

Extractive Sector Transparency Measures Act - Annual Report



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|---|------------------------|--|------------|------------|-----------------------|-----------|
| Reporting Entity Name | Sitka Exploration Ltd. | | | | | |
| Reporting Year | From | 1/1/2020 | To: | 12/31/2020 | Date submitted | 5/21/2021 |
| Reporting Entity ESTMA Identification Number | E197184 | <input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report | | | | |

Other Subsidiaries Included
(optional field)

Not Consolidated

Not Substituted

Attestation by Reporting Entity

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

| | | | |
|---|--------------------------------|-------------|-----------|
| Full Name of Director or Officer of Reporting Entity | Greg Jerome | Date | 5/21/2021 |
| Position Title | Chief Financial Officer | | |

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|---|------------------------|----------|------------|-------------------------------|-----|
| Reporting Year | From: | 1/1/2020 | To: | 12/31/2020 | |
| Reporting Entity Name | Sitka Exploration Ltd. | | | Currency of the Report | CAD |
| Reporting Entity ESTMA Identification Number | E197184 | | | | |
| Subsidiary Reporting Entities (if necessary) | | | | | |

Payments by Payee

| Country | Payee Name ¹ | Departments, Agency, etc... within Payee that Received Payments ² | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid to Payee | Notes ³⁴ |
|-----------------|--|--|---------|-----------|---------|-------------------------|---------|-----------|-------------------------------------|----------------------------|---|
| Canada -Alberta | County of Mountain View | | 370,334 | | | | | | | 370,334 | Payments relate to property taxes. |
| Canada -Alberta | County of Clearwater | | 504,305 | | 22,855 | | | | | 527,160 | Payments relate to property taxes, and administrative fees. |
| Canada -Alberta | County of Red Deer | | 54,537 | | | | | | | 54,537 | Payments relate to property taxes. |
| Canada -Alberta | North East Burnstick Grazing Association | | | | 6,000 | | | | | 6,000 | Payments relate to surface rental payments. |
| Canada -Alberta | Government of Alberta | | | 922,233 | 367,805 | | | | | 1,290,038 | Royalties includes production volume taken in-kind as royalties and are valued at \$479,000 which is the fair market value based on Sitka's realized sales price. With respect to royalties taken in kind, Sitka has reported on behalf of all non-operated working interest holders. Fee payments relate to surface rentals, and administrative fees. |
| Canada -Alberta | City of Calgary | | | | 4,279 | | | | | 4,279 | Payments to the Government of Alberta include: Alberta Boilers Safety Association, Alberta Energy, Alberta Energy Regulator, Alberta Petroleum Marketing Commission, Alberta Registry, Government of Alberta, Minister of Finance, and Workers' Compensation Board of Alberta. Payments relate to administrative fees. |
| Canada | Canada Revenue Agency | | 5,342 | | | | | | | 5,342 | Payments to the City of Calgary include: Calgary Airport Authority, Calgary Parking Authority, Calgary Transit, and City of Calgary. Payments relate to taxes on non-resident surface rental payments. |

Additional Notes: Payments reported in the Schedules reflect the gross amounts paid directly by Sitka in its capacity as operator, on its own behalf and/or on behalf of its partners. Amounts paid by third party operators in respect of the Company's non-operated interests are not included in reportable payments.

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|---|------------------------|-----------------------|-----------------------------------|
| Reporting Year | From: 1/1/2020 | To: 12/31/2020 | Currency of the Report CAD |
| Reporting Entity Name | Sitka Exploration Ltd. | | |
| Reporting Entity ESTMA Identification Number | E197184 | | |
| Subsidiary Reporting Entities (if necessary) | | | |

Payments by Project

| Country | Project Name ¹ | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes ²³ |
|---------|---------------------------|---------|-----------|---------|-------------------------|---------|-----------|-------------------------------------|------------------------------|--|
| Canada | Sitka CGU | 934,518 | 922,233 | 400,939 | | | | | 2,257,690 | Royalties includes production volume taken in-kind as royalties and are valued at \$479,000 which is the fair market value based on Sitka's realized sales price. With respect to royalties taken in kind, Sitka has reported on behalf of all non-operated working interest holders. Taxes relate to property taxes. Fees relate to mineral and surface lease rentals and administrative & regulatory fees. |

Additional Notes³:

Payments reported in the Schedules reflect the gross amounts paid directly by Sitka in its capacity as operator, on its own behalf and/or on behalf of its partners. Amounts paid by third party operators in respect of Sitka's non-operated interests are not included in reportable payments.

Sitka has aligned its projects for ESTMA reporting with its cash generating units ("CGUs") determined for financial reporting purposes in accordance with International Financial Reporting Standards ("IFRS"). The CGU represent Sitka's upstream exploration and production activities that are substantially interconnected operationally and/or geographically. As at December 31, 2020, the Company had one CGU for its assets located in West Central Alberta.