loss for the six months ended June 30, 2026 and the year ended December 31, 2025 assume that the transactions occurred on January 1, 2025.

The unaudited pro forma consolidated financial statements combine the historical financial information of International Frontier Resources Corporation ("IFR"), including Petro Frontera S.A.P.I. de C.V. ("Petro Frontera"), Kinjal Corporation ("Kinjal") and Servicios Multiples de Burgos, S.A. de C.V. ("SMB"), together with the pro forma adjustments described below. No Tonalli assets, liabilities, or operating results have been consolidated because management concluded that their effect is not material to the pro forma financial statements. The adjustments related to Tonalli are described in Notes 3 and 4.

The unaudited pro forma consolidated financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards and those expected to be applied by the Resulting Issuer. Certain historical amounts have been reclassified or combined to conform with the Resulting Issuer's expected presentation. No adjustments have been made for operating synergies or administrative cost savings.

IFR's historical amounts originally presented in Canadian dollars were translated into U.S. dollars using an exchange rate of C$1.421 per US$1.00 for the June 30, 2026 statement of financial position, C$1.378 per US$1.00 for the six months ended June 30, 2026 and C$1.404 per US$1.00 for the year ended December 31, 2025.

2. Reverse Takeover Transaction, Concurrent Financing and capitalization

Kinjal is considered the accounting acquirer, and IFR is the legal parent and accounting acquiree. Because IFR is not considered a business immediately before closing, the Reverse Takeover Transaction is accounted for as a reverse listing under IFRS 2, applying the IFRS 3 reverse-acquisition guidance by analogy. The Mexican Asset Transactions are accounted for separately.

The pro forma financial statements assume that all outstanding IFR options are exercised immediately before or concurrently with closing, resulting in cash proceeds of approximately C$200,000, or US$140,000. The pro forma capitalization also includes the Bonus Shares.

	Common shares
Existing IFR shareholders, post-consolidation	3,214,261
Bonus shares, post-consolidation	237,500
Holders of Kinjal common shares	27,414,394
Holders of IFR Subscription Receipts	7,350,000
Holders of Kinjal Subscription Receipts	40,347,633
Total pro forma common shares outstanding	**78,563,788**

The actual number of common shares outstanding upon completion of the Transaction may differ from the pro forma amount presented above based on the number of securities ultimately issued or exercised at or before closing.

3. Pro forma statement of financial position adjustments

The pro forma financial statements reflect gross Concurrent Financing proceeds of approximately C$37.382 million, equivalent to approximately US$26.306 million at the June 30, 2026 exchange rate. Estimated directly attributable equity issuance costs of approximately C$2.563 million, or US$1.804 million, have been deducted from share capital.

The Concurrent Financing includes securities issued upon conversion of Kinjal's SAFE financing. Accordingly, the US$2.716 million SAFE liability recognized in Kinjal's historical June 30, 2026 financial statements, including the US$0.543 million fair-value remeasurement recognized at June 30, 2026, is eliminated. The related SAFE cash received before June 30, 2026 was already included in Kinjal's historical cash balance and is not recorded a second time in the pro forma adjustments.

3. Pro forma statement of financial position adjustments - continued

(a) Debt Facility

The pro forma financial statements assume that the US$25.0 million Debt Facility is drawn at closing. The lender upfront fee is calculated as 2% of the amount drawn.

	Pro forma June 30, 2026
Gross debt principal	$ 25,000
Less: lender upfront fee	(500)
Less: estimated qualifying debt issuance costs	(100)
Initial carrying amount	$ **24,400**

An additional US$625,000 is transferred to a debt service reserve account and presented as restricted cash.

The Debt Facility is measured using the effective interest method. The related pro forma financing expense is presented in Note 4.

(b) Acquisition of SMB

The pro forma financial statements assume that Kinjal acquires 100% of the outstanding shares of SMB. Consideration consists of US$30.0 million of cash and US$7.0 million of nominal deferred consideration.

The deferred consideration has an acquisition-date fair value of approximately US$6.278 million, calculated using an annual discount rate of 10.68%. Of this amount, US$3.306 million is classified as current and US$2.972 million is classified as non-current.

SMB's June 30, 2026 working capital of US$23.509 million is reduced to the contractual US$2.5 million working-capital amount required to remain at closing. This results in a US$21.009 million reduction in identifiable net assets. A US$671,000 shareholder-related liability is assumed to be settled or contributed by the seller before closing.

	Pro forma June 30, 2026
Cash consideration	$ 30,000
Deferred consideration - fair value	6,278
Total consideration transferred	**36,278**
Historical net assets of SMB	38,250
Working capital normalization	(21,009)
Pre-closing settlement/contribution of shareholder	671
Fair-value uplift to petroleum and natural gas assets	18,366
Gross acquisition-date deferred-tax asset	6,559
Gross acquisition-date deferred-tax liability	(6,559)
Adjusted identifiable net assets	$ **36,278**

The residual consideration is allocated to SMB’s identifiable petroleum and natural gas assets. The related acquisition-date deferred-tax adjustments have no net effect.

(c) Other financial position adjustments

Other acquisition-related adjustments relating to Tonalli include recognition of a US$10,000 investment and the settlement and remeasurement of related contractual obligations, resulting in US$1.365 million included in other current liabilities.

Of the US$80,000 Summit Ridge deposit, US$48,000 is assumed to be refunded and US$32,000 is written off as a transaction cost. Kinjal's historical US$250,000 farm-in deposit remains included in deposits pending its application to qualifying farm-in expenditures.

4. Pro forma statements of loss and comprehensive loss adjustments

The following pro forma adjustments have been made assuming that the Transaction and related acquisitions occurred on January 1, 2025: The six-month adjustments also reverse Kinjal's US$0.543 million SAFE fair-value loss because the SAFE liability is assumed to have converted on that date.

The adjustment to depreciation, depletion and amortization reflects incremental depletion on the fair-value uplift allocated to SMB's petroleum and natural gas assets using the applicable unit-of-production rates.

	Six months ended June 30, 2026	Year ended December 31, 2025
Reversal of historical loss on equity investment in Tonalli	$ 344	$ 560
Reversal of SAFE fair-value loss	543	-
Incremental depletion on SMB fair-value uplift	(1,162)	(1,040)
Debt Facility effective-interest expense	(1,991)	(4,141)
Deferred purchase consideration accretion	(155)	(551)
Transaction costs	-	(1,405)
Total pro forma adjustments before income taxes	**$ (2,421)**	**$ (6,577)**

The Debt Facility expense is calculated using the effective interest method. Deferred consideration accretion reflects the discounting of the SMB deferred purchase consideration. The six-month adjustments reflect months 13 through 18 of the respective hypothetical schedules.

Estimated transaction costs of US$1.405 million, comprising US$1.373 million of cash costs and the US$32,000 non-refundable portion of the Summit Ridge deposit, are expensed in the annual pro forma period and are not repeated in the six-month period ended June 30, 2026.

SMB's 2025 historical results reflect its final IFRS financial statements and include no income tax expense or recovery. SMB's resulting 2025 net loss is approximately US$8.197 million. SMB's historical results for the six months ended June 30, 2026 include deferred income tax expense of US$1.155 million and net income of US$2.696 million.

5. Pro forma loss per share

Pro forma basic loss per share has been calculated using pro forma net loss attributable to common shareholders and 78,563,788 pro forma weighted-average common shares outstanding, as if the Transaction and related share issuances occurred on January 1, 2025.

Potential common shares have been excluded from diluted loss per share for both periods because their inclusion would be anti-dilutive.

	Six months ended June 30, 2026	Year ended December 31, 2025
Pro forma loss (US$000s)	(1,458)	(15,486)
Basic and diluted weighted-average common shares	78,563,788	78,563,788
Basic and diluted loss per share (US$)	**$ (0.02)**	**$ (0.20)**

Other potential common shares have not been included because their inclusion would be anti-dilutive or the awards are not considered outstanding under the pro forma assumptions.

APPENDIX "H"
DISSENT RIGHTS UNDER ABCA

Dissent Rights

Any shareholder of a company may send a notice of dissent, under section 191(5) of the ABCA to authorize the continuation of the company into a jurisdiction other than Alberta, to the company or, if the continuation has taken effect, to the continued corporation.

Any shareholder is entitled to be paid the fair value of such shares in accordance with the provisions of Section 191 of the ABCA if the shareholder duly dissents to the special Resolution regarding the Continuance (the "Continuance Resolution") and the Continuance becomes effective. A shareholder who dissents to the Continuance Resolution will be paid the fair value of such shares. The fair value of such holder's shares will be determined as of the close of business on the business day before the adoption of the Continuance Resolution. The payment for such fair value of the shares shall be made by the Corporation.

The statutory provisions dealing with the right of dissent are technical and complex. Any shareholders who wish to exercise their right of dissent should seek independent legal advice, as failure to comply strictly with the provisions of Section 191 of the ABCA may prejudice their right of dissent.

Shareholders registered as such on the Record Date of the Meeting may exercise rights of dissent pursuant to and in the manner set forth in Section 191 of the ABCA, provided that the notice of dissent duly executed by such shareholder is received by the Corporation two business days in advance of the date of the Meeting. Dissenting shareholders (the "**Dissenting Shareholder**") are ultimately entitled to be paid fair value for their dissenting shares (the "**Dissenting Shares**") and shall be deemed to have transferred their Dissenting Shares to the Corporation.

A vote against the Continuance Resolution, an abstention from voting in respect of the Continuance Resolution, or the execution or exercise of a proxy to vote against the Continuance Resolution does not constitute a notice of dissent, but a shareholder need not vote against the Continuance Resolution in order to dissent. However, a shareholder who consents to or votes in favour of the Continuance Resolution, other than as a proxy for a shareholder whose proxy required an affirmative vote, or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any right of dissent (the "**Dissent Rights**").

Prior to the Continuance becoming effective, the Corporation will send a notice of intention to act to each Dissenting Shareholder stating that the Continuance Resolution has been passed and informing the Dissenting Shareholder of their intention to act on such Continuance Resolution. A notice of intention need not be sent to any shareholder who voted in favour of the Continuance Resolution or who has withdrawn his notice of dissent. Within one month of the date of the notice given by the Corporation of its intention to act, the Dissenting Shareholder is required to send written notice to the Corporation that he requires the Corporation to purchase all of his shares and at the same time to deliver certificates representing those shares to the Corporation. Upon such delivery, a Dissenting Shareholder will be bound to sell and the Corporation will be bound to purchase the shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Continuance Resolution was passed by the shareholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every Dissenting Shareholder who has delivered a demand for payment must be paid the same price as the other Dissenting Shareholders.

A Dissenting Shareholder who has sent a demand for payment, or the Corporation, may apply to the Court which may: (a) require the Dissenting Shareholder to sell and the Corporation, to purchase the shares in respect of which a notice of dissent has been validly given; (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the application of any other Dissenting Shareholder who has delivered a demand for payment; and (d) make consequential orders and give such directions as it considers appropriate. No Dissenting Shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a shareholder in respect of their shares for which a demand for payment has been given, other than the rights to receive payment for those shares. Until a Dissenting Shareholder who has delivered a demand for payment is paid in full, that Dissenting Shareholder may exercise and assert all the rights of a creditor of the Corporation. No Dissenting Shareholder may withdraw his demand for payment unless the Corporation consents.

Strict adherence to the procedures set forth above will be required and failure to do so may result in the loss of all Dissent Rights. Accordingly, each shareholder who might desire to exercise Dissent Rights should carefully consider and fully comply with the provisions set forth above and below and consult his or her legal advisor.

Section 191 of the ABCA

The following is a brief summary of the provisions of Section 191 of the ABCA. A Dissenting Shareholder who duly gives notice of dissent to the Continuance may require the Corporation, if the Continuance becomes effective, to purchase all of the shares held by such shareholder at the fair value of such shares as of the day before the date on which the special Resolution was passed. A shareholder may give notice of dissent in respect of the Continuance by registered mail addressed to the Corporation at the addresses for Dissent Notices noted below. The notice of dissent must be received at the appropriate office of the Corporation, as specified below, at least 2 business days before the Meeting. As a result of giving notice of dissent such shareholder may, on receiving a notice of intention to act under Section 191 of the ABCA, require the Corporation to purchase all the shares of such shareholder in respect of which the notice of dissent was given. The text of Section 191 of the ABCA is set out in Appendix "H" attached hereto.

Address for Dissent Notices

All Dissent Notices to the Corporation should be addressed to the Corporation c/o Anthony Kinnon. A Dissenting Shareholder may not withdraw his Notice of Dissent once delivered unless the Corporation consents. The directors of the Corporation may elect not to proceed with the transactions contemplated in the Continuance Resolution if any notices of dissent are received.

Schedule 1 to Appendix "H"

Shareholder's right to dissent

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the Resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a Resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the Resolution is to be voted on, or

(b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the Resolution was adopted and of the shareholder's right to dissent.

(6) An application may be made to the Court after the adoption of a Resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

(a) the action approved by the Resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the Resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

APPENDIX "I"
OMNIBUS EQUITY INCENTIVE PLAN

KINJAL GAS LTD.
OMNIBUS EQUITY INCENTIVE PLAN

ARTICLE 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward such of those Directors, Officers, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Directors, Officers, Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation.

1.2 Amendment to Predecessor Plan

This Plan constitutes an amendment to and restatement of the Corporation's Stock Option Plan (the "**Predecessor Plan**"**).** All outstanding stock options granted under the Predecessor Plan (the "**Predecessor Options**"**)** shall continue to be outstanding as stock options granted under and subject to the terms of this Plan, provided however that if the terms of this Plan adversely alter the terms or conditions, or impair any right of, an Option holder pursuant to any Predecessor Option, and such Option holder has not otherwise consented thereto, the applicable terms of the Predecessor Plan shall continue to apply for the benefit of such Option holder.

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 — *Prospectus Exemptions,* as amended from time to time;

"**Award**" means any Option, Deferred Share Unit, Restricted Share Unit, Performance Share Unit or Other Share-Based Award granted under this Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein;

"**Award Agreement**" means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

"**Award Date**" means the date on which an Award is granted to a Participant;

"**Black-Out Period**" has the meaning set forth in Section 9.2;

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

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;

"**Canadian Taxpayer**" means a Participant that is resident in Canada for purposes of the Tax Act;

"**Cash Fees**" has the meaning set forth in Section 5.1(a);

"**Cashless Exercise**" has the meaning ascribed to such term in Section 4.50;

"**Cause**" means, with respect to:

(a) a particular Employee: (1) "cause" as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee; (2) in the event there is no written or other applicable employment agreement between the Employee and the Corporation or a subsidiary of the Corporation or "cause" is not defined in such agreement, "cause" as such term is defined in the Award Agreement; or (3) in the event neither clause (1) nor (2) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual's employment without notice or pay in lieu thereof;

(b) in the case of a Consultant (1) the occurrence of any event which, under the written consulting agreement with the Consultant or the common law or the laws of the jurisdiction in which the Consultant provides services, gives the Corporation or any of its Affiliates the right to immediately terminate the consulting agreement; or (2) the termination of the consulting agreement as a result of an order made by any Regulatory Authority having jurisdiction to so order;

(c) in the case of a Director, ceasing to be a Director as a result of (1) ceasing to be qualified to act as a Director pursuant to the section 118 of the OBCA; (2) a Resolution having been passed by the shareholders pursuant to section 122 of the OBCA, or (3) an order made by any Regulatory Authority having jurisdiction to so order; or

(d) in the case of an Officer, (1) cause as such term is defined in the written employment or consulting agreement with the Officer or if there is no written employment agreement or consulting agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Officer provides services; or (2) ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order.

"**Change in Control**" means the occurrence of any one or more of the following events:

(a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation or a wholly-owned subsidiary of the Corporation) hereafter acquires the direct or indirect beneficial ownership of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a takeover bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a wholly-owned subsidiary of the Corporation;

(c) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one or more Persons which were wholly-owned subsidiaries of the Corporation prior to such event;

(d) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned subsidiary of the Corporation);

(e) any other event which the Board determines to constitute a change in control of the Corporation; or

(f) individuals who comprise the Board as of the last annual meeting of shareholders of the Corporation (the "**Incumbent Board**") for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board;

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred pursuant to clauses (a), (b), (c) or (d) above if immediately following the transaction set forth in clause (a), (b), (c) or (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (b) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Parent Entity, and **(B)** no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and **(B)** above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Corporation" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as "a change in control event" within the meaning of Section 409A of the Code;

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time; "**Committee**" has the meaning set forth in Section 3.2;

"**Consultant**" has the meaning given to that term in National Instrument 45-106 - *Prospectus and Registration Exemptions,* and for the purposes of the Plan includes consultants of the Corporation and any of its affiliates, as well as consultant companies of the Corporation and any of its affiliates.

"**Control**" means:

(a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;

(b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and

(c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

"**Corporation**" means Kinjal Gas Ltd.;

"**Deferred Share Unit**" or "**DSU**" means any right granted under Article 5 of this Plan;

"**Director**" means a director of the Corporation who is not an Employee;

"**Director Fees**" means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

"**Disabled**" or "**Disability**" means, in respect of a Participant, suffering from a state of mental or physical disability, illness or disease that prevents the Participant from carrying out his or her normal duties as an Employee for a continuous period of six months or for any period of six months in any consecutive twelve month period, as certified by two medical doctors or as otherwise determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

"**Effective Date**" means the effective date of this Plan, being _____;

"**Elected Amount**" has the meaning set forth in Section 5.1(a);

"**Electing Person**" means a Participant who is, on the applicable Election Date, a Director;

"**Election Date**" means the date on which the Electing Person files an Election Notice in accordance with Section 5.1(b);

"**Election Notice**" has the meaning set forth in Section 5.1(b);

"**Employee**" means an individual who:

(a) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or

(b) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary, and, for greater certainty, includes any Executive Chairman of the Corporation.

"**Exchange**" means the TSX Venture Exchange and any other exchange on which the Shares are or may be listed from time to time;

"**Exercise Notice**" means a notice in writing in the form attached hereto as Schedule "A", signed by a Participant and stating the Participant's intention to exercise a particular Option;

"**Exercise Price**" means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

"**Expiry Date**" means the expiry date specified in the Award Agreement (which shall not be later than the 10th anniversary of the Award Date) or, if not so specified, means the 10th anniversary of the Award Date;

"**Insider**" has the meaning assigned by Policy 1.1 of the rules and policies of the Exchange, as amended from time to time;

"**Investor Relations Activities**" has the meaning assigned by Policy 1.1 of the rules and policies of the Exchange, as amended from time to time;

"**Management Corporation Employee**" means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;

"**Market Price**" of the Shares for a relevant date shall be determined as follows:

(a) for each organized trading facility on which the Shares are listed, Market Price shall be the closing trading price of the Shares on such facility on the last trading date immediately preceding the relevant date;

(b) if the Shares are listed on more than one organized trading facility, then Market Price shall be the greater of the Market Prices determined for each organized trading facility on which those Shares are listed as determined for each organized trading facility in accordance with (a) above;

(c) if the Shares are listed on one or more organized trading facility but have not traded during the 10 trading day period immediately preceding the relevant date, then the Market Price shall be, subject to the necessary approvals of the applicable Regulatory Authority, such value as is determined by Resolution of the Board; and

(d) if the Shares are not listed on any organized trading facility, then the Market Price shall be, subject to the necessary approvals of the applicable Regulatory Authority, the fair market value of the Shares on the relevant date as determined by the Board in its discretion,

provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange;

"**Net Exercise**" has the meaning ascribed to such term in Section 4.5(c);

"**Net Exercise Notice**" means the notice respecting the exercise of an Option on a net basis, in the form, set out as Schedule "**B**" hereto, duly executed by the Participant;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Officer**" means an officer of the Corporation or Management Corporation Employee and for the purposes of the Plan includes officers of the Corporation and Management Corporation Employees and any Related Entity of the Corporation;

"**Option**" means an option to purchase Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;

"**Option Shares**" means Shares issuable by the Corporation upon the exercise of outstanding Options;

"**Other Share-Based Award**" means any right granted under Article 8;

"**Participant**" means an Employee, Consultant, Officer or Director to whom an Award has been granted under this Plan;

"**Participant's Employer**" means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant's Employer;

"**Performance Goals**" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

"**Performance Share Unit**" or "**PSU**" means any right granted under Article 7 of this Plan;

"**Person**" means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

"**Personal Representative**" means:

(a) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

(b) in the case of a Participant who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Participant.

"**Plan**" means this Omnibus Equity Incentive Plan, as may be amended from time to time;

"**Plan Administrator**" means the Board or, to the extent that the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

"**Predecessor Options**" has the meaning set forth in Section 1.2;

"**Predecessor Plan**" has the meaning set forth in Section 1.2;

"**Regulatory Authority**" means any stock exchange, inter-dealer quotation network and other organized trading facility on which the Shares are listed and any securities commissions or similar securities regulatory body having jurisdiction over the Corporation;

"**Related Entity**" has the meaning given to that term in National Instrument 45-106 — *Prospectus Exemptions;*

"**Restricted Share Unit**" or "**RSU**" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

"**Section 409A of the Code**" means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

"**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

"**Security Based Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers, Employees, Consultants and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a guarantee or otherwise, but excluding any loan from the Corporation;

"**Share**" means one common share in the capital of the Corporation as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

"**subsidiary**" means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary, provided that, in the case of a Canadian Taxpayer, the issuer is related (for purposes of the Tax Act) to the Corporation;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Termination Date**" means:

(a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation in a written employment agreement, or other written agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no written employment agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which an Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Employee, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not mean the date of termination of any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Employee;

(b) in the case of a Consultant whose consulting agreement or arrangement with the Corporation or a subsidiary of the Corporation, as the case may be, terminates, the date that is designated by the Corporation or the subsidiary of the Corporation (as the case may be), as the date on which the Consultant's consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Consultant of the Consultant's consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given, and "Termination Date" specifically does not mean the date on which any period of notice of termination that the Corporation or the subsidiary of the Corporation (as the case may be) may be required to provide to the Consultant under the terms of the consulting agreement or arrangement expires; or

(c) in the case of a U.S. Taxpayer, a Participant's "Termination Date" will be the date the Participant experiences a "separation from service" with the Corporation or a subsidiary of the Corporation within the meaning of Section 409A of the Code.

"U.S." means the United States of America;

"**U.S. Taxpayer**" shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws; and

"**VWAP**" means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the applicable date.

2.2 Interpretation

(a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.

(b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.

Unless otherwise specified, all references to money amounts are to Canadian currency.

The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3
ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

(a) determine the individuals to whom grants of Awards under the Plan may be made;

(b) make grants of Awards under the Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, Deferred Share Units, Restricted Share Units, Performance Share Units or Other Share-Based Awards), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:

(i) the time or times at which Awards may be granted;

(ii) the conditions under which:

(A) Awards may be granted to Participants; or

(B) Awards may be forfeited to the Corporation,

including any conditions relating to the attainment of specified Performance Goals;

(iii) the number of Shares to be covered by any Award;

(iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;

(v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and

(vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;

(c) establish the form or forms of Award Agreements;

(d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;

(e) construe and interpret this Plan and all Award Agreements;

(f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and

(g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

(a) The initial Plan Administrator shall be the Board.

(b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 Determinations Binding

Except as may be otherwise set forth in any written employment agreement, consulting agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation and all subsidiaries of the Corporation, the affected Participant(s), their respective legal and personal representatives and all other Persons.

3.4 Eligibility

All Employees, Consultants, Directors and Officers are eligible to participate in the Plan, subject to Section 10.1(e). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee, Consultant, Director or Officer any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee, Consultant, Director or Officer is entitled to receive a grant of an Award pursuant to the Plan will be

determined in the discretion of the Plan Administrator. The Board shall determine in its sole discretion whether any Person is a bona fide Employee, Consultant, Director or Officer, as applicable.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

(a) The Plan is a "rolling up to 10% and fixed up to 10%" Security Based Compensation Plan, as defined in Policy 4.4 - *Security Based Compensation* of the Exchange. The Plan is a: (i) "rolling" plan pursuant to which the number of Shares that are issuable pursuant to the exercise of Options (including the Predecessor Options) granted hereunder shall not exceed 10% of the issued and outstanding Shares as at the date of any Option grant; and (ii) "fixed" plan under which the number of Shares that are issuable pursuant to all Awards granted hereunder other than Options granted pursuant to (i) of the Plan and under any other Security Based Compensation Arrangement, in aggregate is a maximum of 7,856,378 Shares, in each case, subject to adjustment as provided in Article 11 and any subsequent amendment to this Plan.

(b) To the extent the Shares are no longer listed on the Exchange, and subject to any additional and applicable approval by other stock exchange on which the Shares are then listed, the limits set forth in Section 3.6(a) shall no longer be applicable.

(c) To the extent any Awards (or portion(s) thereof) under this Plan are terminated or are cancelled for any reason prior to exercise in full, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan. To the extent any Options (or portion(s) thereof) under this Plan are exercised, any Shares subject to such Options (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Options granted under this Plan.

(d) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company in connection with a corporate transaction (such as an amalgamation, merger, arrangement or acquisition) shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan, nor shall such assumed or substituted awards count against the limits set forth in Section 3.6(a).

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan, the aggregate number of Shares issuable at any time under all Security Based Compensation Arrangements:

(a) awarded in a one-year period to any one Consultant shall not exceed 2% of the issued and outstanding Shares (calculated at the time of award);

(b) awarded in a one-year period to any one Participant (other than a Consultant) shall not exceed 5% of the issued and outstanding Shares (calculated at the time of award), unless disinterested shareholder approval has been obtained;

(c) awarded in a one-year period to Persons employed to provide Investor Relations Activities services shall not exceed 2% of the issued and outstanding Shares (calculated at the time of award). For greater certainty, a Person conducting Investor Relations Activities shall only be entitled to receive Options as a form of Award under the Plan;

(d) awarded to Insiders in a one-year period shall not exceed 10% of the issued and outstanding Shares (calculated at the time of award), unless disinterested shareholder approval has been obtained; or

(e) awarded to Insiders in aggregate shall not exceed 10% of the issued and outstanding Shares (calculated at the time of award), unless disinterested shareholder approval has been obtained,

provided that the acquisition of Shares by the Corporation for cancellation shall not constitute non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation.

3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a Participant by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. For greater certainty, the Plan Administrator shall not have the authority to permit the transfer of any Award, as all Awards are non-transferable.

ARTICLE 4
OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the relevant date.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date. Notwithstanding any other provision of this Plan, in no event shall the term of any Option exceed ten (10) years from the Award Date.

4.4 Vesting and Exercisability

(a) Notwithstanding Section 10.2 or any other provision of this Plan, the Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options, provided that such vesting terms shall be consistent with the requirements of Exchange Policy 4.4.

(b) Once an instalment becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, consulting agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option becomes exercisable.

(c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.

(d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

(e) Options issued to any Person retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months such that: (A) no more than 1/4 of the Options vest no sooner than three months after the Options were granted; **(B)** no more than another 1/4 of the Options vest no sooner than six months after the Options were granted; (C) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and **(D)** no more than another 1/4 of the Options vest no sooner than 12 months after the Options were granted.

4.5 Payment of Exercise Price

(a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. Except as otherwise provided below, payment of the Exercise Price for the number of Shares being purchased pursuant to any Option shall be made (i) in cash, by cheque or in cash equivalent; (ii) if permitted by the Plan Administrator, applicable law and Exchange policies, by means of a Cashless Exercise (as defined herein), a Net Exercise (as defined herein), or by such other consideration as may be approved by the Plan Administrator from time to time to the extent permitted by applicable law and Exchange policies, or (iii) by any combination thereof The Plan Administrator may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the Exercise Price or which otherwise restrict one or more forms of consideration.

(b) Subject to the Corporation having established a program or procedure pursuant to this Section 4.50, a Participant or the Personal Representative of the Participant may elect to exercise such Options on a cashless basis (a "**Cashless Exercise**"**).** A "Cashless Exercise" means the exercise of

an Option where the Corporation has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to the Participant to purchase the Shares underlying the Option and then the brokerage firm sells a sufficient number of Shares to cover the exercise price of the Option in order to repay the loan made to the Participant and receives an equivalent number of Shares from the exercise of the Options as were sold to cover the loan and the Participant then receives the balance of the Shares or the cash proceeds from the balance of the Shares. Pursuant to a Cashless Exercise, a Participant shall deliver a properly executed Exercise Notice together with irrevocable instructions to a broker providing for assignment to the Corporation of the proceeds of a sale or loan with respect to some or all of the Shares being acquired upon the exercise of the Option. The Corporation reserves the right, in the Corporation's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Corporation notwithstanding that such program or procedures may be available to other Participants.

(c) Other than a Person conducting Investor Relations Activities, a Participant or the Personal Representative of the Participant may elect to exercise an Option without payment of the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option (a "**Net Exercise**") by delivering a Net Exercise Notice to the Plan Administrator. Upon receipt by the Plan Administrator of a Net Exercise Notice from a Participant or Personal Representative of a Participant, the Corporation shall calculate and issue to such Participant or Personal Representative of such Participant that number of Shares as is determined by application of the following formula:

X=[Y(A-B)]/A

Where:

X = the number of Shares to be issued to the Participant upon the Net Exercise

Y = the number of Shares underlying the Options being exercised

A = the VWAP as at the date of the Net Exercise Notice, if such VWAP is greater than the Exercise Price

B = the Exercise Price of the Options being exercised

The Corporation may, but is not obligated to accept, any Net Exercise of which it receives notice. If the Corporation does accept such Net Exercise, no fractional Shares will be issued to any Participant or the Personal Representative of the Participant electing a Net Exercise. If the number of Shares to be issued to the Participant in the event of a Net Exercise would otherwise include a fraction of a Share, the Corporation will pay a cash amount to such Participant equal to (i) the fraction of a Share otherwise issuable multiplied by (ii) the value attributed to "A" in the formula set out above.

(d) Unless otherwise required by applicable laws, or as determined in the discretion of the Board or the Plan Administrator, the Exercise Price for Options shall be designated in Canadian dollars. A foreign Participant may be required to provide evidence that any currency used to pay the Exercise Price of any Option was acquired and taken out of the jurisdiction in which the Participant resides in accordance with applicable laws, including foreign exchange control laws and regulations. In the event the Exercise Price for an Option is paid in another foreign currency, if permitted by the Plan Administrator, the amount payable will be determined by conversion from Canadian dollars at the exchange rate as selected by the Plan Administrator on the date of exercise. For Participants subject to United States income tax, such conversion shall be

determined in a manner which does not result in any adverse tax consequences to the Participant pursuant to Section 409A of the Code.

ARTICLE 5
DEFERRED SHARE UNITS

5.1 Granting of DSUs

(a) The Plan Administrator may fix, from time to time, a portion of the Director Fees that is to be payable in the form of DSUs. In addition, subject to the approval of the Plan Administrator, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b) to participate in the grant of additional DSUs pursuant to this Article 5. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 5 shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The "**Elected Amount**" shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the "**Cash Fees**"**).**

(b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of Schedule "C" hereto (the "**Election Notice**"**)** with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31 in the year prior to the year to which such election is to apply; and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of an existing Electing Person who is a U.S. Taxpayer as of the Effective Date of this Plan, an initial Election Notice may be filed by the date that is 30 days from the Effective Date only with respect to compensation paid for services to be performed after the Election Date; and, in the case of a newly appointed Electing Person who is a U.S. Taxpayer, an Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the Election Date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.

(c) Subject to Section 5.1(d), the election of an Electing Person under Section 5.1(b) shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.

(d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the Chief Financial Officer of the Corporation a notice in the form of Schedule "D" hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a "black-out" on trading. Thereafter, any portion of such Electing Person's Cash Fees payable or paid in the same calendar year and, subject to complying with Section 5.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 5, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs in lieu of cash for any calendar year is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule "D" is delivered.

(e) Any DSUs granted pursuant to this Article 5 prior to the delivery of a termination notice pursuant to Section 5.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.

(f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Award Date.

(g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

5.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the relevant date. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

5.3 Vesting of DSUs

Except as provided in Sections 10.1 and 11.2, no DSUs issued to a Participant may vest before the date that is one year following the date they are granted.

5.4 Settlement of DSUs

(a) DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall an Award in the form of a DSU be settled prior to, or later than one (1) year following, the date of the applicable Participant's separation from service. In the case of a Participant (other than a Canadian Participant), in no event shall an Award in the form of a DSU be settled later than three (3) years following the date of the applicable Participant's separation from service. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of separation from service, subject to the delay that may be required under Section 12.6(d) below in the case of a U.S. Participant. Subject to Section 12.6(d) below in the case of a U.S. Participant, and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant shall redeem each vested DSU for:

(i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or

(ii) a cash payment, or

(iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its sole discretion.

(b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

(c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

ARTICLE 6
RESTRICTED SHARE UNITS

6.1 Granting of RSUs

(a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each RSU grant shall be evidenced by an Award Agreement.

(b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the relevant date.

6.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Award Date.

6.3 Vesting of RSUs

Except as provided in Sections 10.1 and 11.2, no RSUs issued to a Participant may vest before the date that is one year following the date they are granted.

6.4 Settlement of RSUs

(a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:

(i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or

(ii) a cash payment, or

(iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above, in each case as determined by the Plan Administrator in its sole discretion.

(b) Any cash payments made under this Section 6.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

(c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

(d) Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 6.4 any later than the final Business Day of the third calendar year following the year in which the RSU is granted.

ARTICLE 7
PERFORMANCE SHARE UNITS

7.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of services rendered in the

year of grant. The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 7.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

7.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment or consulting arrangement and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

7.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Award Date to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment agreement, consulting agreement or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

7.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Award Date.

7.5 Vesting of PSUs

Except as provided in Sections 10.1 and 11.2, no PSUs issued to a Participant may vest before the date that is one year following the date they are granted.

7.6 Settlement of PSUs

(a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for:

(i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or

(ii) a cash payment, or

(iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above, in each case as determined by the Plan Administrator in its sole discretion.

(b) Any cash payments made under this Section 7.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

(c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

(d) Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 7.6 any later than the final Business Day of the third calendar year following the year in which the PSU is granted.

ARTICLE 8
OTHER SHARE-BASED AWARDS

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Other Share-Based Awards to any Participant. The terms and conditions of each Other Share-Based Award grant shall be evidenced by an Award Agreement. Each Other Share-Based Award shall consist of a right (1) which is other than an Award or right described in Article 4, Article 5, Article 6, and (2) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards. Shares or other securities delivered pursuant to a purchase right granted under this Article 8 will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Plan Administrator shall determine in its discretion.

ARTICLE 9
ADDITIONAL AWARD TERMS

9.1 Dividend Equivalents

(a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, as part of a Participant's grant of DSUs or RSUs (as applicable) and in respect of the services provided by the Participant for such original grant, DSUs and RSUs (as applicable) shall be credited with dividend equivalents in the form of additional DSUs or RSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (i) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of DSUs or RSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (ii) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the DSUs or RSUs, as applicable, to which they relate, and shall be settled in accordance with Section 6.4.

(b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

(c) Notwithstanding Section 9.1(a) or any other provision of this Plan, if the Corporation does not have a sufficient number of Listed Shares available under this Plan to satisfy its obligations in respect of dividend equivalents payable to Participants, the Corporation shall make payment of such dividend equivalents in cash in an amount equal to the amount that would otherwise have been paid as dividend equivalents in the form of additional DSUs or RSUs, as applicable.

9.2 Blackout Period

In the event that the Award Date occurs, or an Award expires, during a Black-Out Period, the effective Award Date for such Award, or expiry of such Award, as the case may be, will be no later than 10 business days after the last day of the Black-Out Period, and the Market Price with respect to the grant of such Award shall be calculated based on the VWAP of the five business days after the last day of the Black-Out Period. For the purposes hereof, a "Black-Out Period" means that period during which a trading black-out period is imposed by the Corporation to restrict trades in the Corporation's securities by a Participant.

9.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or an Affiliate of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or an Affiliate of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

9.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation and in effect at the Award Date of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

ARTICLE 10
TERMINATION OF EMPLOYMENT OR SERVICES

10.1 Termination of Employees, Consultants, Directors and Officers

Unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement (but in no event shall Options or Awards exceed one year following the Termination Date, death, or Disability of a Participant):

(a) where a Participant's employment agreement, consulting agreement or arrangement is terminated, or the Participant ceases to hold the office of his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;

(b) where a Participant's employment agreement, consulting agreement or other position is terminated, or the Participant ceases to hold the office of his or her position, as applicable, by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then all unvested Options or other Awards

shall terminate, and all vested Options or other Awards may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and **(B)** the date that is 90 days after the Termination Date (or such other period as may be determined by the Board, provided such period is not more than one year following the Termination Date). Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(c) where a Participant becomes Disabled, then any Option or other Award held by the Participant that has not vested as of the date of Disability of such Participant shall terminate, and all Options or other Awards that are vested as of the date of Disability may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and **(B)** the date that is six months after the date of Disability. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(d) where a Participant's employment agreement, consulting agreement or arrangement is terminated, or the Participant ceases to hold office of his or her position, as applicable, by reason of the death of the Participant, then any Option or other Award held by the Participant that has not vested as of the date of the death of such Participant shall terminate, and all Options or other Awards that are vested as of the date of death and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and **(B)** the six month anniversary of the date of the death of such Participant. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(e) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:

(i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or

(ii) the date of the death, or Disability of the Participant; and notwithstanding Section 10.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation.

10.2 Discretion to Permit Acceleration

(a) Notwithstanding the provisions of Section 10.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that Awards may not be accelerated earlier than one year from the Award Date.

(b) Notwithstanding the provisions of Section 10.2(a), the Plan Administrator may not permit the acceleration of vesting of any Options granted to any Persons employed to provide Investor Relations Activities without the prior written approval of the Exchange.

10.3 Participants' Entitlement

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the Corporation and an Affiliate of the Corporation. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an Affiliate of the Corporation ceases to be an Affiliate of the Corporation.

ARTICLE 11
EVENTS AFFECTING THE CORPORATION

11.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

11.2 Change in Control

Except as may be set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

(a) The Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 11.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Section 11.2(a)) any property in connection with a Change of Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.

(b) Notwithstanding Section 11.2(a), and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards granted under this Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value

of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, or in the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Corporation for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).

(c) It is intended that any actions taken under this Section 11.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

11.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Awards.

11.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

11.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, (whether as a result of any adjustment under this Article 11, a dividend equivalent or otherwise), a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 12
U.S. TAXPAYERS

12.1 Provisions for U.S. Taxpayers

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code ("**ISOs**"). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO.

12.2 ISOs

Subject to any limitations in Section 3.6(a), the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 7,856,378 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Award Date hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted to any employee of the Corporation, or of a "parent corporation" or "subsidiary corporation", as such terms are defined in Sections 424(e) and (f) of the Code.

12.3 ISO Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a "parent corporation" or "subsidiary corporation", as such terms are defined in Section 424(e) and (f) of the Code, on the Award Date, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

12.4 $100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the relevant date of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation) exceeds $100,000, such excess ISOs shall be treated as non-qualified stock options.

12.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Award Date or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

12.6 Section 409A of the Code

(a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be

granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

(b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.

(c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer's vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.

(d) Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

12.7 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

ARTICLE 13
AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

13.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination shall be made without Exchange approval, if applicable, and provided further that:

(a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and

(b) any amendment that would cause an Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

13.2 Shareholder Approval

Notwithstanding Section 13.1 and subject to any rules of the Exchange, approval of the holders of the Shares shall be required for any amendment, modification or change that:

(a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(b) increases or removes the limit on the number of Shares issuable or issued to Insiders as set forth in Section 3.7(d) and Section 3.7(e);

(c) reduces the exercise price of an Award (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(d) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);

(e) permits an Award to be exercisable beyond 10 years from its Award Date (except where an Expiry Date would have fallen within a blackout period of the Corporation);

increases or removes the limits on the participation of Directors or Officers; provided, however, that nothing in this Section 13.2 shall permit any amendment that would result in the term of any Option exceeding ten (10) years from the Award Date;

(g) permits Awards to be transferred to a Person;

(h) changes the eligible participants of the Plan; or

(i) deletes or reduces the range of amendments which require approval of shareholders under this Section 13.2.

13.3 Disinterested Shareholder Approval

Disinterested shareholder approval will be obtained:

(a) for any reduction in the Exercise Price or extension of the term of an Option if the Participant is an Insider of the Corporation at the time of the proposed amendment; and

(b) for any changes to the aggregate number of Shares reserved for issuance pursuant to all Awards, other than Options, granted under the Plan, together with any other Security Based Compensation Arrangement, as set out in Section 3.6(a).

Disinterested shareholder approval will also be required as specified in the Plan.

13.4 Permitted Amendments

Without limiting the generality of Section 13.1, but subject to Section 13.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

(a) making any amendments to the general vesting provisions of each Award;

(b) making any amendments to the provisions set out in Article 10;

(c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;

(d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or

(e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 14
MISCELLANEOUS

14.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

14.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

14.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant, Director or Officer. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

14.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

14.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement or consulting agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement, consulting agreement or other written agreement shall prevail.

14.6 Anti-Hedging Policy

By accepting the Option or Award, each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options or Awards.

14.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf

14.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

14.9 International Participants

With respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

14.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

14.11 General Restrictions on Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

14.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

14.13 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Kinjal Gas Ltd.
Horacio 828, Polanco,
Miguel Hidalgo,CDMX. C.P 11550
Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

14.14 **Effective Date**

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

14.15 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

14.16 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

KINJAL GAS LTD.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

The undersigned hereby irrevocably gives notice of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item):**

(a) all of the Shares; or

(b) _____of the Shares;

which are the subject of the Award Agreement attached hereto.

The undersigned tenders herewith a certified cheque or bank draft **(circle one)** payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid Shares exercised and directs the Corporation to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

DATED the _____ day of _____

_____**Signature of Option Holder**

KINJAL GAS LTD.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

NET EXERCISE NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

The undersigned hereby irrevocably gives notice, pursuant to the Plan, of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item):**

(a) all of the Shares; or

(b) _____of the Shares;

which are the subject of the Award Agreement attached hereto.

Pursuant to Section 4.50 of the Plan and the approval of the Board, the number of Shares to be issued in accordance with the instructions of the undersigned shall be as is determined by application of the following formula, after deduction of any income tax or other amounts required by law to be withheld:

$$X=IY(A-B)1/A$$

Where:

X = the number of Shares to be issued to the Participant upon the Net Exercise

Y = the number of Shares underlying the Options being exercised

A = the VWAP as at the date of the Net Exercise Notice, if such VWAP is greater than the Exercise Price

B = the Exercise Price of the Options being exercised

No fractional Shares will be issued upon the undersigned making a Net Exercise. If the number of Shares to be issued to the Participant in the event of a Net Exercise would otherwise include a fraction of a Share, the Corporation will pay a cash amount to such Participant equal to (i) the fraction of a Share otherwise issuable multiplied by (ii) the value attributed to "A" in the formula set out above.

The undersigned directs the Corporation to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Net Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

DATED the_____ day of _____

_____Si
gnature of Option Holder

KINJAL GAS LTD.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 5 of the Plan and to receive _____% of my Cash Fees in the form of DSUs in lieu of cash.

I confirm that:

1. I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.

2. I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.

3. The value of DSUs is based on the value of the Shares and therefore is not guaranteed.

4. To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Dated:_____ (Name of Participant)

_____(Signature of Participant)

KINJAL GAS LTD.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "C" to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Dated:_____ (Name of Participant)

_____(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

KINJAL GAS LTD.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS
(U.S. TAXPAYERS)

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "C" to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Dated_____ (Name of Participant)

_____(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

APPENDIX "J" ARTICLES OF CONTINUANCE

See attached.

Ontario

Ministry of Public
and Business Service Delivery

Articles of Continuance

Business Corporations Act

For questions or more information to complete this form, please refer to the instruction page.

Fields marked with an asterisk (*) are mandatory.

1. Corporation Information

Corporation Name *
KINJAL GAS LTD.

Has the corporation been assigned an Ontario Corporation Number (OCN) ? * ☐ Yes ☑ No

Please confirm the statement below *

☑ I confirm that the corporation has never been assigned an Ontario Corporation Number

2. Contact Information

Please provide the following information for the person we should contact regarding this filing. This person will receive official documents or notices and correspondence related to this filing. By proceeding with this filing, you are confirming that you have been duly authorized to do so.

First Name *	Middle Name	Last Name *

Telephone Country Code	Telephone Number *	Extension

Email Address *

3. Jurisdiction

Please provide the name of the jurisdiction where the corporation is currently incorporated or continued and the original date of incorporation or amalgamation of the corporation.

Current Corporation Name *
KINJAL GAS LTD.

Governing Jurisdiction *

Original Date of Incorporation/Amalgamation *

The following supporting documents are required. Please attach these documents with your application:

☐ Incorporating documents and all amendments, and a copy of continuation documents and amendments if applicable, certified by an officer of the appropriate jurisdiction *

☐ Letter of Satisfaction/Authorization to Continue issued by the proper officer of the jurisdiction the corporation is leaving *

☐ Legal Opinion *

4. Corporation Name

Every corporation must have a name. You can either propose a name for the corporation or request a number name. If you propose a name for the corporation, you need a Nuans report for the proposed name.

Will this corporation have a number name ? * ☐ Yes ☐ No

 © King's Printer for Ontario, 2023

5. General Details

Requested Date for Continuance *	Primary Activity Code *
	211110

Official Email Address *

An official email address is required for administrative purposes and must be kept current. All official documents or notices and correspondence to the corporation will be sent to this email address.

6. Address

Every corporation is required to have a registered office address in Ontario. This address must be set out in full. A post office box alone is not an acceptable address.

Registered Office Address *

☑ Standard Address ☐ Lot/Concession Address

Street Number *	Street Name *	Unit Number
151	Yonge Street,	1500

City/Town *	Province	Postal Code *
Toronto,	Ontario	M5C 2W7

Country
Canada

7. Director(s)

Please specify the number of directors for your Corporation *

☐ Fixed Number ☑ Minimum/Maximum

Minimum Number of Directors *	Maximum Number of Directors *
3	8

Director 1

First Name *	Middle Name	Last Name *

Email Address

Is this director a Resident Canadian? * ☐ Yes ☐ No

Address for Service * ☐ Canada ☐ U.S.A. ☐ International

8. Shares and Provisions (Maximum is 900,000 characters per text box. To activate the toolbar press “Ctrl + E”)

Every corporation must be authorized to issue at least one class of shares. You must describe the classes of shares of the corporation and the maximum number of shares the corporation is authorized to issue for each class. If the corporation has more than one class of shares, you must specify the rights, privileges and conditions for each class.

Description of Classes of Shares

The classes and any maximum number of shares that the corporation is authorized to issue:

Enter the Text *
Common Shares

Rights, Privileges, Restrictions and Conditions

Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter “Not Applicable”:

Enter the Text *

COMMON SHARES:

The common shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

Payment of Dividends: The holders of the common shares shall be entitled to receive in each financial year of the Corporation, when, as and if declared by the board of directors of the Corporation out of the monies or property of the Corporation properly applicable to the payment of dividends, a variable non-cumulative dividend or dividends in such amount as may be determined by the board of directors from time to time in their discretion. The board of directors may declare and pay dividends on the common shares without declaring or paying any dividends on any other class or classes of shares.

Participation upon Liquidation, Dissolution or Winding-Up: Subject to the prior rights of the holders of the Class A shares, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of its assets or property among shareholders for the purpose of winding-up its affairs, the holders of the common shares shall be entitled to receive, in equal amounts per share, without preference or distinction, all of the remaining property and assets of the Corporation.

Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation and shall be entitled to one (1) vote in respect of each common share held at all meetings of the shareholders of the Corporation.

Waiver: Where notice is required under applicable law to be sent to the holders of the common shares, the notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto subject to notice requirements under applicable law.

Restrictions on Share Transfers

The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter “None”:

Enter the Text *

None.

Restrictions on Business or Powers

Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter “None”:

Enter the Text *

None.

Other Provisions, if any

Enter other provisions, or if no other provisions enter “None”:

Enter the Text *

None.

9. Required Statements

Required Statements

☑ The corporation is to be continued under the *Business Corporations Act* to the same extent as if it had been incorporated under this Act. *

☑ The corporation has complied with subsection 180(3) of the *Business Corporations Act*. *

Authorization Date

☑ The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction currently governing the corporation, on the following date: *

Authorization Date *

10. Authorization

☐ * I,

confirm that this form has been signed by the required person.

Caution - The Act sets out penalties, including fines, for submitting false or misleading information.

Required Signature

Name	Position	Signature

APPENDIX "K" AUDIT COMMITTEE CHARTER

1. Purpose

The purpose of the Audit Committee is to assist the board of directors (the "**Board**") of Kinjal Gas Ltd. (the "**Corporation**") in fulfilling its oversight responsibilities with respect to the Corporation's financial reporting, internal controls, external audit process, disclosure controls and procedures, risk management, and compliance with applicable legal and regulatory requirements.

The Audit Committee is responsible for maintaining open communication among the Board, management and the Corporation's external auditors.

2. Composition

The Audit Committee shall be composed of at least three directors, each of whom shall be appointed by the Board.

The composition of the Audit Committee shall comply with the requirements of National Instrument 52-110 – Audit Committees ("NI 52-110") and the policies of the TSX Venture Exchange applicable to venture issuers.

Each member of the Audit Committee shall be financially literate within the meaning of NI 52-110, unless otherwise permitted by applicable securities laws. For this purpose, "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

The Corporation intends that a majority of the members of the Audit Committee will be independent within the meaning of NI 52-110, to the extent practicable and subject to applicable requirements for venture issuers.

The members of the Audit Committee shall be appointed by the Board annually and shall serve until their successors are appointed, unless they resign, are removed or cease to be directors of the Corporation. The Board shall determine, at the time of appointment and annually thereafter, whether each member of the Audit Committee satisfies the applicable financial literacy and independence requirements, based on information provided by the applicable director and such other information as the Board considers relevant. The Board shall appoint one member of the Audit Committee to act as chair of the Audit Committee.

Upon completion of the Transaction, the Audit Committee of the Resulting Issuer is expected to be comprised of Brooks Klimley (Chair), Tony Kinnon and Arnaud de Limelette. Each of Brooks Klimley, Tony Kinnon and Arnaud de Limelette is independent within the meaning of National Instrument 52-110 - Audit Committees, and each is financially literate within the meaning of NI 52-110. The composition of the Audit Committee is expected to comply with the requirements of Exchange Policy 3.1 and applicable securities legislation.

3. Meetings

The Audit Committee shall meet at least quarterly, or more frequently as circumstances require. The Audit Committee shall establish and maintain an annual work plan or calendar to assist in scheduling its recurring responsibilities, including review of annual and interim financial disclosure, meetings with the external auditors, auditor independence review, non-audit service pre-approval, review of this Charter and reporting to the Board.

The Audit Committee may meet separately with management and the external auditors, with or without management present, as the Audit Committee considers appropriate.

Minutes of Audit Committee meetings shall be prepared by the Corporate Secretary or such other person designated by the Chair of the Audit Committee and circulated to the members of the Audit Committee for approval in a timely manner.

A majority of the members of the Audit Committee shall constitute a quorum.

4. Duties and Responsibilities

The Audit Committee shall have the following duties and responsibilities:

Financial Reporting

The Audit Committee shall:

(a) review the Corporation's annual audited financial statements, interim financial statements, related management's discussion and analysis, and related news releases before public disclosure;

(b) review significant accounting and financial reporting issues, including complex or unusual transactions, significant estimates and judgments, and recent professional and regulatory pronouncements;

(c) review any significant changes in accounting principles, policies or practices;

(d) review with management and the external auditors the quality and acceptability of the Corporation's accounting principles and financial disclosure;

(e) review any significant disagreements between management and the external auditors regarding financial reporting; and

(f) recommend to the Board the approval of the annual and interim financial statements, related management discussion and analysis, news releases and other related disclosure documents as applicable.

External Auditors

The Audit Committee shall:

(a) recommend to the Board the appointment, compensation, retention and replacement of the external auditors;

(b) oversee the work of the external auditors, who shall report directly to the Audit Committee;

(c) review the external auditors' engagement letter, audit plan, scope of work and proposed fees;

(d) review the independence of the external auditors, including any relationships or services that may affect their objectivity or independence;

(e) review the results of the annual audit and any review of interim financial statements;

(f) review any significant difficulties encountered by the external auditors, including restrictions on the scope of work or access to information;

(g) meet with the external auditors without management present at least annually, or more frequently as required; and

(h) review and pre-approve audit services, audit-related services and non-audit services to be provided by the external auditors, subject to applicable law and any pre-approval policies adopted by the Audit Committee..

Internal Controls and Disclosure Controls

The Audit Committee shall:

(a) review management's assessment of the Corporation's internal controls over financial reporting and disclosure controls and procedures;

(b) review any material weaknesses or significant deficiencies in internal controls identified by management or the external auditors;

(c) review management's plans to address any such weaknesses or deficiencies; and

(d) review the adequacy of financial reporting systems and related internal control processes.

Risk Management

The Audit Committee shall:

(a) review financial, accounting, liquidity, working capital, cash flow forecasting, sources and uses of funds, tax, cybersecurity, information technology, insurance and other risk matters within the Audit Committee's mandate;

(b) review management's processes for identifying, assessing and managing principal financial and reporting risks; and

(c) report material risk matters to the Board as appropriate.

Legal and Regulatory Compliance

The Audit Committee shall:

(a) review matters relating to compliance with applicable legal and regulatory requirements that may have a material effect on the Corporation's financial statements or public disclosure, including material regulatory matters affecting the Corporation's operations in Mexico;

(b) review correspondence with securities regulators or stock exchange authorities relating to financial reporting, public disclosure, reserves disclosures, production estimates or material disclosure matters, as appropriate; and

(c) review, as appropriate, material compliance policies relevant to financial reporting, public disclosure and internal controls, including policies relating to anti-bribery and anti-corruption, conflicts of interest, related party transactions and whistleblower matters.

Complaints and Whistleblower Procedures

The Audit Committee shall establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

(b) the confidential, anonymous submission by employees, consultants and other service providers of concerns regarding questionable accounting or auditing matters.

5. Pre-Approval of Non-Audit Services

The Audit Committee shall pre-approve all non-audit services to be provided by the external auditors, except where pre-approval is not required under applicable securities laws.

The Audit Committee may delegate pre-approval authority to one or more members of the Audit Committee, provided that any pre-approval granted under such delegation shall be reported to the Audit Committee at its next scheduled meeting.

6. Authority

The Audit Committee has authority to:

(a) engage independent legal counsel, accounting advisors or other advisors as it considers necessary to carry out its duties;

(b) set and pay the compensation of any advisors retained by the Audit Committee;

(c) communicate directly with the external auditors, management, employees and advisors of the Corporation;

(d) access all books, records, facilities, personnel and advisors of the Corporation; and

(e) request any information it considers necessary to fulfill its responsibilities.

The Corporation shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditors and to any advisors retained by the Audit Committee.

7. Reporting to the Board

The Audit Committee shall report regularly to the Board regarding its activities, findings and recommendations.

The Audit Committee shall review with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, performance and independence of the external auditors, or other matters within the Audit Committee's mandate.

8. Review of Charter

The Audit Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

9. Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set out in this Charter, it is not the responsibility of the Audit Committee to plan or conduct audits, to determine that the Corporation's financial statements are complete and accurate or are in accordance with applicable accounting standards, or to guarantee the external auditors' reports.

These responsibilities are those of management and the external auditors, as applicable. The Audit Committee's role is one of oversight.