



## **Annual Information Form**

**For the Financial Year Ended March 31, 2021**

**July 29, 2021**

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## GENERAL

### Effective Date of Information

Unless otherwise stated, the information in this annual information form (the “AIF”) is stated as at July 29, 2021.

### Forward-Looking Statements

Certain statements in this AIF constitute forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities legislation (collectively, “forward-looking statements”). These forward-looking statements are not guarantees of TAG Oil Ltd.’s (“TAG Oil” or the “Corporation”) future operational or financial performance and are subject to risks and uncertainties. When used in this AIF, the words “may”, “will”, “should”, “could”, “would”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, “propose”, “objective”, “capable”, “potential” or “continue” and similar expressions, and statements related to matters that are not historical facts are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these assumptions and expectations will prove to be correct. Readers are cautioned not to place undue reliance on these statements, which speak only as of the date of this AIF. Forward-looking statements contained in or incorporated by reference in this AIF include, but are not limited to, statements with respect to:

- TAG Oil’s business plans, strategies, opportunities and operations subsequent to the Transaction (as defined herein) and the potential to acquire new property;
- projections of market prices and costs;
- the supply and demand for oil and natural gas;
- TAG Oil’s expectations regarding its ability to raise capital and to continually add to reserves through acquisitions and development;
- TAG Oil’s ability to attract and retain appropriately qualified employees;
- TAG Oil’s treatment under governmental regulatory regimes and tax laws;
- the Corporation’s growth strategy, targets for future growth and projections of the results of such growth;
- expectations with respect to future opportunities, including in respect of the Corporation’s financial position, future funds and other financial results; and
- TAG Oil’s expectations regarding future aggregate operating, transportation, general, administrative and other expenses.

All forward-looking statements in this AIF are based on management’s reasonable beliefs, intentions, and expectations with respect to future events as of the date of this AIF and are subject to certain risks, uncertainties, and assumptions. The principal material assumptions underlying TAG Oil’s forward-looking statements are:

- assumptions relating to the success of the Corporation’s growth strategy, including its ability to acquire material assets, develop such assets to production, and retain and attract key employees;



- assumptions relating to the nature and extent of the impacts on the Corporation resulting from the outbreak of the novel coronavirus (“**COVID-19**”);
- that no adverse changes will be made to the regulatory framework governing royalties, taxes, the environment and all other applicable matters in the jurisdictions in which the Corporation conducts its business and any other jurisdictions in which the Corporation may conduct its business in the future;
- that currency exchange rates between the United States and Canada remain stable;
- that TAG Oil will be able to secure adequate funding in the future on acceptable terms;
- that oil and gas prices do not decline materially.

Actual results could differ materially from those anticipated in forward-looking statements as a result of the risk factors set forth below and included elsewhere herein under “Risk Factors”. These factors include, but are not limited to:

- volatility in market prices for oil and natural gas;
- the Corporation’s ability to locate commercial quantities of hydrocarbons and risks related to depletion;
- risks to the Corporation resulting from COVID-19;
- geological and geographic risks;
- the Corporation’s ability to obtain required capital or financing on satisfactory terms or at all;
- TAG Oil’s history of losses;
- general economic, business or industry conditions;
- negative public perception of oil and natural gas development and transportation, hydraulic fracturing and fossil fuels;
- the high-risk nature of successfully stimulating well productivity, drilling for and producing oil, NGLs and natural gas;
- operating hazards and uninsured risks;
- risks related to the success of TAG Oil’s business plan;
- risks related to the completion of acquisitions and dispositions and the integration of acquired businesses and properties;
- risks related to the development of alternatives to and changing demand for petroleum products;
- risks related to the market price of TAG Oil’s common shares and volatility;
- the development of carbon emissions regimes and climate change legislation;
- risks related to government regulations, particularly with respect to hydraulic fracking;
- risks related to environmental, health and safety regulations;

- variations in foreign exchange and interest rates;
- risks related to extensive competition;
- risks related to operating in a foreign or international jurisdiction;
- being subject to legal proceedings that arise in the ordinary course of business;
- risks related to the enforcement of liabilities by U.S. shareholders;
- TAG Oil's limited intellectual property protection for its operating practices and the Corporation's dependence on employees and contractors;
- risks related to the absence or loss of key employees;
- risks related to conflicts of interest affecting any of TAG Oil's directors and officers;
- that the forward-looking statements set out herein may prove to be inaccurate;
- that TAG Oil has no intention to pay dividends; and
- risks related to decommissioning costs.

Actual operational and financial results may differ materially from TAG Oil's expectations contained in the forward-looking statements as a result of various factors, many of which are beyond the control of TAG Oil. In light of the many risks and uncertainties that may cause future results to differ materially from those expected, TAG Oil cannot give assurance that the forward-looking statements contained in this AIF and the documents incorporated by reference will be realized. Forward-looking statements are not guarantees of future performance. Except as required by applicable law, TAG Oil does not assume any obligation to publicly update these statements, nor disclose any difference between TAG Oil's actual results and those reflected in these statements.

**Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this AIF, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement.**

In the event that any of these assumptions prove to be incorrect, or in the event that TAG Oil is impacted by any of the risks identified above, TAG Oil may not be able to continue its business as planned.

Disclosure provided herein in respect of boe (barrels of oil equivalent) may be misleading, particularly if used in isolation. A boe 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 a value equivalency at the wellhead.

### **Accounting Principles**

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

### **Presentation of Financial Information**

The Corporation presents its financial statements in Canadian dollars. All dollar figures in this AIF are in Canadian dollars, unless otherwise indicated. All financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.



## BACKGROUND AND CORPORATE STRUCTURE

### Name, Address, and Incorporation

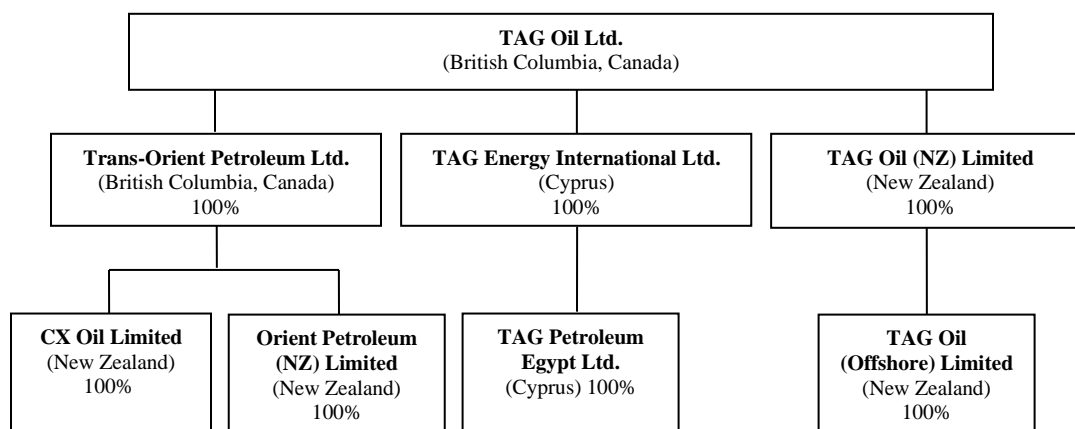
The Corporation's full name is "TAG Oil Ltd." and the Corporation's registered and records office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, and its head office is located at Suite 2040, 885 W. Georgia Street, Vancouver, British Columbia, V6C 3E8.

TAG Oil was incorporated under the laws of British Columbia on December 12, 1990, under the name "398052 B.C. Ltd." Its name was subsequently changed to "Aldus Energy (Canada) Corp." on January 28, 1991, to "Aldus Energy Corp." on April 4, 1991, to "Durum Energy Corp." on July 18, 1991, to "Durum Cons. Energy Corp." on October 27, 1998, and to its current name "TAG Oil Ltd." on June 12, 2002. On October 29, 1997, the Corporation was continued into the Yukon Territory. On October 12, 2006, TAG Oil was re-domiciled from a company existing under the Business Corporations Act (Yukon) back to British Columbia by way of continuance under the Business Corporations Act (British Columbia) (the "**B.C. Act**").

### Intercorporate Relationships

As at the date of this AIF, TAG Oil's directly owned subsidiaries are: TAG Energy International Ltd., incorporated under the laws of Cyprus, TAG Oil (NZ) Limited, incorporated under the laws of New Zealand, Trans-Orient Petroleum Ltd., amalgamated under the laws of British Columbia. TAG Oil's indirectly owned subsidiaries are: TAG Petroleum Egypt Ltd., incorporated under the laws of Cyprus, TAG Oil (Offshore) Limited, incorporated under the laws of New Zealand, CX Oil Limited, incorporated under the laws of New Zealand, and Orient Petroleum (NZ) Limited, incorporated under the laws of New Zealand.

The following chart shows the corporate relationships between TAG Oil and its subsidiaries as at the date of this AIF:



## DEVELOPMENT OF THE BUSINESS

### Three Year History

#### *Recent Developments*

On June 28, 2021, the Corporation granted 700,000 stock options to various consultants. These stock options are exercisable until June 28, 2026, at a price of \$0.45 per share and are subject to deferred vesting over two years.



### *Financial Year Ended March 31, 2021*

On October 30, 2020, the Corporation closed the purchase and sale agreement with Luco Energy Pty. Ltd. (“**Luco**”), a company owned by Ilwella Pty. Ltd. and AJ Lucas Services, to divest its Australian assets and operations as part of a strategic realignment of the Corporation’s oil and gas exploration and development activities. This was an arm’s length transaction that involved the sale of the shares of TAG Oil’s Australian subsidiary, Cypress Petroleum Pty Ltd. (“**Cypress**”), which holds 100% working interests in PL 17, ATP 2037, and ATP 2038 (collectively, the “**Permits**”) located in the Surat Basin of Queensland, Australia, to Luco in exchange for a cash payment of A\$2,500,000 at closing and a 3.0% gross overriding royalty on future production from all liquids produced from the Permits.

On September 25, 2020, the Corporation announced the following corporate updates:

- Mr. Peter Loretto resigned from his position as a non-executive director of the Corporation.
- The grant of 775,000 stock options on September 11, 2020, to various officers, directors, and staff members. These options vested immediately and are exercisable until September 11, 2025, at a price of \$0.25 per share.

On September 1, 2020, the Corporation announced the following corporate updates:

- Mr. Abdel (Abby) Badwi joined the Corporation as Executive Chairman of the Corporation’s board of directors (the “**Board**”), along with Mr. Suneel Gupta who has been appointed as VP and COO of the Corporation. Messrs. Shawn Reynolds and Thomas Hickey were also appointed to TAG Oil’s Board as non-executive directors. To facilitate these new appointments to the Board, Messrs. Ken Vidalin, David Bennett, and Brad Holland resigned from their positions as non-executive directors.
- The Corporation completed a non-brokered private placement of 6.25 million units (“**Units**”) at a price of \$0.16 per Unit for aggregate gross proceeds of \$1.0 million. Each Unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share in the capital of the Corporation at a price of \$0.16 per common share for a period of three years from the date of closing.
- The grant of 4.85 million stock options exercisable for a period of five years at a price of \$0.25 per share to the newly appointed officers, directors, and consultant. The options are subject to deferred vesting over three years.

On June 15, 2020, TAG Oil confirmed that its common shares would be voluntarily delisted from the Toronto Stock Exchange (the “**TSX**”) immediately following the close of trading on June 26, 2020 and would begin trading on the TSX Venture Exchange (the “**TSX-V**”) at market open on June 29, 2020. TAG’s trading symbol continues to be “TAO” on the TSX-V. TAG Oil continues to maintain its listing on the premier tier of the OTC market in the United States, the OTCQX International (the “**OTCQX**”), under the trading symbol “TAOIF”.

On April 14, 2020 (payment date) a return of capital in the amount of \$0.30 per common share (~\$25.6 million in cash) was paid to all shareholders who were shareholders of record of the common shares of the Corporation on March 27, 2020 (record date).

### *Financial Year Ended March 31, 2020*

On February 7, 2020, the Corporation granted 250,000 stock options to a director. These options are exercisable until February 7, 2025, at a price of \$0.50 per share.



On October 18, 2019, the Corporation issued a total of 182,500 common shares at a price of \$0.36 per share as partial payment to a consultant in relation to the Transaction (as defined below).

On September 26, 2019, TAG Oil announced the appointment of Mr. Gavin Wilson to the Board.

On September 25, 2019, TAG Oil announced the completion of the transaction upon which the Corporation, and certain of its subsidiaries, and Malaysian-based Tamarind Resources Pte. Ltd. (“**Tamarind**”), and certain of its subsidiaries, entered into a definitive share and asset purchase agreement (the “**Purchase Agreement**”) providing for the sale of TAG Oil’s 100% working interests in PMP 38156 (Cheal) (the “**Cheal Permit**”), PMP 53803 (Sidewinder) (the “**Sidewinder Permit**”), PMP 60454 (Supplejack) (the “**Supplejack Permit**”), PEP 51153 (Puka) (the “**Puka Permit**”) and PEP 57065 (Waitoriki) (the “**Waitoriki Permit**”) and TAG Oil’s 70% interest in the PMP 60291 (Cheal East) (the “**Cheal East Permit**”) and PEP 54877 (collectively, the “**NZ Assets**”) (the “**Transaction**”).

In July 2019, Mr. Henrik Lundin concluded his position as Chief Operating Officer of the Corporation, along with Mr. Max Murray as its New Zealand Country Manager, to pursue other opportunities.

On June 26, 2019, an application to extend the duration of the Waitoriki Permit to March 31, 2025 was approved by New Zealand Petroleum and Minerals (“**NZP&M**”).

On April 12, 2019, TAG Oil completed the acquisition of the remaining 30% interest in the Puka Permit located onshore in the Taranaki Basin of New Zealand from MEO New Zealand Pty Limited.

#### *Financial Year Ended March 31, 2019*

On March 11, 2019, 3,935,000 options were cancelled at a weighted average exercise price of \$1.41.

On March 5, 2019, Tamarind received approval from the New Zealand Overseas Investment Office in relation to the Transaction. More specifically, consent has been granted under New Zealand’s Overseas Investment Act 2005 for the transfer of ownership of the NZ Assets to Tamarind NZ Onshore Limited, a wholly owned subsidiary of Tamarind.

On January 29, 2019, TAG Oil launched a normal course issuer bid to purchase and cancel up to 6,441,258 of its common shares through the facilities of the TSX. The Corporation purchased and cancelled 48,500 common shares under the bid, which expired on January 31, 2020.

In January 2019, TAG Oil acquired a permit for the 100% interest in the 120,340 acre onshore ATP 2037 (Rocky Dam) and a permit for the 100% interest in the 138,132 acre onshore ATP 2038 (Kingston), both located onshore in the Surat Basin of Australia.

On January 3, 2019, TAG Oil’s shareholders approved the Transaction. A total of 46.74% of TAG Oil’s 85,282,252 outstanding shares were voted by TAG Oil’s shareholders, of which 38,853,531 shares (97.47%) were voted “for” the Transaction.

On October 11, 2018, an application to extend the duration of the Puka Permit to September 22, 2022 was approved by NZP&M.

On May 15, 2018, TAG Oil announced the appointment of Mr. Peter Loretto to the Board.

On May 4, 2018, TAG Oil applied to NZP&M to convert a portion of the Corporation’s 100% working interest in the Waitoriki Permit from a petroleum exploration permit to a petroleum mining permit. On October 16, 2018, the Supplejack Permit covering 1,851 acres was granted by NZP&M and has been carved out of the Waitoriki Permit.



On April 19, 2018, the Corporation announced that it had secured a revolving credit facility of up to US\$10,000,000 with a large New Zealand based lender. The revolving credit facility, which was secured against TAG Oil's producing Taranaki Basin assets and terminated prior to closing the Transaction.

## **DESCRIPTION OF THE BUSINESS**

### **General**

TAG Oil is a Canadian based international oil and gas explorer with exploration and production royalty assets and interests in Australia and New Zealand. As of the date of this AIF, TAG Oil continues to manage its costs and allocate the necessary resources towards its business development efforts to maximize value for its shareholders. The Corporation is pursuing several acquisition projects in Egypt and exploring other strategic opportunities in the Middle East and North Africa.

### **Production and Services**

During the 2021 fiscal year, TAG Oil did not generate revenue from the sale of oil and gas but collected \$611,670 in royalty payments from the NZ Assets and \$781,603 in event specific payments that became payable on Tamarind achieving certain milestones as part of the Transaction.

### **Specialized Skill and Knowledge**

Exploration for and the development of petroleum and natural gas resources requires specialized skills and knowledge in the areas of petroleum engineering, geophysics, geology, and title. TAG Oil has obtained personnel with the required specialized skills and knowledge to carry out its operations. While the current labour market in the industry is highly competitive, TAG Oil expects to be able to attract and maintain appropriately qualified employees for fiscal year 2022.

### **Competitive Conditions**

TAG Oil actively competes for prospect acquisitions, exploration permits and licenses, and for skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than TAG Oil. TAG Oil's competitors include major integrated oil and natural gas companies, numerous other independent oil and natural gas companies and individual producers and operators.

TAG Oil strives to be competitive by utilizing current technologies to enhance exploration, development, and operational activities.

Certain of TAG Oil's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect TAG Oil's ability to sell or supply oil or gas to these customers in the future. TAG Oil's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with industry participants and joint venture parties and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. There can be no assurances that TAG Oil will be successful in this competitive environment. See information under the heading "Risk Factors".

### **Components**

TAG Oil does not rely on raw materials or any significant patents or licenses as TAG Oil operates in an extractive industry.



## **Intangible Properties**

TAG Oil is not dependent upon any significant patents or licenses.

## **Cycles**

TAG Oil's business is not seasonal.

## **Changes to Contracts**

TAG Oil is not dependent on any oil or gas sales contracts.

## **Environmental Protection**

TAG Oil is not currently subject to government regulation relating to hazardous substances, flaring, the environment, health and safety, land access, permit conditions, and those regulations which relate to all companies such as corporate governance, taxation, and employment laws. Such regulations do not in general have a material effect on TAG Oil's business, and do not affect TAG Oil's business in a manner different from the effects on other companies competing in the same industry. For further information relating to risks affecting TAG Oil's business see "Risk Factors".

## **Employees**

As at March 31, 2021, TAG Oil directly employed 8 full-time employees. TAG Oil also employed various consultants.

## **Foreign Operations**

TAG Oil is dependent on its foreign operations as it is an oil and gas acquisition, exploration, development, and production company, incorporated in British Columbia, Canada, with all of its royalty interests in hydrocarbon development and exploration prospects currently being in New Zealand and Australia. TAG Oil believes it has sufficient working capital to fund its foreign operations and meet all commitments for the foreseeable future.

## **RISK FACTORS**

***The risks and uncertainties set out below are not the only ones TAG Oil is facing. There are additional risks and uncertainties that TAG Oil does not currently know about or that TAG Oil currently considers immaterial which may impair TAG Oil's business operations and cause the price of TAG Oil common shares to decline. If any of the following risks actually occur, TAG Oil's business may be harmed, and its financial condition and results of operations may suffer significantly. In such an event, a shareholder of TAG Oil may lose all or a part of their investment.***

### **General Risk Factors**

*Oil and natural gas prices are volatile. A sustained decline in oil, NGLs and natural gas prices may adversely affect TAG Oil's profitability.*

TAG Oil's potential revenues, operating results, profitability, future rate of growth and the carrying value of the Corporation's oil and natural gas properties depend primarily upon the prevailing prices for oil, NGLs and natural gas. Historically, oil, NGLs and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond TAG Oil's control, including:

- worldwide and domestic supplies of oil, NGLs and natural gas;

- price levels, and expectations about future prices, of oil, NGLs and natural gas;
- the cost and risks of exploring for, developing, producing and delivering oil, NGLs and natural gas;
- the expected rates of declining current production;
- weather conditions, including hurricanes and other natural disasters that can affect oil, NGLs and natural gas operations over a wide area;
- the level of consumer demand;
- the price and availability of alternative fuels;
- technical advances affecting energy consumption;
- the availability of pipeline capacity and other transportation facilities;
- the price and level of foreign imports;
- domestic and foreign governmental regulations and taxes;
- the ability of the members of OPEC to agree to and maintain oil price and production controls;
- speculative trading in oil and natural gas derivative contracts;
- the nature and extent of environmental regulations, including those relating to abandonment and reclamation and remediation;
- the nature and extent of regulation relating to carbon dioxide and other greenhouse gas emissions;
- political or economic instability or armed conflict in oil and natural gas producing regions; and
- the overall domestic and global economic environment.

These factors and the volatility of the energy markets in general make it extremely difficult to predict future oil, NGLs and natural gas price movements with any certainty. A material decline in prices could result in a reduction of TAG Oil's net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes of TAG Oil's reserves. TAG Oil might also elect not to produce from certain wells at lower prices.

*Failure to locate commercial quantities of hydrocarbons and risks related to depletion.*

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures incurred on TAG Oil's exploration properties will result in discoveries of commercial quantities of hydrocarbons. TAG Oil's future success in exploiting and increasing its current reserve base will depend on TAG Oil's ability to develop its current properties and on its ability to discover and acquire properties or prospects that are producing or show sufficient promise of producing.

Producing oil, NGLs and natural gas reserves are generally characterized by declining production rates that vary depending upon reservoir characteristics and certain other factors. Exploration and development are TAG Oil's main methods of replacing and expanding its asset base. The Corporation's exploration and development activities may not be successful for various reasons. Exploration activities involve numerous risks, including the risk that no commercially productive reservoirs will be discovered. Moreover, the future cost and timing of drilling, completing and tying-in wells are often uncertain. TAG

Oil's exploration and development operations may be curtailed, delayed or cancelled as a result of a variety of factors, including:

- inadequate capital resources;
- lack of acceptable prospective acreage;
- mechanical difficulties such as major natural gas plant and regional pipeline failures;
- unexpected drilling conditions;
- pressure or irregularities in formations;
- equipment failures or accidents;
- a lack of storage;
- weather conditions;
- compliance with governmental regulations or required regulatory approvals;
- inadequate access to natural gas gathering and processing infrastructure and capacity;
- the unavailability or high cost of drilling rigs, equipment or labour;
- approvals of third parties;
- reductions in oil, NGLs or natural gas prices; and
- limitations in the market for oil, NGLs or natural gas.

TAG Oil may not be able to develop, find or acquire reserves at acceptable costs, which would adversely affect its business, financial condition, and results of operations. There is no assurance that TAG Oil's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil, NGLs or natural gas.

#### *COVID-19*

Outbreaks or the threat of outbreaks of viruses or other infectious diseases or similar health threats, such as COVID-19, could cause operational and supply chain delays and disruptions (including as a result of governmental regulation and prevention measures), labour shortages and shutdowns or the inability to produce and sell oil, or cause the extension or expansion of current shutdowns.

At this time the Corporation cannot accurately predict what effects COVID-19 will have on its operations or financial results, including as a result of uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. The widespread health crisis caused by COVID-19, and its adverse economic and financial impacts, could adversely affect the Corporation's business, financial condition and results of operations and the market price of the Company's common shares.

#### *Geological and geographic risks.*

Even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of

hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if TAG Oil encounters unforeseen geological conditions.

TAG Oil is subject to uncertainties related to the proximity of any reserves that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such reserves may be found. Adverse climatic conditions at such properties may also hinder TAG Oil's ability to carry on exploration or production activities continuously throughout any given year.

*TAG Oil may not be able to obtain required capital or financing required to find, develop, or acquire additional reserves on satisfactory terms or at all.*

TAG Oil believes that its current cash position is sufficient to satisfy TAG Oil's expenditure plans and requirements for the near future. If TAG Oil's increases its capital expenditure plans and requirements, there can be no assurance that additional equity financing will be available to meet these plans and requirements. If TAG Oil is unable to fund its capital expenditure plans and requirements using cash flow, share issues or farm-out agreements or to renegotiate such obligations, TAG Oil may be unable to carry out its plan of operations.

Oil exploration and development involves a high degree of technical and commercial risk and is characterized by a continuous need for capital investment. The exploration for and development of any reserves that may be found may depend upon TAG Oil's ability to obtain financing through the joint venturing of projects, equity or debt financing or utilizing cash flow.

There is no assurance that market conditions will continue to enable TAG Oil to raise funds if required, or that TAG Oil will be able to enter into agreements with third parties to fund capital expenditure plans and requirements or be able to renegotiate such obligations. TAG Oil faces competition from other oil companies for oil and gas properties and investor dollars. In addition, there has been a high level of volatility in the world financial markets in recent years. This volatility has caused investors to become less willing to provide debt or equity financing to most companies.

*TAG Oil has sustained a history of losses to date.*

During the fiscal year ended March 31, 2021, TAG Oil had net income before tax of \$11,958,939 and net income after tax of \$11,958,939 and an accumulated deficit of \$220,946,533 from its historical operating results. There is no assurance that the business of TAG Oil will be profitable in the future. Management cannot guarantee that TAG Oil will continue to generate revenue in the future. A failure to generate sufficient revenues may cause TAG Oil to eventually terminate operations. Other than the return of capital to shareholders, TAG Oil has not paid dividends to date, and has not paid any cash dividends to date. TAG Oil has no current plans to pay any such cash dividends, and there is no assurance that TAG Oil will pay a dividend at any time in the future.

*Declining general economic, business or industry conditions may have a material adverse effect on TAG Oil's results of operations, liquidity and financial condition.*

Concerns over global economic conditions, the COVID-19 outbreak, declines in consumer spending, dramatic increases to unemployment rates and consumer debt levels, fluctuations in interest rates and foreign exchange rates, stock market volatility, energy costs, geopolitical issues, inflation and the availability and cost of credit have contributed to increased economic uncertainty and diminished expectations for the global economy. These factors, combined with volatile prices of oil, NGLs and natural gas, declining business and consumer confidence and increased unemployment, have precipitated an economic slowdown and, in some regions, a recession. In addition, the occurrence or threat of terrorist attacks in Europe, the United States or other countries could adversely affect the economies of Canada, the United States and other countries. Concerns about global economic growth have had a significant adverse impact on global financial markets and commodity prices. If the economic climate in Canada, the United States or abroad deteriorates further, worldwide demand for petroleum products could diminish,

which could impact the price at which TAG Oil can sell its oil, NGLs and natural gas, affect the ability of TAG Oil's vendors, suppliers and customers to continue operations and ultimately adversely impact the Corporation's results of operations, liquidity and financial condition.

*Negative public perception of oil and natural gas development and transportation, hydraulic fracturing and fossil fuels may harm TAG Oil's profitability and corporate reputation.*

Oil and natural gas development and transportation, hydraulic fracturing and fossil fuels have figured prominently in recent political, media and activist commentary on the subject of climate change, greenhouse gas emissions, water usage and environmental damage. The Corporation's corporate reputation may be negatively affected by the negative public perception of and public protests against oil and natural gas development and transportation and hydraulic fracturing.

*Drilling for oil, NGLs and natural gas, successfully stimulating well productivity and producing oil, NGLs and natural gas are high-risk activities with many uncertainties that may result in a shareholder's total loss of investment and may adversely affect TAG Oil's business, financial condition or results of operations.*

TAG Oil's potential drilling and well stimulation activities are subject to many risks. For example, TAG Oil can provide no assurance that new wells drilled and completed by it will be productive or that TAG Oil will recover all or any portion of its investment in such wells. Drilling for oil, NGLs and natural gas and attempts to stimulate well productivity often involve unprofitable efforts, not only from dry wells but also from wells that are productive but do not produce sufficient oil, NGLs or natural gas to return a profit at then realized prices after deducting drilling, operating and other costs. The seismic data and other technologies TAG Oil uses do not allow it to know conclusively prior to drilling a well that oil or natural gas is present or that it can be produced economically. The costs of exploration, exploitation and development activities are subject to numerous uncertainties beyond the Corporation's control and increases in those costs can adversely affect the economics of a project. Further, TAG Oil's potential drilling, well stimulation and producing operations may be curtailed, delayed, cancelled, or otherwise negatively impacted as a result of other factors, including:

- unusual or unexpected geological formations;
- loss of drilling fluid circulation;
- facility or equipment malfunctions;
- surface access restrictions;
- restrictions in oil, NGLs and natural gas prices;
- limitations in the market for oil, NGLs and natural gas;
- unexpected operational events;
- shortages or delivery delays of equipment and services;
- compliance with environmental and other governmental requirements; and
- adverse weather conditions.

Any of these risks can cause substantial economic or other losses, including personal injury or loss of life, damage to or destruction of property, natural resources and equipment, environmental contamination or loss of wells and other regulatory penalties, all of which may adversely effect TAG Oil's business, financial condition, or results of operations.

*Operating hazards and uninsured risks may result in substantial losses and could prevent TAG Oil from realizing profits.*

TAG Oil's operations are subject to all of the hazards and operating risks associated with drilling for and producing oil, NGLs and natural gas, including the risk of fire, explosions, blowouts, surface cratering, uncontrollable flows of natural gas, oil and formation water, pipe or pipeline failures, abnormally pressured formations, natural disasters, casing collapses and environmental hazards such as oil spills, gas leaks, ruptures or discharges of toxic gases.

TAG Oil maintains insurance against certain public liability, operational and environmental risks on behalf of TAG Oil and where applicable, on behalf of the respective joint venture, but there is no assurance that an event causing loss will be covered by such insurance, that such insurance will continue to be available to TAG Oil, or that the benefits of such insurance will be adequate to cover any liability of TAG Oil.

The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by TAG Oil or a claim at a time when TAG Oil is not able to obtain liability insurance could have a material adverse effect on TAG Oil's financial condition, results of operations or cash flow. The Corporation may also be liable for environmental damage caused by previous owners of properties purchased by TAG Oil, which liabilities may not be covered by insurance.

*TAG Oil's business strategy may not be successful.*

Since the closing of the Transaction and sale of Cypress, TAG Oil's management has been assessing available opportunities to maximize value for its shareholders, including a strategic realignment of the Company's oil and gas exploration and development activities, which is focused on opportunities in the Middle East and North Africa. However, there is no assurance that TAG Oil's business strategy will succeed in whole or in part. The success of TAG Oil's business strategy will depend upon several factors and is subject to a number of risks, including those set out herein. There is no assurance that TAG Oil will be able to execute its plans and add further value to TAG Oil, that modifications to its strategy will not be required, that TAG Oil will be able to effectively expand operations and enhance profitability or that TAG Oil will be able to complete a strategic transaction or that the results of any such strategic transaction will be beneficial to TAG Oil and its shareholders. In addition, any growth or undertaking of a strategic transaction could place a significant strain on TAG Oil's management and operational, financial, and other resources. TAG Oil's ability to manage growth effectively will require the development of management information system capabilities and the improvement of operational and financial systems. Any failure of TAG Oil's business strategy, or a failure to expand, implement and improve such systems, procedures and controls in an efficient manner at a pace consistent with TAG Oil's business could have a material adverse effect on TAG Oil's business, financial condition and financial performance.

*TAG Oil's may not be able to successfully manage and integrate acquisitions and/or dispositions*

TAG Oil is continuing to evaluate possible acquisitions of, or strategic investments in, businesses, properties, and other assets. Any integration process associated with any such transaction will require significant time and resources and TAG Oil may not be able to manage the process successfully. In addition, the Corporation may not successfully evaluate or accurately forecast the financial impact of any such strategic transaction, which may have an adverse effect on TAG Oil's business, financial results and results of operations. The areas where we may face risks include:

- difficulties in integrating the operations and/or personnel of any acquired company, asset or business;
- potential disruptions of on-going business and a diversion of management's attention from normal daily operations of the business;
- insufficient revenues to offset increased expenses associated with acquisitions;

- impairment of relationships with customers and counter-parties of an acquired business, or with the customers and counter-parties of TAG Oil as a result of the integration of acquired operations or the announcement of a sale transaction;
- impairment of relationships with employees of an acquired business or the Corporation's existing employees as a result of integration of new management personnel or otherwise;
- impact of known potential, or unknown, liabilities associated with any such strategic transaction;
- failure to adequately understand and mitigate the risks of any such strategic transaction; and
- in the case of strategic transactions with foreign entities, uncertainty regarding foreign laws and regulations and difficulty integrating operations and systems as a result of cultural, systems and operational differences.

The Corporation's failure to be successful in addressing these risks or other problems encountered in connection with any such strategic transaction could cause us to fail to realize the anticipated benefits of such transactions, incur unanticipated liabilities and adversely affect the business, operating results or financial condition of TAG Oil.

Future acquisitions could also result in dilutive issuances of common shares, a decrease in our cash and cash equivalents, the incurrence of additional expense related to compliance, contingent liabilities or amortization of expenses, or write-offs of goodwill, any of which could harm the financial condition of the Corporation and negatively impact its operating results.

*TAG Oil may be affected by alternatives to and changing demand for petroleum products.*

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other liquid hydrocarbons. TAG Oil cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on TAG Oil's business, financial condition, results of operations and cash flows.

*Risks related to the market price of TAG Oil's common shares and volatility.*

Securities of small-cap and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include the outbreak of COVID-19, macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of TAG Oil's common shares is also likely to be significantly affected by short-term changes in oil and gas prices, the U.S. dollar, the New Zealand dollar, the Canadian dollar and the Corporation's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Corporation that may have an effect on the price of its common shares include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities; and a substantial decline in the price of the Corporation's common shares that persists for a significant period of time could cause the Corporation's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. If an active market for the Corporation's common shares does not continue, the liquidity of an investor's investment may be limited, and the price of the common shares may decline below the price at which the common shares were issued.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has



been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

*Carbon emissions regime and climate change risks.*

Climate change policy is evolving at regional, national, and international levels, and political and economic events may significantly affect the scope and timing of the climate change measures that are ultimately put in place. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on TAG Oil and its operations and financial condition; however, future regulations and requirements, or the effects thereof resulting from climate change may adversely affect TAG Oil's business, results of operations, financial condition or cash flows.

*Risks related to environmental, health and safety regulations applicable to TAG Oil's business activities.*

TAG Oil may incur significant delays, costs, and liabilities as a result of federal, provincial and local environmental, health and safety requirements and other governmental regulations that may be changed from time to time in response to economic and political conditions. These laws and regulations may require TAG Oil to obtain a variety of permits or other authorizations governing its air emissions, water discharges, waste disposal or other environmental impacts associated with drilling, producing and other operations; regulate the sourcing and disposal of water used in the drilling, fracturing and completion processes; limit or prohibit drilling activities in certain areas and on certain protected areas; require remedial action to prevent or mitigate pollution from former operations such as plugging abandoned wells; or impose substantial liabilities for spills, pollution or failure to comply with regulatory filings.

In addition, these laws and regulations may restrict the rate of oil, NGLs or natural gas production. These laws and regulations are complex, change frequently and have tended to become increasingly stringent over time. Failure to comply with these laws and regulations may result in the assessment of administrative, regulatory, civil and criminal penalties, the imposition of cleanup and site restoration costs and liens, the suspension or revocation of necessary permits, licenses and authorizations, the requirement that additional pollution controls be installed and, in some instances, the issuance of orders or injunctions limiting or requiring discontinuation of certain operations. The imposition of any of these measures on or against TAG Oil may have a material adverse effect on its business.

Under certain environmental laws that impose strict as well as joint and several liability, TAG Oil may be required to remediate contaminated properties currently or formerly operated by the Corporation or the facilities of third parties that received waste generated by TAG Oil's operations regardless of whether such contamination resulted from the conduct of others or from the consequences of TAG Oil's own actions that were in compliance with all applicable laws at the time those actions were taken. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of TAG Oil's operations. Furthermore, the risk of accidental spills or releases from TAG Oil's operations could expose it to significant liabilities under environmental laws. Public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to the oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. To the extent laws are enacted or other governmental action is taken that restricts drilling or imposes more stringent and costly operating, waste handling, disposal and clean-up requirements, TAG Oil's business, prospects, financial condition, or results of operations could be materially adversely affected.

TAG Oil has not established a separate reserve fund for the purpose of funding its estimated future environmental, including reclamation and abandonment, obligations. As a result, TAG Oil may not be able to satisfy these obligations. Any site reclamation or abandonment costs incurred in the ordinary course of business in a specific period may be funded out of TAG Oil's cash flow from operations. If TAG Oil is unable to fully fund the cost of remedying an environmental obligation, it might be required to suspend

operations or enter into interim compliance measures pending completion of the required remedy, which could have an adverse effect on TAG Oil's financial condition and results of operations.

*Abandonment and reclamation costs are difficult to estimate reliably and TAG Oil's reserves for such costs may not be sufficient.*

TAG Oil will need to comply with the terms and conditions of environmental and regulatory approvals and all legislation regarding the abandonment of its projects and reclamation of the project lands at the end of their economic life, which may result in substantial abandonment and reclamation costs. Any failure to comply with the terms and conditions of TAG Oil's regulatory approvals and applicable legislation may result in the imposition of fines and penalties, which may be material. Generally, abandonment and reclamation costs are substantial and, while TAG Oil accrues a reserve in its financial statements for such costs in accordance with IFRS requirements, no assurance can be given that such accruals will be sufficient. It is not possible at this time to estimate abandonment and reclamation costs reliably since they will, in part, depend on future regulatory requirements. In addition, in the future, TAG Oil may determine it prudent or be required by applicable laws, regulations or regulatory approvals to establish and fund one or more reclamation funds to provide for payment of future abandonment and reclamation costs. If TAG Oil establishes a reclamation fund, its liquidity and cash flow may be adversely affected.

*Risks related to a deterioration in relationships with strategic and joint venture partners.*

The Corporation has, and will in the future have, partnerships or joint ventures with local and international companies through which exploration, development and operating activities for particular assets are conducted. The benefits from such partnerships and joint ventures include the ability to source and secure new opportunities, capitalizing on the local partner's market knowledge and relationships and the mitigation of some of the financial risk inherent in the exploration and development of oil and gas assets through farm-out and similar arrangements. A deterioration in such relationships, disagreements with existing partners or a failure to identify suitable partners may have an adverse impact on the Corporation's existing operations or affect its ability to grow its business.

*Variations in foreign exchange rates and interest rates could negatively impact TAG Oil.*

TAG Oil holds cash reserves in Canadian and U.S. dollars. To the extent that TAG Oil engages in risk management activities related to commodity prices and foreign exchange rates, there is a credit risk associated with counterparties with which it may contract.

*Risks related to extensive competition in TAG Oil's industry.*

The oil and gas industry is highly competitive. TAG Oil encounters competition from other independent operators and from major oil companies in acquiring oil and natural gas properties suitable for exploration, development, and production, contracting for drilling equipment, securing trained personnel and for capital to finance such activities. Many of these competitors have financial resources and personnel resources available to them that are substantially larger than that of TAG Oil. This competition could adversely affect the Corporation's ability to acquire suitable oil and natural gas properties, raise financing to fund the exploration and development of its properties or to hire qualified personnel.

The oil and natural gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. There can be no assurance that TAG Oil will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. In such case, or if TAG Oil is unable to utilize the most advanced commercially available technology, its business, financial condition, and results of operations could be materially adversely affected.

*The Corporation may be subject to legal proceedings that arise in the ordinary course of business.*

Due to the nature of its business, the Corporation may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The Corporation's operations are subject to the risk of legal claims by employees, contractors, suppliers, joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. Plaintiffs may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defense and settlement costs can be substantial, even with respects to claims that have no merit. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or the advancement of new legal theories, the difficulty of predicting the decisions of judges and juries and the possibility that decisions may be reversed on appeal. The litigation process could, as a result, take away from the time and effort of the Corporation's management and could force the Corporation to pay substantial legal fees or penalties. There can be no assurances that the resolutions of any such matters will not have a material adverse effect on the Corporation's business, financial condition, and results of operations.

*Difficulty of U.S. Shareholders to enforce legal proceedings against foreign directors.*

TAG Oil is incorporated under the laws of British Columbia, Canada, and only one of TAG Oil's directors and officers is a resident of the U.S. Consequently, it may be difficult for U.S. shareholders to effect service of process within the U.S. upon TAG Oil or upon any of TAG Oil's non-U.S. resident officers or directors, or to realize in the U.S. upon judgments of U.S. courts predicated upon civil liabilities under the Securities Exchange Act of 1934. Furthermore, it may be difficult for shareholders to enforce judgments of the U.S. courts based on civil liability provisions of the U.S. federal securities laws in a foreign court against TAG Oil or any of TAG Oil's non-U.S. resident officers or directors.

*TAG Oil has limited intellectual property protection for its operating practices and depends on the expertise of its employees and contractors.*

TAG Oil uses operating practices that TAG Oil believes are of significant value in developing its business. In particular, TAG Oil believes that its drilling, completion and production techniques related to multilateral development wells, integration of infrastructure and other aspects of its business have to date provided it with a competitive advantage. In most cases, patent or other intellectual property protection is unavailable for these practices. Furthermore, the Corporation's use of independent contractors in most aspects of its drilling and completion operations makes the protection of such technology more difficult. Moreover, TAG Oil relies on the technological and practical expertise of the independent contractors that it retains for its operations. TAG Oil has no long-term agreements with these contractors, and thus it cannot be sure that it will continue to have access to this expertise. As a result, TAG Oil's competitors may be able to take advantage of expertise that TAG Oil has developed and TAG Oil will not be able to prevent them from doing so, which could reduce its competitive advantage resulting from these techniques.

*TAG Oil relies on a few key employees whose absence or loss could disrupt its operations and have a material adverse effect on its business.*

The success of TAG Oil largely depends upon the performance of its key employees and on the advice and project management skills of various consulting geologists, geophysicists and engineers retained by TAG Oil from time to time. The loss of their services could disrupt the Corporation's operations and have a material adverse effect on the Corporation's ability to successfully manage and expand its affairs. The competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that TAG Oil will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

TAG Oil may be required to hire and train local workers in its petroleum and natural gas operation. Some of these workers may organize into labour unions and any strike or labour unrest could adversely affect TAG Oil's ongoing operations and its ability to explore for, produce and market its oil and gas production.

Incentive provisions for the Corporation's key executives include the granting of stock options pursuant to the Share Option Plan (as defined herein), which are designed to encourage such individuals to stay with the Corporation. However, a low price of the Corporation's common shares could render such incentives of little value to the Corporation's key executives rendering them susceptible to being hired away. If the Corporation is unable to attract and retain key executives, then its business, financial condition and results of operations may be adversely affected.

*Risks related to conflicts of interest.*

Certain of the directors of TAG Oil also serve as directors of other companies involved in the natural resource exploration, development and oil and gas operations and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by any of such directors will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of TAG Oil and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the B.C. Act and other applicable laws.

*Actual results may differ materially from management estimates and assumptions.*

In preparing consolidated financial statements in conformity with IFRS, estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine, and TAG Oil must exercise significant judgment. Estimates may be used in management's assessment of items such as fair values, income taxes, share-based compensation, and asset retirement obligations. Actual results for all estimates could differ materially from the estimates and assumptions used by TAG Oil, which could have a material adverse effect on TAG Oil's business, financial condition, results of operations, cash flows and future prospects.

*TAG Oil has no plans to pay dividends.*

TAG Oil currently intends to use its future earnings, if any, and other cash resources for the operation and development of its business and does not currently anticipate paying any dividends on its common shares. TAG Oil recently undertook a return of capital to shareholders, but management does not anticipate similar equity-based dividends will occur in the foreseeable future, if at all. Any future determinations to pay dividends on its common shares will be at the sole discretion of the Board after considering a variety of factors and conditions existing from time to time, including current and future commodity prices, production levels, capital investment requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by the B.C. Act for the declaration and payment of dividends. As a result, a holder of common shares may not receive any return on an investment in the Corporation's common shares.

*Decommissioning costs.*

TAG Oil may become responsible for costs associated with abandoning and reclaiming wells, facilities, and pipelines which it may use to produce oil and gas. Abandonment and reclamation of facilities and the costs associated therewith is often referred to as "decommissioning". Should decommissioning be required, the costs of decommissioning may exceed the value of hydrocarbon reserves remaining at any particular time to cover such decommissioning costs. TAG Oil may have to draw on funds from other

sources to satisfy such costs as TAG Oil does not have cash reserves for this purpose. The use of other funds to satisfy such decommissioning costs could have a materially adverse effect on TAG Oil's financial position.

## **OIL AND NATURAL GAS RESERVES**

National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) requires that reporting issuers engaged in “oil and gas activities” as defined in NI 51-101 file annually a “Statement of Reserves Data and Other Information” in Form 51-101F1 and a “Report of Management and Directors” in Form 51-101F3.

TAG Oil did not have oil and gas reserves as of the financial years ended March 31, 2021 and March 31, 2020. Consequently, TAG Oil has not engaged an independent reserves evaluator to evaluate reserves and related future net revenue for the year ended March 31, 2021, or complete Form F1-101F2 as part of this AIF.

As TAG Oil did not have any reserves as of March 31, 2021, the following Parts 1 to 6 of Form 51-101F1 are not applicable to TAG Oil, and accordingly TAG Oil has no information to disclose with respect to these parts of the form. TAG Oil's Form 51-101F3 is attached as Appendix C hereto.

### **Other Oil and Gas Activities**

TAG Oil was awarded two royalty interests in connection with its sale of the Permits and the NZ Assets. TAG Oil holds a 3.0% gross overriding royalty on future production from all liquids produced from the Permits in the Surat Basin of Queensland, Australia. Prior to disposing of the Permits, production from the properties contemplated by the Permits was uneconomic and as such, no reserves were assigned to the Permits for TAG Oil's year ended March 31, 2020.

TAG Oil also holds a 2.5% gross overriding royalty on future gross sales revenue derived from petroleum production arising from the NZ Assets in New Zealand. The Corporation does not have access to the information that would allow it to determine the amount of reserves, if any, attributable to the NZ Assets.

TAG Oil was not required to pay income taxes for its most recently completed financial year and does not anticipate paying income taxes in the fiscal year ended March 31, 2022.

During the year ended March 31, 2021, TAG Oil did not conduct any exploration, development, or production activities. TAG Oil is continuing to evaluate possible acquisitions of, or strategic investments in, businesses, properties and other assets in the Middle East and North Africa.

## **DIVIDENDS**

Other than the return of capital to shareholders of TAG Oil, whereby TAG Oil paid \$0.30 to TAG Oil shareholders for each TAG Oil common share held, TAG Oil has paid no dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future, as it anticipates that all available funds will be invested to finance the growth of its business.

## **DESCRIPTION OF CAPITAL STRUCTURE**

### **General Description of Capital Structure**

TAG Oil is authorized to issue an unlimited number of common shares without par value. As at the date of this AIF, there were 91,766,252 common shares issued and outstanding.



## Common Shares

The holders of common shares of TAG Oil are entitled to receive notice of, and to one vote per common share at, every meeting of shareholders of TAG Oil, to receive such dividends as the Board declares and to share equally in the assets of TAG Oil remaining upon the liquidation, dissolution or winding up of TAG Oil after the creditors of TAG Oil have been satisfied.

## Stock Option Plan

Under the share option plan (the “**Stock Option Plan**”), the number of common shares of TAG Oil reserved for issuance as share incentive options remains equal to 10% of TAG Oil’s issued and outstanding common shares at any time. The purpose of the Stock Option Plan is to allow TAG Oil to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of TAG Oil.

As at the date of this AIF, up to 9,176,625 options in the aggregate may be granted under the Stock Option Plan. The number of options currently outstanding is 7,525,000 and therefore the number available for grant is 1,651,625.

## Burn Rate

Burn rate measures the annual usage of the Corporation’s shares for incentive purposes. The burn rate for a given period is calculated by dividing the number of options pursuant to the Share Option Plan granted during such period by the weighted average number of Common Shares outstanding during such period. The burn rate for 2021 is 6.32%.

The following table sets forth the burn rate for the Corporation’s three most recently completed financial years ended March 31.

Year	Stock Options Granted (#)	Weighted Average Common Shares Outstanding <sup>(1)</sup> (#)	Burn Rate (%)
2021	5,625,000	89,029,266	6.32%
2020	250,000	85,416,252	0.29%
2019	2,400,000	85,282,252	2.81%

Notes:

- (1) The weighted average number of common shares outstanding during the year is the number of common shares outstanding at the beginning of the year, adjusted by the number of securities bought back or issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the year. The weighted average number of common shares outstanding was calculated in accordance with the rules set out in the CPA Canada Handbook in effect at March 31 of each year.

## Warrants

As of the date of this AIF, TAG Oil has 6,250,000 common share purchase warrants exercisable at \$0.16 per share and expire on September 1, 2023, that are outstanding.

## MARKET FOR SECURITIES

### Trading Price and Volume

During the year ended March 31, 2021, the common shares of TAG Oil were listed and posted for trading on the TSX under the symbol “TAO” and on the premier tier of the OTC market in the United States, the OTCQX under the symbol “TAOIF”. On June 29, 2020, the common shares of TAG Oil began trading on the TSX-V. TAG’s trading symbol will continue to be “TAO” on the TSX-V. TAG Oil continues to maintain its listing on the OTCQX under the trading symbol “TAOIF”.



The following table sets forth the trading prices and volumes of TAG Oil's common shares on the TSX and TSX-V for the year ended March 31, 2021:

Month/Year	High (\$)	Low (\$)	Daily Trading volume (average)
April 2020	0.23	0.22	202,533
May 2020	0.12	0.11	119,266
June 2020	0.13	0.12	139,762
July 2020	0.11	0.11	71,171
August 2020	0.13	0.13	63,736
September 2020	0.21	0.20	493,969
October 2020	0.20	0.19	179,543
November 2020	0.20	0.19	220,077
December 2020	0.24	0.22	87,638
January 2021	0.30	0.28	123,818
February 2021	0.27	0.26	57,981
March 2021	0.28	0.27	73,606

The following table sets forth the trading prices and volumes of TAG Oil's common shares on the OTCQX for the year ended March 31, 2021:

Month	High (US\$)	Low (US\$)	Daily Trading volume (average)
April 2020	0.16	0.15	24,120
May 2020	0.08	0.08	28,931
June 2020	0.10	0.09	19,365
July 2020	0.08	0.08	10,513
August 2020	0.10	0.09	14,237
September 2020	0.16	0.15	73,917
October 2020	0.15	0.14	24,999
November 2020	0.15	0.15	63,814
December 2020	0.19	0.17	68,935
January 2021	0.23	0.22	66,845
February 2021	0.22	0.21	29,488
March 2021	0.23	0.23	17,511

### Prior Sales

During, and after, the fiscal year ended March 31, 2021, 100,000 TAG Oil options at \$0.25 per share were exercised.

The following table summarizes information about TAG Oil options that are outstanding at March 31, 2021:

Number of Options	Price per Share	Weighted Average Remaining Contractual Life	Expiry Date	Options Exercisable
25,000	\$1.05	0.01	November 23, 2021	25,000
1,375,000	\$0.50	0.39	April 18, 2023	1,375,000
250,000	\$0.50	0.13	February 7, 2025	166,667
4,850,000	\$0.25	2.95	September 1, 2025	-
775,000	\$0.25	0.47	September 11 2025	775,000



7,275,000

3.95

2,341,667

## Escrowed Securities

As at the date of this AIF, there are no securities of TAG Oil that are held in escrow.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The following table sets forth the names and residences of all directors and executive officers of TAG Oil, the positions and offices with TAG Oil held by such persons and their principal occupations during the last five years, as at the date of this AIF:

Name, office held and municipality of present address	Became a Director	Principal occupation and positions during the last five years <sup>(1)</sup>
Abdel (Abby) Badwi <i>Executive Chairman</i> Alberta, Canada	September 1, 2020	<ul style="list-style-type: none"> <li>• Executive Chairman of TAG Oil from September 2020 to present</li> <li>• Chief Executive Officer of Kuwait Energy from December 2017 to March 2019</li> <li>• Chief Executive Officer and Vice Chairman of Bankers Petroleum Ltd. from November 2007 to September 2016</li> <li>• Director of Alussa Energy from July 2020 to present</li> </ul>
Toby Pierce <i>Chief Executive Officer and Director</i> British Columbia, Canada	June 1, 2015	<ul style="list-style-type: none"> <li>• Chief Executive Officer and a director of TAG Oil from June 2015 to present</li> <li>• Director of Crest Petroleum Corp. from January 2012 to October 2016</li> <li>• Director of Benchmark Metals Inc. from February 2013 to present</li> <li>• Director of Chelsea Oil and Gas Ltd. from September 2013 to December 2017</li> <li>• Director of North Country Gold Corp. from January 2013 to September 2015</li> <li>• Director of Foreshore Exploration Partners Corp. from October 2017 to January 2018</li> <li>• Director of DelphX Capital Markets Inc. from January 2017 to December 2020</li> <li>• Director of New Placer Dome Gold Corp. (formerly Barrian Mining Corp.) from December 2018 to present</li> <li>• Director of Angus Ventures Inc. from January 2017 to January 2018</li> <li>• Director of Seashore Resource Partners Corp. from October 2018 to June 2020</li> <li>• Director of Prospect Park Capital Corp. from January 2020 to present</li> </ul>



Name, office held and municipality of present address	Became a Director	Principal occupation and positions during the last five years <sup>(1)</sup>
Keith Hill <sup>(3)(4)</sup> <i>Director</i> Florida, U.S.A.	July 6, 2011	<ul style="list-style-type: none"> <li>• Director of TAG Oil from July 2011 to present</li> <li>• Director of Tyner Resources Ltd. from September 2008 to February 2017</li> <li>• Chief Executive Officer, President, and director of Africa Oil Corp. from October 2006 to present</li> <li>• Director of Petro Vista Energy Corp. from January 2008 to January 2017</li> <li>• Director of ShaMaran Petroleum Corp. from February 2007 to present</li> <li>• Director of Africa Energy Corp. from September 2011 to present</li> <li>• Director of Blackpearl Resources Inc. from January 2006 to December 2018</li> <li>• Director of Eco (Atlantic) Oil &amp; Gas Ltd. from November 2017 to present</li> </ul>
Shawn Reynolds <sup>(2)(3)</sup> <i>Director</i> New Jersey, U.S.A.	September 1, 2020	<ul style="list-style-type: none"> <li>• Director of TAG Oil from September 2020 to present</li> <li>• Portfolio Manager of Van Eck Securities Corporation from 2005 to present</li> </ul>
Thomas Hickey <sup>(2)(3)(4)</sup> <i>Director</i> Maisons-Laffitte, France	September 1, 2020	<ul style="list-style-type: none"> <li>• Director of TAG Oil from September 2020 to present</li> <li>• Head of Corporate Legal and M&amp;A and Chief Ethics and Compliance Officer of Roquette Frères SA from June 2020 to present</li> <li>• Director of Thrive Energy Limited from January 2014 to present</li> <li>• President of LexIntelligens from December 2017 to present</li> <li>• General Counsel, Company Secretary and Chief Compliance Officer of Kuwait Energy from May 2018 to March 2019</li> <li>• Legal Director and Ethics &amp; Compliance Officer, Southern Hemisphere and Global Projects of Subsea 7 from December 2014 to December 2016</li> </ul>
Gavin Wilson <sup>(2)(4)</sup> <i>Director</i> Zurich, Switzerland	September 26, 2019	<ul style="list-style-type: none"> <li>• Director of TAG Oil from September 2019 to present</li> <li>• Energy Investment Advisor of Meridian Group of Companies from 2011 to present</li> <li>• Director of PetroTal Corp. from June 2013 to present</li> <li>• Director of Afentra PLC from May 2021 to present</li> </ul>

<b>Name, office held and municipality of present address</b>	<b>Became a Director</b>	<b>Principal occupation and positions during the last five years<sup>(1)</sup></b>
Suneel Gupta <i>Vice President and Chief Operating Officer</i> Alberta, Canada	N/A	<ul style="list-style-type: none"> <li>• Vice President and Chief Operating Officer of TAG Oil from September 2020 to present</li> <li>• Director of HOOS Technologies Ltd. from December 2019 to present</li> <li>• Principal of RASK Consulting Inc. from September 2018 to present</li> <li>• Principal of San Driza Energy Ltd. from January 2019 to August 2020</li> <li>• Senior Advisor of Bankers Petroleum Ltd. from July 2018 to December 2018</li> </ul>
Barry MacNeil <i>Chief Financial Officer</i> British Columbia, Canada	N/A	<ul style="list-style-type: none"> <li>• Chief Financial Officer of TAG Oil from April 2016 to present</li> <li>• Chief Financial Officer of LQwD FinTech Corp. from April 2013 to present</li> <li>• Chief Financial Officer and Director of MCX Technologies Corp. from February 2020 to January 2021</li> <li>• Chief Financial Officer of Kingfisher Metals Corp. from April 2019 to present</li> </ul>
Giuseppe (Pino) Perone <i>Corporate Secretary</i> British Columbia, Canada	N/A	<ul style="list-style-type: none"> <li>• Corporate Secretary and General Counsel of TAG Oil from December 2009 to present</li> <li>• Corporate Secretary and Director of LQwD FinTech Corp. from August 2012 to present</li> <li>• Director of MCX Technologies Corp. from October 2019 to November 2020</li> <li>• Corporate Secretary of Kainantu Resources Ltd. from July 2018 to present</li> <li>• Corporate Secretary and Director of Kingfisher Metals Corp. from April 2019 to present</li> </ul>

Notes:

- (1) Such information, not being within the knowledge of TAG Oil, has been furnished by the respective directors and officers individually.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Nominating and Governance Committee.

The term of office for each of the directors expires at the end of TAG Oil's next annual meeting of shareholders.

The directors and officers of TAG Oil, as a group, beneficially own, or control or direct, directly or indirectly, 21,522,672 (25.20%) of TAG Oil's common shares as at the date of this AIF.

The following table sets out the number of securities beneficially owned, or controlled or directed of TAG Oil, the percentage of voting securities beneficially owned, or controlled or directed of TAG Oil and the number of TAG Oil options granted to each director and officer of TAG Oil as at the date of this AIF:

Name	Number of Voting Securities Beneficially Owned or Controlled or Directed of TAG Oil	Percentage of Voting Securities Beneficially Owned or Controlled or Directed of TAG Oil	Number of TAG Oil Options Granted
Abdel (Abby) Badwi	2,187,500	2.38%	1,700,000
Toby Pierce	410,700	0.45%	400,000
Keith Hill	Nil	Nil	250,000
Shawn Reynolds	2,187,500	2.38%	1,450,000
Thomas Hickey	156,250	0.17%	200,000
Gavin Wilson	16,391,000 <sup>(1)</sup>	17.86%	350,000
Suneel Gupta	1,562,500	1.70%	1,300,000
Barry MacNeil	1,336,600	1.46%	275,000
Giuseppe (Pino) Perone	20,000	0.02%	225,000

Notes:

- (1) Mr. Gavin Wilson is an Investment Manager for Meridian Group of Companies. YF Finance Limited, which is part of Meridian Group of Companies, owns or controls or directs, directly or indirectly, 16,391,000 common shares of the Corporation, representing 17.86% of the voting rights attached to the outstanding common shares of the Corporation.

### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of TAG Oil is, as of the date of the AIF or has been, within the 10 years preceding the date of this AIF, a director, chief executive officer or chief financial officer of any company, including TAG Oil, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of TAG Oil, or to the best of TAG Oil's knowledge, a shareholder holding a sufficient number of securities of TAG Oil to affect materially the control of TAG Oil:

- (a) is, as of the date of the AIF, or has been within 10 years preceding this date, a director or executive officer of any company, including TAG Oil, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or
- (b) has, within the ten years before the date of the AIF, become 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 the assets of the director, executive officer or shareholder.

No director or executive officer of TAG Oil, or to the best of TAG Oil's knowledge, a shareholder holding a sufficient number of securities of TAG Oil to materially affect the control of TAG Oil, has been subject to:



- (a) 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) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Directors and officers of TAG Oil may also serve as directors or officers of other companies in the oil and gas industry and may be presented from time to time with situations or opportunities which give rise to potential conflicts of interest which cannot be resolved by arm's length negotiations, but only through the exercise by such director or officer of such judgment as is consistent with his fiduciary duties to TAG Oil which arise under British Columbia corporate law. All conflicts of interest will be resolved in accordance with the B.C. Act. Any transactions with directors and officers will be made on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to TAG Oil, and, depending on the magnitude of the transactions and the absence of any disinterested directors of TAG Oil, may be submitted to the shareholders of TAG Oil for their approval.

In the opinion of TAG Oil, there are no existing or potential conflicts of interest between TAG Oil or its subsidiaries and any director or officer of TAG Oil or its subsidiaries.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

TAG Oil is not a party to any outstanding legal or regulatory proceedings, nor is its property the subject of any legal or regulatory proceedings. The directors of TAG Oil do not have any knowledge of any contemplated legal or regulatory proceedings that are material to the business and affairs of TAG Oil.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed in this AIF, TAG Oil is not aware of any material interest, direct or indirect, of any director or executive officer of TAG Oil, any person or company beneficially owning or controlling, directly or indirectly, more than 10% of the common shares of TAG Oil or any associate or affiliate of any such person in any transaction entered into by TAG Oil in the three most recently completed financial years, or in any subsequent transactions, or in any proposed transaction, that has materially affected or is reasonably expected to materially affect TAG Oil, except as follows:

<b>Shareholder Name</b>	<b>Number of Common Shares<sup>(1)</sup></b>	<b>Percentage of Class</b>
YF Finance Limited	16,391,000	17.86%

Notes:

- (1) As reported in public filings.

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent for TAG Oil's common shares is Computershare Investor Services Inc. located at 2nd Floor - 510 Burrard Street, Vancouver, B.C., V6C 3B9.

### **MATERIAL CONTRACTS**

There are contracts of TAG Oil that are material to TAG Oil and were entered into within the most recently completed financial year of TAG Oil or before the most recently completed financial year of TAG Oil and which are still in effect.

TAG Oil and its subsidiaries, TAG Oil (NZ) Limited and CX Oil Limited, and Tamarind and its subsidiaries, Tamarind NZ Holdings Limited and Tamarind NZ Onshore Limited, are party to the Purchase Agreement



and related overriding royalty agreements providing for the sale of the NZ Assets of TAG Oil in exchange for (a) cash consideration payable at closing in the amount of US\$30 million, subject to adjustment in accordance with the Purchase Agreement, (b) a 2.5% gross overriding royalty on future gross sales revenues derived by Tamarind from petroleum production arising from the NZ Assets, and (c) up to a cumulative maximum amount of US\$5 million in event specific payments payable on achieving various milestones.

On October 30, 2020, the Corporation closed the purchase and sale agreement with Luco and AJ Lucas Services to divest its Australian assets and operations. This was an arm's length transaction that involved the sale of the shares of TAG Oil's Australian subsidiary, Cypress, which holds the Permits located in the Surat Basin of Queensland, Australia, to Luco in exchange for a cash payment of A\$2,500,000 at closing and a 3.0% gross overriding royalty on future production from all liquids produced from the Permits.

Copies of all of the Corporation's material contracts have been filed under TAG Oil's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and any summaries contained herein are qualified in their entirety by reference to the full text of such material contracts.

## PROMOTERS

TAG Oil has not had a promoter within the two most recently completed financial years.

## INTERESTS OF EXPERTS

The following persons and companies are named as having prepared or certified a report, valuation, statement, or opinion in this AIF or in a document incorporated by reference into this AIF.

Name	Description
De Visser Gray LLP, Chartered Professional Accountants	Provided the audit report dated July 29, 2021 on the consolidated statements of financial position of TAG Oil as at March 31, 2021 and 2020 and the consolidated statements of comprehensive (loss) income, cash flows and changes in equity for each of the years then ended.

Based on the information provided by the expert, none of the individuals named in the foregoing section, nor the directors, officers, employees, partners and consultants in the aggregate, as applicable, of De Visser Gray LLP, Chartered Professional Accountants ("**De Visser**"), hold, have received after the date of their report, valuation, statement of opinion, or will receive any registered or beneficial interest, direct or indirect, in any of the securities or other property of TAG Oil or any of the associates or affiliates of TAG Oil.

The auditors of the Corporation report that they are independent of TAG Oil in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia, Canada.

## ADDITIONAL INFORMATION

### Audit Committee

#### *The Audit Committee's Charter*

A copy of the audit committee's charter is attached to to this AIF as Appendix "A".

#### *Audit Committee Composition*

TAG Oil is required under the rules of the TSX-V to have an audit committee comprised of not less than three directors, the majority of whom are not officers, control persons or employees of TAG Oil or an

affiliate of TAG Oil. TAG Oil's current members of the audit committee are Messrs. Shawn Reynolds (Chair), Thomas Hickey and Gavin Wilson.

TAG Oil is required to disclose whether the members of its audit committee are "independent" and "financially literate" within the meaning of NI 52-110.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with TAG Oil, which could in the view of the Board reasonably interfere with the exercise of the member's independent judgment. All of the audit committee members are independent within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by TAG Oil's financial statements. All members of the audit committee are considered to be "financially literate" in the context of TAG Oil's operations.

#### *Relevant Education and Experience*

The following is relevant biographical information regarding the education and experience of the members of TAG Oil's audit committee, which has been supplied by the respective audit committee members:

#### **Shawn Reynolds**

Mr. Reynolds has been a director of TAG Oil since September 1, 2020. Mr. Reynolds is Portfolio Manager of Van Eck Securities Corporation which he joined in 2005. He currently serves as Portfolio Manager for Van Eck's Global Hard Assets Strategy where he is responsible for company research and portfolio construction. Prior to joining Van Eck, he was employed as an energy equity analyst covering North American, European, and global energy companies out of New York, Denver, London and Australia with Goldman Sachs, Credit Suisse First Boston, Lehman Brothers and Petrie Parkman. Prior to his career in finance, Mr. Reynolds worked as an exploration geologist for Tenneco Oil Company. Mr. Reynolds was previously Vice Chairman of Kuwait Energy, and a board member of several private Latin American oil and gas exploration companies. He is a member of the board of trustees at Hackensack Meridian Health Hospitals Corp., the Riverview Medical Center Foundation, Trinity Hall, and Former President and current member of the board of trustees at the Rumson Country Day School. Mr. Reynolds received an M.B.A. in finance from Columbia University, an M.A. in petroleum geology from the University of Texas, Austin, and a B.S. in engineering from Cornell University.

#### **Thomas Hickey**

Mr. Hickey has been a director of TAG Oil since September 1, 2020. Mr. Hickey is an attorney of the State of California and Solicitor of the Supreme Court of England and Wales. Mr. Hickey brings to TAG Oil over 20 years' international oil and gas sector experience in M&A, corporate governance, compliance & ethics, and group restructuring and consolidation during his time with the operators Hess Corporation and Kuwait Energy and the service contractors Transocean and Subsea 7. Beginning his career in London, England, Mr. Hickey has since been expatriated to Houston, New York, Kuala Lumpur, Kuwait City and Paris to support growth strategies and implement fit-for-purpose and effective corporate governance and compliance. Currently, Mr. Hickey is Head of Corporate Legal for Roquette Frères S.A. and based in France. Mr. Hickey received an MBA from Strathclyde University (distinction) and is a certified CEDR mediator.

#### **Gavin Wilson**

Mr. Wilson has been a director of TAG Oil since September 26, 2019. Mr. Wilson is an Investment Manager for Meridian Group of Companies, a private investment company, which has a significant shareholding in the Company. Mr. Wilson was the Founder and Manager of RAB Energy and RAB

Octane, listed investment funds, from 2004 until 2011. From 1992 to 2003, he worked with Canaccord Capital London, an investment banking company, as Head of Oil and Gas, responsible for sales and Corporate Brokering/Finance. Mr. Wilson holds a Bachelor of Arts degree in French History and Civilization.

#### *Audit Committee Oversight*

Since the commencement of TAG Oil's most recently completed financial year, the Board has not failed to adopt a recommendation by the audit committee to nominate or compensate an external auditor.

#### *Reliance on Certain Exemptions*

Since the commencement of TAG Oil's recently completed financial year, TAG Oil has not relied on the exemptions contained in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.3(2) (Controlled Companies), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member), section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), section 3.8 (Acquisition of Financial Literacy) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

#### *Pre-Approval Policies and Procedures*

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and when applicable, the audit committee, on a case-by-case basis.

#### *External Auditor Service Fees*

The audit committee has reviewed the nature and amount of the non-audited services provided by De Visser and TAG Oil's New Zealand auditor BDO Spicers, Chartered Accountants and Advisors ("**BDO Spicers**"), to ensure auditor independence. Fees incurred with De Visser and BDO Spicers for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended March 31, 2020</b>	<b>Fees Paid to Auditor in Year Ended March 31, 2021</b>
Audit Fees <sup>(1)</sup>	\$105,914	\$109,642
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$40,287	\$45,831
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$146,201</b>	<b>\$155,473</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of TAG Oil's consolidated financial statements and include both the fees of the Corporation's principal auditor, De Visser, and BDO Spicers. Audit fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

#### **Additional Information**

Additional information relating to TAG Oil may be found on SEDAR at [www.sedar.com](http://www.sedar.com).



Additional information, including directors' and officers' remuneration and indebtedness, principal holders of TAG Oil's securities and securities authorized for issuance under equity compensation plans is contained in the Information Circular for TAG Oil's most recent annual meeting of shareholders.

Additional financial information is provided in TAG Oil's financial statements and management discussion and analysis for its most recently completed financial year.



## APPENDIX "A"

### AUDIT COMMITTEE CHARTER

#### 1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities with respect to the governance of TAG Oil Ltd. (the "Company"). The audit committee will review and consider, in consultation with the auditors, the financial reporting process, the system of internal controls regarding finance and accounting and the Company's accounting and auditing processes. Consistent with this function, the committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Company's business and operations.

The audit committee also has the responsibility to identify and understand the principal risks to the Company and its business and to report such risks to the Board to ensure there are systems in place to effectively monitor and manage those risks with a view to the long-term viability of the Company and in order to achieve its long-term strategic objectives.

#### 2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors. Unless a Chair is elected by the full Board, the members of the audit committee may designate a Chair by a majority vote of the full audit committee membership.

##### 2.1 *Independence*

All of the members of the audit committee must meet the independence requirements set forth in National Instrument 52-110 ("NI 52-110").

##### 2.2 *Expertise of Committee Members*

Each member of the audit committee must be "financially literate" as defined under NI 52-110, having the ability to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member of the committee must have accounting or related financial management expertise. The Board shall use its business judgment to interpret the financial literacy and financial management expertise requirements of the Act and shall conclude whether a director meets these qualifications.

#### 3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least once every quarter and will hold special meetings as it deems necessary or appropriate in its judgment, which includes meeting at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions. Meetings may be held in person or virtually.

A minimum of two (2) members of the audit committee shall constitute a quorum.

#### 4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

##### 4.1 *External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report or performing other audit, review or attest services for the Company (including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures). In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated to the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors (taking into consideration the auditor's fee for the preceding year); and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

##### 4.2 *Risk Management and Internal Control*

The audit committee shall periodically review the Company's risk governance framework and the guidelines, policies, and processes for monitoring and mitigating risks, which are available, including management's views on acceptable and appropriate levels of exposures. The audit committee shall regularly discuss major risk exposures and the steps management has taken to monitor and control such exposures, and review and discuss with management, the risks associated with cross border operations in line with international corruption/fraud legislation. The audit committee will report to the Board any significant matters.

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments, and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts, or deficiencies in internal controls.

##### 4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual, and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

#### Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements prior to their release to the public;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

#### Interim Financial Statements

- (f) review the draft interim financial statements and provide a recommendation to the Board with respect to the approval of the financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

#### Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

#### Adequacy of Procedures

- (i) periodically, and at least annually, assess the adequacy of the foregoing procedures in order to satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

#### 4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee. In no circumstances shall the auditor provide any non-audit services to the Company that are prohibited by applicable law or regulation.

#### Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

#### De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

#### Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### 4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company and coordinate such review and approval with the Compensation and Nomination Committees, as deemed appropriate;
- (f) perform other oversight functions as requested by the Board; and
- (g) review and update this Charter periodically and receive approval of changes to this Charter from the Board.

#### 4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

## 5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

## 6. Guidance — Roles & Responsibilities

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

### 6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

### 6.2 *Financial Reporting*

#### General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

#### Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

#### Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either virtually or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the company's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Company's financial and operating controls are functioning effectively;
  - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

#### 6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this Charter and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

#### 6.4 *Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

## APPENDIX "B"

### STOCK OPTION PLAN

Dated for Reference November 17, 2020

#### ARTICLE 1 PURPOSE AND INTERPRETATION

##### Purpose

- 1.1 The purpose of this Plan will be to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the rules and policies (the "**TSX Policies**") of the Toronto Stock Exchange (the "**TSX**"), or the rules and policies of such other exchange as the common shares of the Company may then be listed for trading, including the TSX Venture Exchange (the "**Exchange**"), and any inconsistencies between this Plan whether due to inadvertence or changes in such policies will be resolved in favour of the latter.

##### Definitions

- 1.1 In this Plan:

**Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

**Associate** has the meaning assigned by the Securities Act;

**Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

**Broker** has the meaning provided in Section 6.3 hereof;

**Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or its successor is deemed to materially affect the control of the Company or its successor;

**Common Shares** means common shares without par value in the capital of the Company and includes any shares of the Company into which such common shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed;

**Company** means TAG Oil Ltd. and includes, unless the context otherwise requires, all of its subsidiaries or affiliates and successors according to law;

**Consultant** means a Person or Consultant Company, other than an Employee, Officer or Director that:

- (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
- (ii) provides the services under a written contract between the Company or an Affiliate and the Person or the Consultant Company;
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate that enables the Person or Consultant Company to be knowledgeable about the business and affairs of the Company;

**Consultant Company** means for a Person consultant, a company or partnership of which the Person is an employee, shareholder or partner;

**Directors** means the directors of the Company as may be elected from time to time;

**Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

**Effective Date** for an Option means the date of grant thereof by the Board;

**Employee** means:

- (i) Person who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
- (ii) Person who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (iii) Person who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

**Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

**Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;

**Insider** means:

- (i) an insider as defined in the TSX Policies or as defined in securities legislation applicable to the Company;



(ii) an Associate of any Person who is an Insider by virtue of Section (i) above;

**Management Company Employee** means a Person employed by another Person or a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a corporation or Person engaged primarily in investor relations activities;

**Market Price** means, as of any date, the value of the Common Shares, determined as follows:

- (i) if the Common Shares are listed on the TSX, the Market Price shall be the closing price of the Common Shares on the TSX for the last market trading day prior to the date of the grant of the Option;
- (ii) if the Common Shares are listed on the TSX Venture Exchange, the Market Price shall be the closing price of the Common Shares on the TSX Venture Exchange for the last market trading day prior to the date of the grant of the Option less any discount permitted by the TSX Venture Exchange;
- (iii) if the Common Shares are listed on an exchange other than the TSX or the TSX Venture Exchange, the Market Price shall be the closing price of the Common Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of the grant of the Option; and
- (iv) if the Common Shares are not listed on an exchange, the Market Price shall be determined in good faith by the Committee;

**Officer** means a duly appointed senior officer of the Company;

**Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

**Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A hereto;

**Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

**Participant** means every Service Provider who is approved for participation in the Plan by the Board;

**Person** means a company or an individual;

**Plan** means this Amended and Rested Share Option Plan, the terms of which are set out herein or as may be amended from time to time;

**Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;

**Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee or Consultant, and also includes a company, of which 100% of the share capital is beneficially owned by one or more Service Providers;

**Security Based Compensation Arrangement** means a security based compensation arrangement as described in Section 613 of the TSX Policies;

**TSX** means the Toronto Stock Exchange and any successor thereto;

**TSX Policies** means the rules and policies of the TSX as amended from time to time; and

**Withholding Obligations** has the meaning provided in Section 6.3 hereof.

### **Other Words and Phrases**

- 1.2 Words and Phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Policies, will have the meaning assigned to them in the TSX Policies.

### **Gender**

- 1.3 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

- 2.1 There is hereby established a Share Option Plan to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

- 2.2 The maximum aggregate number of Common Shares that may be reserved for issuance under the Plan (together with those shares which may be issued pursuant to any other Security Based Compensation Arrangement of the Company or options for services granted by the Company) is 10% of the Company's issued and outstanding Common Shares at any time, unless this Plan is amended pursuant to the requirements of the TSX Policies.

### **Eligibility**

- 2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board, subject to the requirements under any applicable law and the rules and policies of any securities regulatory authority, stock exchange or quotation system with jurisdiction over the Company or the issuance of the Options.

### **Options Granted Under the Plan**

- 2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

- 2.6 Subject to Section 2.9, the following restrictions on issuances of Options are applicable under the Plan:
- (a) the number of Common Shares reserved for issuance pursuant to this Plan (together with those Common Shares which may be issued pursuant to any other Security Based Compensation Arrangement of the Company or options for services granted by the Company) to any one Person within a one-year period shall not exceed 5% of the Common Shares outstanding on a

non-diluted basis from time to time (unless the Company has obtained the requisite disinterested shareholder approval);

- (b) the number of Common Shares which may be reserved for issuance pursuant to this Plan (together with those Common Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) to all Insiders within a one-year period shall not exceed 10% of the Common Shares outstanding on a non-diluted basis from time to time;
- (c) the number of Common Shares which may be issued pursuant to this Plan (together with those Common Shares which may be issued pursuant to any other Security Based Compensation Arrangement of the Company or options for services granted by the Company) to all Insiders within a one-year period shall not exceed 10% of the Common Shares outstanding on a non-diluted basis from time to time unless disinterested shareholder approval is obtained;
- (d) the aggregate number of Options which may be granted to any one Consultant in a one-year period must not exceed 2% of the issued Common Shares of the Company, calculated at the date an Option is granted to any such Person;
- (e) the aggregate number of Options which may be granted to all Persons retained to provide investor relations activities must not exceed 2% of the issued Common Shares of the Company in a one-year period, calculated at the date an Option is granted to any such Person;
- (f) Options granted to all Persons retained to provide investor relations activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period; and
- (g) the number of Common Shares which may be issued pursuant to this Plan (together with those Common Shares which may be issued pursuant to any other Security Based Compensation Arrangement of the Company or options for services granted by the Company) to any one Insider and such Insider's associates within a one-year period shall not exceed 5% of the Common Shares outstanding on a non-diluted basis from time to time.

### **Options Not Exercised**

- 2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Participant for cause or is otherwise lawfully cancelled prior to exercise of the Option, the unpurchased Optioned Shares shall again be available for the purposes of this Plan.

### **Powers of the Board**

- 2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:
- (a) allot Common Shares for issuance in connection with the exercise of Options;
  - (b) grant Options hereunder;
  - (c) construe and interpret this Plan, any Option Commitment and any other agreement or document executed pursuant to this Plan;
  - (d) prescribe, amend and rescind rules and regulations relating to this Plan;
  - (e) select eligible Service Providers to receive Options;

- (f) determine the form and terms of Options and Option Commitments, provided that they are not inconsistent with the terms of the Plan;
- (g) determine the Exercise Price of an Option;
- (h) determine the number of Shares to be covered by each Option;
- (i) determine whether Options will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, any other incentive or compensation plan of the Company;
- (j) grant waivers of Option conditions or amend or modify each Option, provided that they are not inconsistent with the terms of this Plan;
- (k) determine the vesting, exercisability and Expiry Dates of Options;
- (l) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Option Commitment or any other agreement or document executed pursuant to this Plan;
- (m) determine whether an Option has been earned;
- (n) make all other determinations necessary or advisable for the administration of this Plan;
- (o) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
- (p) may, at any time, suspend or terminate the Plan in any respect, provided that no such termination shall adversely affect the rights of any Participant under any Option previously granted except with the consent of such Participant. The Board may, without notice, at any time and from time to time, amend the Plan or any provisions thereof, or the form of Option Commitment or instrument to be executed pursuant to the Plan, in such manner as the Board, in its sole discretion, determines appropriate without shareholder approval:
  - (i) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
  - (ii) to correct any ambiguity, defective provisions, error or omission in the provisions of the Plan;
  - (iii) to change any vesting provisions of Options or the Plan;
  - (iv) to change the termination provisions of the Options or the Plan which does not entail an extension beyond the original expiry date of the Options;
  - (v) to add a cashless exercise feature to the Plan, providing for the payment in cash or securities on the exercise of Options; and
  - (vi) to add or change provisions relating to any form of financial assistance provided by the Company to Participants that would facilitate the purchase of securities under the Plan.

provided, however, that:

- (vii) no such amendment of the Plan may be made without the consent of such affected Participant if such amendment would adversely affect the rights of such affected Participant under the Plan.

### **Terms or Amendments Requiring Shareholder Approval**

- 2.9 The Company will be required to obtain shareholder approval in accordance with the requirements of the TSX Policies for any amendment that results in:
- (a) an increase in the number of shares issuable under Options granted pursuant to the Plan;
  - (b) a change in the Persons eligible to receive Options under the Plan;
  - (c) the cancellation and reissue of any Option;
  - (d) an extension of the term of an Option granted under the Plan benefiting an Insider of the Company; or
  - (e) Options becoming transferable or assignable other than for the purposes as described in Section 3.4(a).

Disinterested shareholder approval will be obtained for any reduction in the Exercise Price if the Participant is an Insider of the Company at the time of the proposed amendment.

A rolling stock option plan that permits the issuance of up to an aggregate of 10% of the issued and outstanding Common Shares from time to time must receive Exchange approval annually and all amendments to the Plan are subject to the prior approval of the Exchange.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **Exercise Price**

- 3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan and cannot be less than the Market Price.

### **Term of Option**

- 3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date, provided that in the circumstance where the end of the term of an Option falls within, or within ten business days after the end of a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its Insiders being the subject of a cease trade order of a securities regulatory authority). In such circumstances, the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the black out period has ended, the expiry date.

### **Vesting of Options**

- 3.3 Vesting of Options is at the discretion of the Board, and will generally be subject to:
- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its subsidiaries and Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its subsidiary or affiliate during the vesting period; or

- (b) remaining as a Director of the Company or any of its subsidiaries or Affiliates during the vesting period.

### **Participant Ceasing to be Director, Employee or Service Provider**

- 3.4 No Option may be exercised after the Participant has left the employ/office of the Company or has been advised his services are no longer required or his service contract has expired, except as follows:
- (a) in the case of the death of a Participant, any vested Option held by him at the date of death will become exercisable by the Participant's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Participant and the date of expiration of the term otherwise applicable to such Option;
  - (b) Options granted to any Service Provider must expire within 90 days after the date the Participant ceases to be employed with or provide services to the Company, but only to the extent that such Participant was vested in the Option at the date the Participant ceased to be so employed or to provide services to the Company; and
  - (c) in the case of a Participant being dismissed from employment or service for cause, such Participant's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### **Non Assignable**

- 3.5 Subject to Section 3.4(a), all Options will be exercisable only by the Participant to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

- 3.6 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:
- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without a Participant making any additional payment or giving any other consideration therefor;
  - (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and a Participant will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
  - (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as a Participant would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
  - (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the

Company as or substantially as an entirety at any time while an Option is in effect, a Participant will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3.6(d);

- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this Section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.6(f), be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.6, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Participants.

## **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

### **Option Commitment**

- 4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Participant an Option Commitment detailing the terms of such Options and upon such delivery the Participant will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

### **Manner of Exercise**

- 4.2 An Participant who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
  - (b) cash or a certified cheque payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

### **Delivery of Certificate and Hold Periods**

- 4.3 As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Participant for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws or regulatory requirements, including the requirements of any exchange on which the Common Shares are listed.

## ARTICLE 5 CORPORATE TRANSACTIONS

### Assumption or Replacement of Options by Successor

5.1 In the event of:

- (a) a merger whether by way of amalgamation or arrangement in which the Company is not the surviving corporation (other than a merger with a wholly-owned subsidiary, or other transaction in which there is no substantial change in the shareholders of the Company or their relative shareholdings and the Options granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants);
- (b) a merger whether by way of amalgamation or arrangement in which the Company is the surviving corporation but after which shareholders of the Company immediately prior to such merger (other than any shareholder which merges, or which owns or controls another corporation which merges, with the Company in such merger) cease to own their shares or other equity interests in the Company; or
- (c) the sale of substantially all of the assets of the Company,

any or all outstanding Options may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Participants as was provided to shareholders (after taking into account the existing provisions of the Options).

### Dissolution or Liquidation

5.2 In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action. The Board may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Board and give each Participant the right to exercise his or her Option as to all or any part of the Optioned Shares thereof, including Optioned Shares as to which the Option would not otherwise be exercisable.

### Assumption of Options by the Company

5.3 The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either:

- (a) granting an Option under this Plan in substitution of such other company's option; or
- (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan.

Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.



## ARTICLE 6 GENERAL

### Employment and Services

- 6.1 Nothing contained in the Plan will confer upon or imply in favour of any Participant any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Participant's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by a Participant will be voluntary.

### No Representation or Warranty

- 6.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Company.

### Income Taxes

- 6.3 The Company may withhold from any amount payable to a Participant, either under the Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards hereunder ("**Withholding Obligations**"). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Participant such number of shares issued to the Participant pursuant to an exercise of Options hereunder as is sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker), or retaining any amount payable which would otherwise be delivered, provided or paid to the Participant hereunder. The Company may require a Participant, as a condition to the exercise of an Option to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations, including, without limitation, requiring the Participant to (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; or (iii) cause a broker who sells shares acquired by the participant under the Plan on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company.

Any shares of a Participant that are sold by the Company, or by a broker engaged by the Company (the "**Broker**"), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the exchange on which the common shares of the Company are then listed for trading. In effecting the sale of any such shares, the Company or the Broker will exercise its sole judgement as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such shares including any loss relating to the manner or timing of such sales, the prices at which the shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring any shares to a Participant. The sale price of shares sold on behalf of Participants will fluctuate with the market price of the Company's shares and no assurance can be given that any particular price will be received upon any such sale.

### Interpretation

- 6.4 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

### **Prior Plans**

- 6.5 The Plan shall entirely replace and supersede any prior share option plans, if any, enacted by the Board of the Company, or its predecessor companies.

### **Effective Date of Plan and Shareholder Approval**

- 6.6 The Plan has been adopted by the Board subject to the approval of the TSX and the approval of the Shareholders of the Company and, if so approved, the Plan shall become effective upon such approvals being obtained.

**SCHEDULE A  
SHARE OPTION PLAN  
OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date") **TAG OIL LTD.** (the "**Company**") has granted to \_\_\_\_\_ (the "**Service Provider**"), an Option to acquire \_\_\_\_\_ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "**Expiry Date**") at a Exercise Price of Cdn\$\_\_\_\_\_ per share.

You agree that you may suffer tax consequences as a result of the grant of this Option, the exercise of the Option and the disposition of Common Shares. You acknowledge you are not relying on the Company for any tax advice.

Options evidenced hereby will vest and may be exercised as follows:

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Company's Share Option Plan, the terms and conditions of which are hereby incorporated herein.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with cash or a certified cheque payable to the Company for the aggregate Exercise Price, to the Company. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter.

The Company and the Service Provider represent that the Service Provider under the terms and conditions of the Plan is a bona fide **[EMPLOYEE/CONSULTANT/MANAGEMENT COMPANY EMPLOYEE]** \_\_\_\_\_ of the Company, entitled to receive Options under TSX Policies.

If you agree to accept the Options described above, subject to all of the terms and conditions of the Plan, please sign one copy of this Option Commitment and return it to \_\_\_\_\_ by \_\_\_\_\_.

**TAG OIL LTD.**

\_\_\_\_\_  
Authorized Signatory

I have received a copy of the Plan and agree to comply with, and agree my participation is subject in all respects to, its terms and conditions.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address



## APPENDIX “C”

### REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS ACTIVITIES

*Terms to which a meaning is ascribed in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities have the same meaning herein.*

Management of TAG Oil Ltd. (the “**Company**”) are responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. As of March 31, 2021, the Company did not hold any interest in any properties which had reserves assigned to them and consequently has not retained an independent qualified reserves evaluator or auditor.

The Board of Directors of the Company has reviewed the Company’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors of the Company has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1; and
- (b) the content and filing of this report.

Dated: July 29, 2021

TAG Oil Ltd.

Signed: “Toby Pierce”  
Toby Pierce  
Chief Executive Office