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THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (REGULATION 596/2014/EU) AS IT FORMS PART OF UK DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

SOUTHERN ENERGY CORP. ANNOUNCES ADDITIONAL DRILL TEST RESULTS AND APPROXIMATELY US\$30 MILLION EQUITY FINANCING

Calgary, Alberta – June 23, 2022 – Southern Energy Corp. (“Southern” or the “Company”) (SOU: TSXV; AIM: SOUC), a U.S.-focused, growth-oriented natural gas producer, is pleased to announce a proposed prospectus offering and placing of new common shares of no par value (“**Common Shares**”) in the capital of the Company to raise aggregate gross proceeds of approximately US\$30.0 million (approximately £24.5 million / C\$38.9 million) (together, the “**Offering**”). In the event of excess demand, the Company reserves the right to increase the size of the Offering.

The Offering consists of:

- an underwritten bought deal prospectus offering of 26,060,000 million Common Shares (the “**Prospectus Shares**”) at an issue price of C\$0.87 (approximately 54.5 pence) per Prospectus Share (the “**Prospectus Price**”), for aggregate gross proceeds of C\$22.7 million (approximately £14.3 million / US\$17.5 million) to be led by Eight Capital (the “**Prospectus Offering**”); and
- a concurrent placing of approximately 18,692,661 million Common Shares (the “**Placing Shares**”) at an offering price of 54.5 pence (approximately C\$0.87) per Placing Share (the “**Placing Price**”), for aggregate gross proceeds of approximately £10.2 million (approximately US\$12.5 million / C\$16.2 million) to be conducted by way of an accelerated bookbuild (the “**Placing**”).

The size of the Offering may be increased, at the Company's discretion, through the Placing and/or the Prospectus Offering.

The Company will use the net proceeds of the Offering for capital expenditures relating to extending and accelerating the planned drilling programme at Gwinville and for general working capital purposes, consistent with the Company's strategy of growing and developing an oil and natural gas exploration and development company through organic growth operations and synergistic acquisitions.

Offering Highlights:

- Combined gross proceeds of approximately US\$30.0 million to be raised via the issue of new Common Shares pursuant to the Offering
- Offering expected to provide additional liquidity to the Company's Common Shares on both AIM and the TSXV
- Net proceeds of the Offering to be primarily used to accelerate the initiation of a continuous organic drilling programme at Gwinville, as well as increasing financial flexibility for potential accretive acquisition opportunities
- Further drilling at Gwinville expected to begin in Q4 2022

Operational Update

All three of the horizontal wells from the Gwinville 19-3 padsite are now flowing to sales at highly restricted rates. The padsite is currently producing approximately 15.3 MMcf/d (2,550 boe/d) of natural gas and all three wells are meeting the company's early-time expectations for our Generation 3 completion design. The Company began flowing the new production through its 100% owned compression facilities on June 20, 2022 and the operations team is working quickly to further optimize gas flow rates and lower gathering system pressures from the padsite. The Company will update the performance of the new wells over the coming months as the Generation 3 type curve is established.

Ian Atkinson, President and CEO of Southern, commented:

"With all three Gwinville Selma Chalk wells now on production, we have more than doubled corporate production which illustrates the significant organic growth potential we can deliver to shareholders with our multi-year drilling inventory in Gwinville."

Following the encouraging test results of our ongoing operations at Gwinville, utilizing our improved Generation 3 completion design, we believe that this is an opportune moment to finance the business for further, operationally-driven growth through the Offering. In tandem, we continue to see significant opportunity for accretive acquisitions in our area of expertise and believe that this financing will allow us to continue to act nimbly and opportunistically as we execute our growth strategy. These are truly exciting times for Southern Energy and our shareholders."

The Prospectus Offering

Southern has entered into an agreement with Eight Capital, pursuant to which Eight Capital, as lead underwriter and sole bookrunner, together with a syndicate of underwriters (collectively, the "Underwriters") will purchase, on a bought-deal basis, 26.1 million Prospectus Shares at the

Prospectus Price. The Underwriters will have an option to purchase up to an additional 15% of the Prospectus Shares issued under the Prospectus Offering at the Prospectus Price for market stabilization purposes and/or to cover over-allotments, exercisable in whole or in part at any time until 30 days after the closing of the Prospectus Offering.

The Prospectus Shares to be issued pursuant to the Prospectus Offering will be distributed by way of a short form prospectus in all provinces of Canada (excluding Québec) and may also be placed privately in the United States to Qualified Institutional Buyers (as defined under Rule 144A under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) pursuant to an exemption under Rule 144A, and may be distributed outside Canada and the United States on a basis which does not require the qualification or registration of any of the Company’s securities under domestic or foreign securities laws.

Closing of the Prospectus Offering is expected to occur on or about July 7, 2022.

The Placing

The Placing will be conducted by way of an accelerated bookbuild (the “**Bookbuild**”) which will open immediately following the release of this Announcement and the Placing is subject to the terms and conditions set out in the Appendix to this Announcement.

Canaccord Genuity Limited and H&P Advisory Limited are acting as joint brokers and joint bookrunners (the “**Joint Brokers**” or “**Joint Bookrunners**”) in relation to the Placing. Strand Hanson Limited is acting as Nominated & Financial Adviser to the Company.

The Placing will only be made available to invited eligible institutional and professional investors in certain specified jurisdictions and the timing for the close of the Bookbuild will be determined by the Joint Brokers and the Company. A further announcement confirming the number of new Placing Shares to be issued pursuant to the Placing and final details of the Bookbuild is expected to be made in due course after the close of the Bookbuild.

The Joint Brokers will commence the Bookbuild with immediate effect. The Joint Brokers have entered into the conditional placing agreement with the Company (the “**Placing Agreement**”) under which, subject to the conditions set out therein, the Joint Brokers have agreed to use their respective reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price and as set out in the Placing Agreement.

The Placing Shares, upon issue, will rank equally in all respects with the existing Common Shares and the Prospectus Shares.

Attention is drawn to the Appendix to this Announcement containing, *inter alia*, the terms and conditions of the Placing, which are applicable to Placees only.

By choosing to participate in the Placing and by making a legally binding offer (including orally) to acquire Placing Shares in the Placing, Placees will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions in it, and to be providing the representations, warranties, undertakings and acknowledgements contained in the Appendix. The results of the Placing are expected to be announced on 24 June 2022, and the Placing Shares are expected to be admitted to trading on AIM on or around 5 July 2022.

Further details of the Offering

The Company intends that the Placing will be conducted in conjunction with the Prospectus Offering but is not inter-conditional with the Prospectus Offering.

Application will be made to: (a) the London Stock Exchange for Admission of the Placing Shares and the Prospectus Shares to trading on AIM; and (b) the TSX Venture Exchange (the “**TSXV**”) for listing of the Placing Shares and the Prospectus Shares for trading on the facilities of the TSXV.

Completion of the Offering is subject to customary closing conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. In addition, the Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. Further details of the respective conditions and termination rights applicable to the Placing and the Prospectus Offering are set out in the Appendix.

Without prior written approval of the TSXV and compliance with all applicable Canadian securities laws, the Placing Shares may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSXV or otherwise in Canada or to or for the benefit of a Canadian resident until the date that is four months and a day after the date of issuance.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered or qualified for distribution, as applicable under or offered in compliance with the securities laws of any state, province or territory of United States, Australia, New Zealand, Canada, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, New Zealand, Canada, Japan or South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

The securities described herein have not been, and will not be, registered under the U.S. Securities Act or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This Announcement shall not constitute an offer to sell or the solicitation of an offer to buy any of the Company's securities to, or for the account or benefit of, persons in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. There has been and will be no public offer of the Company's securities in Australia, Japan, South Africa, the United States or elsewhere, other than the Prospectus Offering in each of the provinces of Canada, except Québec.

About Southern Energy Corp.

Southern Energy Corp. is a natural gas exploration and production company. Southern has a primary focus on acquiring and developing conventional natural gas and light oil resources in the southeast Gulf States of Mississippi, Louisiana, and East Texas. Our management team has a long and successful history working together and have created significant shareholder value through accretive acquisitions, optimization of existing oil and natural gas fields and the utilization of re-development strategies utilizing horizontal drilling and multi-staged fracture completion

techniques.

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READER ADVISORY

Natural gas liquids volumes are recorded in barrels of oil (bbl) and are converted to a thousand cubic feet equivalent (Mcf) using a ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Natural gas volumes recorded in thousand cubic feet (Mcf) are converted to barrels of oil equivalent (boe) using the ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Mcfe and boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl or a Mcfe conversion ratio of 1 bbl:6 Mcf is based in an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared with natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 Mcf:1 bbl or a Mcfe conversion ratio of 1 bbl:6 Mcf may be misleading as an indication of value.

Throughout this Announcement, "crude oil" or "oil" refers to light and medium crude oil product types as defined by National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). References to "NGLs" throughout this Announcement comprise pentane, butane, propane, and ethane, being all NGLs as defined by NI 51-101. References to "natural gas" throughout this Announcement refers to conventional natural gas as defined by NI 51-101.

References in this Announcement to IP30, production test rates, initial test production rates, and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Southern. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results should be considered to be preliminary.

Certain type curves disclosure presented herein represents estimates of the production decline and ultimate volumes expected to be recovered from wells over the life of the well. The type curves represent what management thinks an average well will achieve, based on methodology that is analogous to wells with similar geological features. Individual wells may be higher or lower but over a larger number of wells, management expects the average to come out to the type curve. Over time type curves can and will change based on achieving more production history on older wells or more recent completion information on newer wells.

Please see below for a list of abbreviations used in this Announcement.

<i>bbl</i>	<i>barrels</i>
<i>bbl/d</i>	<i>barrels per day</i>
<i>boe</i>	<i>barrels of oil</i>
<i>boe/d</i>	<i>barrels of oil per day</i>
<i>Mcf</i>	<i>thousand cubic feet</i>
<i>Mcf/d</i>	<i>thousand cubic feet per day</i>
<i>MMcf</i>	<i>million cubic feet</i>
<i>MMcf/d</i>	<i>million cubic feet per day</i>

Forward Looking Statements

Certain information included in this Announcement constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project” or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this Announcement may include, but is not limited to, statements concerning the Offering, including the terms thereof and the use of proceeds of the Offering, the Company's business strategy, objectives, strength and focus, the Company's capital program for the remainder of 2022, the Company's asset base including the development of the Company's assets, expectations regarding production from the Company's drilling operations in Gwinville and the timing thereof, ability to achieve production estimates set out herein and future production levels.

The forward-looking statements contained in this Announcement are based on certain key expectations and assumptions made by Southern, including the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Southern's properties, the characteristics of its assets, the successful application of drilling, completion and seismic technology, benefits of current commodity pricing hedging arrangements, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and the ability to source and complete asset acquisitions.

Although Southern believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Southern can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risk that

the Offering may not be completed on favorable terms or at all, the risk that the Company may not be able to obtain all necessary regulatory and stock exchange approvals, including the approval of the TSXV and the London Stock Exchange, the risk that the Company may apply the proceeds of the Offering differently than as stated herein depending on future circumstances; risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, negative effects of the current COVID-19 pandemic, commodity price and exchange rate fluctuations, geo-political risks, political and economic instability abroad, wars (including Russia's military actions in Ukraine), hostilities, civil insurrections, inflationary risks including potential increases to operating and capital costs, changes in legislation impacting the oil and gas industry, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. These and other risks are set out in more detail in the Preliminary Prospectus and Southern's most recent management's discussion and analysis and annual information form, which are available under the Company's SEDAR profile at www.sedar.com.

The forward-looking information contained in this Announcement is made as of the date hereof and Southern undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this Announcement is expressly qualified by this cautionary statement.

<http://www.southernenergycorp.com>

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

APPENDIX TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX (THE “**TERMS AND CONDITIONS**”) IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, JAPAN, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS WHO ARE IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA AND ARE, UNLESS OTHERWISE AGREED BY THE JOINT BOOKRUNNERS, (“**QUALIFIED INVESTORS**”) AS DEFINED IN ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION (WHICH MEANS REGULATION (EU) 2017/1129 AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURES IN ANY MEMBER STATE) (THE “**PROSPECTUS REGULATION**”); AND/OR (B) IN THE UNITED KINGDOM, PERSONS WHO ARE (I) QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION (AS IT FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUWA); AND (II) “INVESTMENT PROFESSIONALS” WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (THE “**ORDER**”); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THESE TERMS AND CONDITIONS ARE A FINANCIAL PROMOTION, WHICH IS EXEMPT FROM THE GENERAL RESTRICTION IN SECTION 21 OF FSMA ON THE COMMUNICATION OF INVITATIONS OR INDUCEMENTS TO ENGAGE IN INVESTMENT ACTIVITY, ON THE GROUNDS THAT IT IS ONLY BEING DISTRIBUTED TO RELEVANT PERSONS. ACCORDINGLY, THESE TERMS AND CONDITIONS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED OR PROHIBITED BY LAW. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

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EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO THE LEGAL, TAX, BUSINESS AND RELATED IMPLICATIONS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON A DISPOSAL OF THEIR SHARES.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian

Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered or qualified for distribution, as applicable under or offered in compliance with the securities laws of any state, province or territory of United States, Australia, New Zealand, Canada, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, New Zealand, Canada, Japan or South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (ii) eligible for distribution through all distribution channels as are permitted by the UK Product Governance Rules (the “**UK Target Market Assessment**”).

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” and/or “distributor” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**EU Target Market Assessment**”).

Notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, distributors should note that: the price of the Common Shares may decline and investors could lose all or part of their investment; the Common Shares offer no guaranteed income and no capital protection; and an investment in the Common Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Each of the UK Target Market Assessment and the EU Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties each as defined under COBS or MiFID II, as applicable.

For the avoidance of doubt, each of the UK Target Market Assessment and the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS or MiFID II, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Common Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement (or any part of it) should seek appropriate advice before taking any action.

These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee hereby agrees with the Joint Bookrunners and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if a Bookrunner confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Terms and Conditions, unless the context otherwise requires, “**Placee**” means a Relevant Person (including individuals, funds or others) on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

Details of the Placing Agreement and the Placing Shares

The Joint Bookrunners and the Company have entered into a Placing Agreement, under which the Joint Bookrunners have, on the terms and subject to the conditions set out therein, undertaken to use their reasonable endeavours to procure subscribers for Placing Shares at the Placing Price. The Placing is not being underwritten by either of the Joint Bookrunners or any other person.

The number of Placing Shares will be determined following completion of the Bookbuild. The timing of the closing of the Bookbuild, the number of Placing Shares and allocations are at the discretion of the Joint Bookrunners, following consultation with the Company. Allocations will be confirmed orally or by email by the relevant Bookrunner following the close of the Bookbuild. An announcement confirming these details will then be made by the Company as soon as practicable following completion of the Bookbuild.

The Placing Shares will, when issued, be subject to the Articles, will be credited as fully paid and non-assessable and rank equally in all respects with the existing Common Shares (and the Common Shares to be issued pursuant to the Prospectus Offering), including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Common Shares after the date of issue of the Placing Shares.

Subject to Admission, the Placing Shares will trade on AIM under the trading symbol “SOUC” and with ISIN CA8428131059.

Without prior written approval of the TSXV and compliance with all applicable Canadian securities laws, the Placing Shares may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSXV or otherwise in Canada or to or for the benefit of a Canadian resident until the date that is four months and a day after the date of issuance of such Placing Shares.

Application for admission to trading

Application will be made to the London Stock Exchange for admission to trading on AIM of the Placing Shares and the Prospectus Shares. It is expected that settlement of any such shares (via Depositary Interests) and Admission will become effective at 8.00 a.m. on or around 5 July 2022 and that dealings in the Placing Shares and Prospectus Shares will commence at that time.

Bookbuild

The Joint Bookrunners are conducting a bookbuilding process to determine demand for participation in the Placing by potential Placees at the Placing Price. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Joint Bookrunners and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

The principal terms of, the Placing are as follows:

1. The Joint Bookrunners are arranging the Placing as agents for, and brokers of, the Company.
2. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by a Bookrunner.
3. The Bookbuild will establish the number of Placing Shares to be issued at the Placing Price, which will be determined by the Joint Bookrunners, in consultation with the Company, following completion

of the Bookbuild. The number of Placing Shares will be announced by the Company on a Regulatory Information Service following the completion of the Bookbuild.

4. In order to participate in the Placing, prospective Placees should communicate their bid by telephone or email to their usual contact at the relevant Bookrunner. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for or purchase at the Placing Price. Bids may be scaled down by the relevant Bookrunner on the basis referred to in paragraph 8 below.
5. The timing of the closing of the Bookbuild will be at the discretion of the Joint Bookrunners. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.
6. Allocations of the Placing Shares will be determined by the Joint Bookrunners, following consultation with the Company. Each Placee's allocation will be confirmed to Placees orally, or by email, by the relevant Bookrunner following the close of the Bookbuild and a trade confirmation or contract note will be dispatched as soon as possible thereafter. Oral or emailed confirmation from the relevant Bookrunner will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of that Bookrunner and the Company, under which it agrees to acquire by subscription the number of Placing Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in these Terms and Conditions and in accordance with the Articles. Except with the relevant Bookrunner's consent, such commitment will not be capable of variation or revocation.
7. The Company will make an announcement following the close of the Bookbuild detailing the number of Placing Shares to be issued at the Placing Price.
8. Subject to paragraphs 4 and 5 above, the relevant Bookrunner may choose not to accept bids and/or to accept bids, either in whole or in part, on the basis of allocations determined at its discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as it may determine. The Joint Bookrunners may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of the Company, allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time.
9. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Announcement (including these Terms and Conditions) and will be legally binding on the Placee on behalf of which it is made and except with the relevant Bookrunner's consent will not be capable of variation or revocation from the time at which it is submitted.
10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations of the Joint Bookrunners under the Placing will be subject to fulfilment of the conditions referred to below "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
12. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
13. To the fullest extent permissible by law and the applicable rules of the Financial Conduct Authority, neither of the Joint Bookrunners, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the

Placing. In particular, neither of the Joint Bookrunners, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Placing or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may determine.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. Each of the Joint Bookrunners' obligations under the Placing Agreement in respect of the Placing Shares are conditional on, inter alia:

1. the application for Admission being delivered to the London Stock Exchange on or before 30 June 2022;
2. each of the conditions to the Prospectus Offering or the obligations of Eight Capital as set out in the Bought Deal Engagement Letter which are to be fulfilled prior to Admission having been fulfilled or (if capable of waiver) waived by Eight Capital and not having become incapable of being fulfilled, in each case by the respective time(s) and date(s) (if any) specified therein and the Bought Deal Engagement Letter not having been terminated or otherwise ceasing to be in full force and effect (other than where such termination or cessation is as a result of the Bought Deal Engagement Letter having been superseded by the Underwriting Agreement);
3. the Underwriting Agreement having been duly executed by the Company and each of the other parties thereto, each of the conditions to the Prospectus Offering or the obligations of the Underwriters as set out in the Underwriting Agreement which are to be fulfilled prior to Admission having been fulfilled or (if capable of waiver) waived by the Underwriters, and not having become incapable of being fulfilled, in each case by the respective time(s) and date(s) (if any) specified therein, and the Underwriting Agreement not having been terminated or otherwise ceasing to be in full force and effect;
4. the delivery by the Company to the Joint Bookrunners of certain documents required under the Placing Agreement;
5. the Company having performed its obligations under the Placing Agreement to the extent that such obligations fall to be performed prior to Admission;
6. the issue and allotment of the Placing Shares, conditional only upon Admission;
7. Admission taking place no later than 8.00 a.m. (London time) on 5 July 2022 or such other date and time as may be agreed between the Company and the Joint Bookrunners, not being later than 8.00 a.m. (London time) on 19 July 2022 (the "**Long Stop Date**"); and
8. the Placing Agreement not having been terminated by the Joint Bookrunners in accordance with its terms.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Joint Bookrunners by the respective time or date where specified (or such later time or date as the Joint Bookrunners may notify to the Company, being not later than the Long Stop Date); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Joint Bookrunners may, at their discretion and upon such terms as they think fit, waive, or extend the period for (subject to the Long Stop Date), compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the condition relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in these Terms and Conditions.

Neither the Joint Bookrunners, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and, by participating in the Placing, each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

Right to terminate the Placing Agreement

The Joint Bookrunners are entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia, if before Admission:

1. any of the warranties given in the Placing Agreement are not true and accurate and not misleading when given at the date of the Placing Agreement or would not be true and accurate or would be misleading if they were repeated on Admission;
2. the Company has failed to comply with its obligations under the Placing Agreement, or with the requirements of any applicable laws or regulations (including MAR, the AIM Rules and the TSXV Rules) in relation to the Placing;
3. any of the conditions set out in the Placing Agreement are not fulfilled or (if capable of waiver) waived by the Joint Bookrunners or shall have become incapable of being fulfilled by the respective time(s) and date(s) (if any) specified in the Placing Agreement;
4. there has been any development or event which will or is likely to have a material adverse effect on the condition (financial, operational, legal or otherwise), prospects, solvency, liquidity, management, results of operations, financial position, business or general affairs of the Group taken as a whole, whether or not foreseeable and whether or not arising in the ordinary course of business;
5. there has been a change in national or international financial, political, economic, monetary or stock market conditions (primary or secondary) or an imposition of or compliance with any law or governmental or regulatory order, rule, regulation, restriction or direction,

which, in the opinion of the Joint Bookrunners, would or would be likely to prejudice materially the Company or render the Placing (or any material part thereof) or Admission impractical or inadvisable.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and that the Joint Bookrunners need not make any reference to Placees in this regard and that neither the Joint Bookrunners nor any of their respective affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

The Prospectus Offering is being underwritten by Eight Capital pursuant to the Bought Deal Engagement Letter, and such underwriting obligations are expected to be syndicated to the Underwriters (led by Eight Capital). Following syndication, the obligations of the Underwriters are to be formalised by entering into the Underwriting Agreement, which would then supersede the Bought Deal Engagement Letter.

The obligations of Eight Capital under the Bought Deal Engagement Letter are conditional upon all necessary regulatory approvals being obtained.

In addition, Eight Capital is entitled, at any time before closing of the Prospectus Offering (by listing of the Prospectus Shares for trading on the facilities of TSXV), to terminate its commitments under the Bought Deal Engagement Letter, if (inter alia):

- (a) there is a material change or a change in a material fact or new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed in the Company's preliminary short form prospectus or the final short form prospectus or any amendment thereto, in each

case, that has or would be expected to have, in the sole opinion of Eight Capital, a significant adverse change or effect on the business or affairs of the Company or on the market price or the value of the securities of the Company;

(b) (i) there should occur or come into effect any event or condition (including without limitation, terrorism, accident or any outbreak or escalation of international hostilities or war) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of Eight Capital, may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the securities of the Company, (ii) any inquiry, action, suit, proceeding or investigation is commenced or threatened in relation to the Company or any one of the officers of the Company where wrong-doing is alleged or any order is made by any competent authority which involves a finding of wrong-doing, or (iii) any order, action or proceeding is made or threatened by a securities regulatory authority which ceases trading, or otherwise operates to prevent or restrict the trading, of the Common Shares; or

(c) the Company is in breach of a material term, condition or covenant of the Bought Deal Engagement Letter or any representation or warranty given by the Company in the Bought Deal Engagement Letter becomes or is false in any material respect.

The foregoing conditions and termination rights are expected to be replicated, and supplemented by additional customary terms and conditions, in the Underwriting Agreement.

No Admission Document or Prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of a prospectus in the United Kingdom. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in these Terms and Conditions and the business and financial information that the Company is required to publish in accordance with the AIM Rules and the TSXV Rules, including this Announcement (the "**Exchange Information**"). The Preliminary Prospectus and the Company's final short form prospectus are not a prospectus for the purposes of Section 85(1) of FSMA and, accordingly, will not be examined or approved as a prospectus by the FCA under Section 87A FSMA or by the London Stock Exchange and it will not be filed with the FCA pursuant to the FCA's Prospectus Regulation Rules nor will it be approved by a person authorised under FSMA, for the purposes of Section 21 FSMA. Each Placee, by accepting a participation in the Placing, agrees that the content of the Exchange Information (including this Announcement) is exclusively the responsibility of the Company and confirms that it has not relied on any other information, representation, warranty, or statement made by or on behalf of the Company, the Joint Bookrunners (or either Bookrunner) or any other person and neither of the Joint Bookrunners, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Joint Bookrunners (or either of them), the Company or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor the Joint Bookrunners are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or contract note in accordance with the standing arrangements in place with the relevant Bookrunner, stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee (in pounds sterling) and a form of confirmation in relation to settlement instructions.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the relevant Bookrunner in accordance with the standing CREST settlement instructions which they have in place with that Bookrunner.

Settlement of transactions in the Placing Shares via the Depositary Interests (ISIN: CA8428131059) following Admission will take place within the system administered by Euroclear UK & International Limited (“**CREST**”) provided that, subject to certain exceptions, each Joint Bookrunner reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in these Terms and Conditions or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement will take place on 5 July 2022 in accordance with the instructions set out in the contract note.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of 4 percentage points above the prevailing LIBOR rate as determined by the relevant Bookrunner.

Each Placee is deemed to agree that, if it does not comply with these obligations, the relevant Bookrunner may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for that Bookrunner's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the relevant Bookrunner on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the relevant Bookrunner such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which that Bookrunner lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the form of confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither of the Joint Bookrunners nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations, Warranties and Further Terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and each Joint Bookrunner:

1. that it has read and understood this Announcement, including these Terms and Conditions, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained therein and undertakes not to redistribute or duplicate this Announcement;
2. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
3. that the exercise by the Joint Bookrunners of any right or discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and the Joint Bookrunners need not

have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Joint Bookrunners or the Company, or any of their respective officers, directors, employees agents or advisers, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;

4. that these terms and conditions represent the whole and only agreement between it, the relevant Bookrunner and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in the Exchange Information (including this Announcement), such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Each Placee agrees that neither the Company, the Joint Bookrunners nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
5. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation and Article 5(1) of the Prospectus Regulation (as it forms part of domestic UK law pursuant to the EUWA), (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area which has implemented the Prospectus Regulation or the UK, respectively, other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA, or the UK respectively, other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation or the Prospectus Regulation (as it forms part of domestic UK law pursuant to the EUWA) (as the case may be) as having been made to such persons;
6. that neither it nor, as the case may be, its clients expect the Joint Bookrunners to have any duties or responsibilities to such persons similar or comparable to the duties of “best execution” and “suitability” imposed by the FCA's Conduct of Business Source Book, and that the Joint Bookrunners are not acting for it or its clients, and that the Joint Bookrunners will not be responsible for providing the protections afforded to customers of the Joint Bookrunners or for providing advice in respect of the transactions described in this Announcement;
7. that it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and that it shall not be entitled to rely upon any material regarding the Placing Shares or the Company (if any) that the Joint Bookrunners (or either of them) or the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, other than the information in the Exchange Information (including this Announcement); nor has it requested any of the Joint Bookrunners, the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
8. that it understands and accepts that, without the prior written approval of the TSXV and compliance with all applicable Canadian securities laws, the Placing Shares may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSXV or otherwise in Canada or to

or for the benefit of a Canadian resident until the date that is four months and a day after the date of issuance of such Placing Shares;

9. that it is: (i) located outside the United States and is not a US Person as defined in Regulation S under the U.S. Securities Act ("**Regulation S**") and is subscribing for and/or purchasing the Placing Shares only in "offshore transactions" as defined in and pursuant to Regulation S, and (ii) it is not subscribing for and/or purchasing Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or by means of any form of "general solicitation" or "general advertising" as such terms are defined in Regulation D under the U.S. Securities Act;
10. that the Placing Shares have not been and will not be registered under the U.S. Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and accordingly the Placing Shares may not be offered, sold, pledged, resold, transferred, delivered or distributed into or within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom;
11. that neither the Joint Bookrunners or the Company or any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information;
12. that, unless specifically agreed with the relevant Bookrunner, it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States or any US Person at the time the undertaking to subscribe for and/or purchase Placing Shares was given and it is not acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States or to any US Person and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;
13. that it is not a national or resident of Canada, Australia, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, New Zealand, the Republic of South Africa or Japan and that it will not (unless an exemption under the relevant securities laws is applicable) offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, New Zealand, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, New Zealand, the Republic of South Africa or Japan and each Placee acknowledges that the relevant clearances or exemptions are not being obtained from the Securities Commission of any province or territory of Canada, that no prospectus has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission, the Securities Commission of New Zealand, the Japanese Ministry of Finance or the South African Reserve Bank and that the Placing Shares are not being offered for sale and may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, New Zealand, Canada, Japan or South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful;
14. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
15. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or

offering materials concerning the Placing or the Placing Shares to any persons within the United States or to any US Persons;

16. that it is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Joint Bookrunners (or either of them) or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
17. that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for and/or purchase the Placing Shares and to perform its subscription and/or purchase obligations;
18. that where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in these Terms and Conditions; and (c), if applicable, to receive on its behalf any investment letter relating to the Placing in the form provided to it by the relevant Bookrunner;
19. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49(2)(A) to (D) (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated;
20. that, unless otherwise agreed by the relevant Bookrunner, it is a Qualified Investor;
21. that, unless otherwise agreed by the relevant Bookrunner, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
22. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
23. that any money held in an account with the relevant Bookrunner (or its nominee or agent) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from the Bookrunner's (or its nominee's or agent's) money in

accordance with such client money rules and will be used by the relevant Bookrunner in the course of its own business and each Placee will rank only as a general creditor of the relevant Bookrunner;

24. that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Common Shares in accordance with the Articles (which incorporate by reference the requirements of Chapter 5 of the Disclosure Guidance and Transparency Rules of the FCA);
25. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;
26. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission becomes effective;
27. that it appoints irrevocably any director of the relevant Bookrunner as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
28. that this Announcement does not constitute a securities recommendation or financial product advice and that neither of the Joint Bookrunners nor the Company has considered its particular objectives, financial situation and needs;
29. that it has sufficient knowledge, sophistication and experience in financial, business and investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
30. that it will indemnify and hold the Company, each Joint Bookrunner and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in these Terms and Conditions and further agrees that the Company and each of the Joint Bookrunners will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the relevant Bookrunner and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement (including the Terms and Conditions) are given to each Joint Bookrunner for itself and on behalf of the Company and will survive completion of the Placing and Admission;
31. that time shall be of the essence as regards obligations pursuant to these Terms and Conditions;
32. that it is responsible for obtaining any legal, financial, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or either of the Joint Bookrunners to provide any legal, financial, tax or other advice to it;
33. that all dates and times in this Announcement (including these Terms and Conditions) may be subject to amendment and that the relevant Bookrunner shall notify it of such amendments;
34. that (i) it has complied with its obligations under the Criminal Justice Act 1993 and MAR, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering and Terrorist Financing Regulations 2019 and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of

Foreign Assets Control of the U.S. Department of the Treasury or the United States Department of State; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the “**Regulations**”); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the relevant Bookrunner such evidence, if any, as to the identity or location or legal status of any person which that Bookrunner may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the relevant Bookrunner on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for and/or purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the relevant Bookrunner may decide in its absolute discretion;

35. that it will not make any offer to the public within the meaning of the Prospectus Regulation of those Placing Shares to be subscribed for and/or purchased by it;
36. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;
37. that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the relevant Bookrunner in any jurisdiction in which the relevant Placee is incorporated or in which its assets are located or any of its securities have a quotation on a recognised stock exchange;
38. that any documents sent to Placees will be sent at the Placees' risk and that they may be sent by post to such Placees at an address notified to the relevant Bookrunner;
39. that the Joint Bookrunners owe no fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
40. that a Bookrunner or its respective affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;
41. that no prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing; and

42. that if it has received any confidential price sensitive information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available.

The Company, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Company and the Joint Bookrunners and are irrevocable.

The provisions of these Terms and Conditions may be waived, varied or modified as regards specific Placees or on a general basis by the relevant Bookrunner.

The agreement to settle a Placee's subscription and/or purchase (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares (via Depositary Interests) in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company or the Joint Bookrunners will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Joint Bookrunners in the event that any of the Company and/or the Joint Bookrunners have incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the relevant Bookrunner accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

The Exchange Information has been issued by, and is the sole responsibility, of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of the Exchange Information (including this Announcement) or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Canaccord Genuity Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and no one else in connection with the Placing and Admission, and Canaccord will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or Admission or any other matters referred to in this Announcement.

H&P Advisory Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and no one else in connection with the Placing and Admission, and H&P will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or Admission or any other matters referred to in this Announcement.

Neither of Canaccord or H&P nor any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions contained in the Exchange Information (or whether any information has been omitted from it) or any other information relating to the Company, its

subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the Exchange Information or its contents or otherwise arising in connection therewith and any liability therefore is expressly disclaimed.

Definitions

In this Announcement (including the Terms and Conditions), the following words and expressions shall (save where the context otherwise requires) have the following meanings:

“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, published by London Stock Exchange from time to time
“Announcement”	this announcement (including the Appendix which forms part of this announcement)
“Articles”	the articles of continuance and by-laws of the Company from time to time
“Bookbuild”	the bookbuilding to be conducted by the Joint Bookrunners pursuant to the Placing Agreement and this Announcement, including the Terms and Conditions
“Bought Deal Engagement Letter”	the engagement letter between the Company and Eight Capital in respect of the Prospectus Offering
“Canaccord”	Canaccord Genuity Limited
“Common Shares”	common shares of no par value in the capital of the Company
“Company” or “Southern”	Southern Energy Corp.
“Depositary Interests”	depositary interests representing the Common Shares
“EEA”	the European Economic Area
“Eight Capital”	a partnership formed pursuant to the laws of Canada
“EUWA”	the European Union (Withdrawal) Act 2018, as amended
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act, as amended
“Group”	the Company and its subsidiaries and subsidiary undertakings
“Group Company”	a member of the Group
“H&P”	H & P Advisory Limited
“Joint Bookrunners” or “Joint Brokers”	H&P and Canaccord and “Bookrunner” and “Broker” shall be construed accordingly
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the Market Abuse Regulation (2014/596/EU) (as it forms part of UK domestic law by virtue of the EUWA)
“Offering”	the proposed offering of Common Shares to raise aggregate gross proceeds of approximately US\$30.0 million by way of the Prospectus Offering and the Placing
“Placees”	a person who has agreed to subscribe for Placing Shares at the Placing Price;

<i>“Placing”</i>	the proposed placing by the Joint Bookrunners, on behalf of the Company, of the Placing Shares on the terms and subject to the conditions set out in this Announcement (including these Terms and Conditions) and the Placing Agreement at the Placing Price
<i>“Placing Agreement”</i>	the agreement between the Joint Bookrunners and the Company in respect of the Placing
<i>“Placing Price”</i>	54.5 pence per Placing Share
<i>“Placing Shares”</i>	the new Common Shares to be allotted and issued by the Company pursuant to the Placing
<i>“Preliminary Prospectus”</i>	the Company's preliminary short form prospectus in connection with the Prospectus Offering
<i>“Prospectus Offering”</i>	the Company's proposed underwritten bought deal prospectus offering of Prospectus Shares at the Prospectus Price
<i>“Prospectus Price”</i>	C\$0.87 per Prospectus Share
<i>“Prospectus Shares”</i>	the new Common Shares to be allotted and issued by the Company pursuant to the Prospectus Offering
<i>“Regulation S”</i>	Regulation S under the U.S. Securities Act
<i>“Regulatory Information Service”</i>	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
<i>“TSXV”</i>	the TSX Venture Exchange
<i>“TSXV Rules”</i>	the rules and policies of the TSXV, including the TSXV Corporate Finance Manual and related staff notices
<i>“Underwriters”</i>	the syndicate of underwriters led by Eight Capital
<i>“Underwriting Agreement”</i>	the underwriting agreement between the Company and the Underwriters with respect to the Prospectus Offering
<i>“United States”</i>	the United States, including its territories and possessions, any state of the United States and the District of Columbia
<i>“US Person”</i>	has the meaning given that term in Regulation S
<i>“U.S. Securities Act”</i>	the United States Securities Act of 1933, as amended
<i>“C\$”</i>	Canadian dollars, the lawful currency of Canada
<i>“£”, “pounds sterling”, “pence” or “p”</i>	are references to the lawful currency of the United Kingdom
<i>“US\$”</i>	United States dollars, the lawful currency of the United States of America