

PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 3:00 P.M. (CALGARY TIME) ON OCTOBER 2, 2024.

This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

*This is the circular we referred to in the August 27, 2024 rights offering notice (the “**Rights Offering Notice**”), which you should have already received. Your DRS Advice (as defined herein) and relevant forms were enclosed with the Rights Offering Notice. This circular should be read in conjunction with the Rights Offering Notice and our continuous disclosure prior to making an investment decision.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the “United States” (as defined in Regulation S under the U.S. Securities Act). This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in, or exercised in, the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.*

Rights Offering Circular

August 27, 2024



PIERIDAE ENERGY LIMITED

OFFERING OF RIGHTS TO SUBSCRIBE FOR UP TO 122,549,019 COMMON SHARES

Price: \$0.2448 per Common Share

SUMMARY OF THE RIGHTS OFFERING

References in this circular to we, our, us and similar terms mean to Pieridae Energy Limited (“**Pieridae**” or the “**Corporation**”). References in this circular to you, your and similar terms mean to holders of Pieridae’s common shares (“**Common Shares**”). Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars and references to “USD” mean United States dollars.

Why are you reading this circular?

We are issuing to the holders (“**Shareholders**”) of our outstanding Common Shares of record at the close of business on September 9, 2024 (the “**Record Date**”) and who are resident in a province or territory of Canada (“**Eligible Jurisdictions**”), rights (“**Rights**”) to subscribe for Common Shares on the terms described in this circular (the “**Rights Offering**”). The purpose of this circular is to provide you with detailed information about your rights and obligations in respect of this Rights Offering. This circular should be read in conjunction with the Rights Offering Notice which you should have already received by mail.

What is being offered?

Each holder of the Corporation’s Common Shares on the Record Date who is resident in an Eligible Jurisdiction will receive one Right for each Common Share held.

What does one Right entitle you to receive?

Each whole Right entitles you to subscribe for 0.71286 of a Common Share upon payment of the Subscription Price (as defined herein) (the “**Basic Subscription Privilege**”). Holders will need to exercise 1.4028 Rights and pay the Subscription Price to acquire one Common Share. No fractional Common Shares will be issued. If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe *pro rata* for Common Shares (the “**Additional Common Shares**”) not otherwise purchased, if any, pursuant to the Basic Subscription Privilege (the “**Additional Subscription Privilege**”).

What is the subscription price?

Payment in the amount of \$0.2448 (the “**Subscription Price**”) is required to subscribe for each Common Share. On August 26, 2024 being the last trading day prior to announcement of the Rights Offering, the closing price of the Common Shares on the Toronto Stock Exchange (the “**TSX**”) was \$0.32. The 20-day average of the closing prices of the Common Shares on the TSX to August 26, 2024 was \$0.34 per Common Share.

When does the offer expire?

The offer expires at 3:00 p.m. (Calgary time) on October 2, 2024 (the “**Expiry Time**”).

What are the significant attributes of the Rights issued under the Rights Offering and the Common Shares to be issued upon the exercise of Rights?

Each Right entitles you to subscribe for 0.71286 of a Common Share at the Subscription Price. Pieridae is authorized to issue an unlimited number of Common Shares, of which, as at the date hereof, 171,911,336 Common Shares are issued and outstanding.

The holders of the Common Shares are entitled to receive notice of and to attend all meetings of Shareholders of the Corporation and are entitled to one vote in respect of each Common Share held. The holders of the Common Shares are entitled to dividends, if and when declared by the board of directors of the Corporation, and to the distribution of the residual assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation.

What are the minimum and maximum number or amount of Common Shares that may be issued under the Rights Offering?

There is no minimum offering. However, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreement (as defined herein), the commitments provided therein will ensure that the Corporation realizes gross proceeds under the Rights Offering of at least \$25,000,000. In the event that the conditions precedent to the Standby Purchase Agreement are not satisfied or waived, the Corporation will not receive any funds from the Standby Purchaser (as defined herein) and the Rights Offering will not be completed. In such circumstances, Odyssey Trust Company (the “**Subscription Agent**”) will return all subscription funds delivered by subscribers without interest or deduction.

A maximum of 122,549,019 Common Shares will be issued under the Rights Offering.

Where will the Rights and the Common Shares issuable upon exercise of the Rights be listed for trading?

The Corporation’s Common Shares are listed on the TSX under the trading symbol “PEA”.

The Rights will trade on the TSX under the trading symbol “PEA.RT” until 10:00 a.m. (Calgary time) on October 2, 2024.

FORWARD-LOOKING INFORMATION

This circular contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are

forward-looking information. This forward-looking information reflects our current expectations or beliefs based on information currently available to us. Forward-looking information in this circular includes, without limitation, statements with respect to: our expectations regarding the successful completion of the Rights Offering; the availability of the Additional Subscription Privilege; the acceptance by the Corporation of Ineligible Holders (as defined herein) for participation in the Rights Offering; the estimated costs of the Rights Offering and the net proceeds to be available upon completion; the listing and trading of the Common Shares and the Rights on the TSX; our expectations regarding insider participation in the Rights Offering; the impact of the Rights Offering on control of Pieridae; the anticipated number of Common Shares to be issued under the Rights Offering and expected dilution to Shareholders who do not participate in the Rights Offering; our expectations with respect to shareholder approval of the Rights Offering; the satisfaction or waiver of closing conditions to the Standby Purchase Agreement; the fulfilment of the Standby Commitment by the Standby Purchaser (each as defined herein); the entering into of the Investor Rights Agreement and Registration Rights Agreement (each as defined herein) with the Standby Purchaser; the use of proceeds from the Rights Offering; our expectations regarding the sufficiency of our working capital; the availability of funds from sources other than the Rights Offering; the Corporation's anticipated operating results and funds flow from operations; the trigger of anti-dilution provisions under the Erikson Warrants (as defined herein); and our expectations with respect to the timing of the Rights Offering, including the Expiry Time, the date of de-listing of Rights from the TSX and the expected closing date of the Rights Offering.

Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, the risks associated with oil and gas exploration, development, exploitation, production, processing, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of resources estimates, environmental risks, competition from other producers, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals, ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" in the Corporation's annual information form for the year ended December 31, 2023.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements, but which may prove to be incorrect. Although Pieridae believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Pieridae can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Pieridae operates; the timely receipt of any required regulatory approvals; the ability of Pieridae to obtain and retain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects which Pieridae has an interest in to operate the field in a safe, efficient and effective manner; the ability of Pieridae to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas resources through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of Pieridae to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Pieridae operates; timing and amount of capital expenditures; future sources of funding; production levels; weather conditions; success of exploration and development activities; access to gathering, processing and pipeline systems; advancing technologies; and the ability of Pieridae to successfully market its oil and natural gas products.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Pieridae's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca), and at Pieridae's website (www.pieridaeenergy.com).

Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and Pieridae assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements contained herein concerning the oil and gas industry and Pieridae’s general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which Pieridae believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Pieridae is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

NEITHER THIS RIGHTS OFFERING NOR THE COMMON SHARES ISSUABLE IN CONNECTION WITH THIS RIGHTS OFFERING HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE OF THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THIS RIGHTS OFFERING OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS RIGHTS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Rights and Common Shares issuable upon exercise of the Rights have not been and will not be registered under the U.S. Securities Act or applicable state securities laws. The Rights and the Common Shares issuable upon the exercise of the Rights may not be offered or re-offered or sold or re-sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act. Any Shareholder that is a U.S. resident cannot participate in the Rights Offering (and exercises of Rights by Ineligible Holders (as defined herein), including holders resident in the U.S., will not be accepted) unless such Shareholder executes such documentation as Pieridae may require to demonstrate compliance with applicable securities laws. See “How to Exercise the Rights – Who is Eligible to Receive the Rights” below.

USE OF AVAILABLE FUNDS

What will our available funds be upon closing of the Rights Offering?

Pieridae estimates it will have the following available funds (the “Available Funds”) upon closing of the Rights Offering:

		Assuming Standby Commitment only ⁽¹⁾	Assuming 100% of the Rights Offering (through the exercise of Rights and/or the Standby Commitment) ⁽¹⁾
A	Amount to be raised by this offering	\$25,000,000	\$30,000,000
B	Selling commissions and fees	\$700,000	\$900,000
C	Estimated offering costs (e.g., legal, accounting, audit)	\$400,000	\$400,000
D	Available funds: D = A – (B+C)	\$23,900,000	\$28,700,000
E	Additional sources of funding required	\$nil	\$nil
F	Working capital as of July 31, 2024 (deficiency) ⁽²⁾	\$3,000,000	\$3,000,000
G	Total: G = D + E + F	\$26,900,000	\$31,700,000

(1) Pursuant to the Standby Purchase Agreement, the Standby Purchaser has agreed to purchase from the Corporation, at the Subscription Price, up to an aggregate maximum of 102,124,183 Common Shares, so that the minimum amount of proceeds raised by the Rights Offering will be \$25,000,000. See “Standby Commitment” for more information.

- (2) Working capital calculated as current assets less current liabilities adjusted to include \$4,480,000 proceeds received on August 2, 2024 from the previously announced private placement to the Standby Purchaser and \$12,000,000 proceeds received on August 1, 2024 from the disposition of the Corporation's Goldboro assets.

How will we use the available funds?

The Available Funds will be used to fund each of the principal purposes set out in the table below:

Description of intended use of Available Funds listed in order of priority ⁽¹⁾	Assuming Standby Commitment only ⁽²⁾	Assuming 100% of the Rights Offering (through the exercise of Rights and/or the Standby Commitment) ⁽²⁾
Repayment of existing indebtedness ⁽³⁾	\$8,000,000	\$8,000,000
Working capital and general corporate purposes	\$6,000,000	\$6,000,000
Debottlenecking and Optimization Projects ⁽⁴⁾	\$12,900,000	\$17,700,000
Total use of available funds	\$26,900,000	\$31,700,000

- (1) See Row D of the table under "Use of Available Funds – What will our available funds be upon closing of the Rights Offering?" for the determination of Available Funds.
- (2) See "Standby Commitment" for more information.
- (3) As previously announced on June 15, 2023, the Corporation's wholly-owned subsidiary, Pieridae Alberta Production Ltd., completed a debt refinancing transaction resulting in new credit facilities with Prudential Private Capital and Voya Investment Management, including a USD \$25,000,000 revolving term loan (the "Revolving Loan"). The Corporation intends to use approximately \$8,000,000 of the Available Funds to repay amounts outstanding under the Revolving Loan.
- (4) Refers to a collection of commercial, facility, reactivation and workover projects (the "Debottlenecking and Optimization Projects").

The above use of the Available Funds reflects Pieridae's current intentions based on information currently available to it and current circumstances, economic and otherwise. The actual use of the Available Funds may vary depending on operational and capital needs and the Corporation's progress on the Debottlenecking and Optimization Projects from time to time. The Available Funds will be used by Pieridae in furtherance of its business and consistent with its business objectives. Pieridae will reallocate funds only for sound business reasons.

How long will the Available Funds last?

Pieridae's management expects the Available Funds to be sufficient to cover the Corporation's anticipated expenses for more than the next 12 months, and, together with ongoing funds flow from operations, to adequately meet planned growth and development activities over the same period, including the Debottlenecking and Optimization Projects.

INSIDER PARTICIPATION

Will insiders be participating?

The Corporation believes that its directors and officers, as well as certain Shareholders that beneficially own, directly or indirectly, control or direct more than 10% of the issued and outstanding Common Shares, may exercise their Rights to purchase Common Shares under their Basic Subscription Privilege; however, the number of Rights that may be exercised by such insiders of the Corporation cannot be ascertained as at the date of this circular.

This reflects the intentions of such "insiders" (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Corporation, but such insiders may alter their intentions before the Expiry Time. No assurance can be given that the respective insiders will exercise their Rights.

As of the date hereof, Alberta Investment Management Corporation (the “**Standby Purchaser**”) beneficially owns, directly or indirectly, or has control or direction over 34,366,846 Common Shares, representing approximately 19.99% of the issued and outstanding Common Shares as of the date hereof on a non-diluted basis. The Standby Purchaser has agreed, upon and subject to the terms and conditions of the Standby Purchase Agreement, to purchase 24,498,749 Common Shares under its Basic Subscription Privilege. In addition thereto, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreement, the Standby Purchaser has agreed to purchase from the Corporation at the Subscription Price any Common Shares not issued upon exercise of the Rights under the Rights Offering (after giving effect to all exercises of the Basic Subscription Privilege and the Additional Subscription Privilege by Eligible Holders) (the “**Unsubscribed Shares**”) up to an aggregate maximum number of Unsubscribed Shares equal to 102,124,183 Common Shares less the aggregate number of Common Shares purchased by the Standby Purchaser pursuant to its Basic Subscription Privilege and, if applicable, its Additional Subscription Privilege (the “**Standby Maximum**”). See “*Standby Commitment*” below for more information.

The Corporation does not expect that Shareholder approval will be required if any new control person is created through the exercise of Rights pursuant to the Rights Offering or fulfilment of the Standby Commitment (as defined herein) given that the Subscription Price is at a “significant discount” to the closing price of the Common Shares on the TSX on August 26, 2024.

Who are the holders of 10% or more of our Common Shares before and after the Rights Offering?

To the knowledge of the Corporation, after reasonable inquiry, as at the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares other than as set out below:

Name	Holdings before the Rights Offering⁽¹⁾	Holdings after the Rights Offering⁽²⁾
Alberta Investment Management Corporation	34,366,846 (19.99%)	136,491,029 (49.81%)
Erikson National Energy Inc.	23,255,813 (13.53%)	23,255,813 8.49%
Electron Capital Partners LLC	20,650,440 (12.01%)	20,650,440 (7.54%)

(1) On a non-diluted basis. Based on 171,911,336 Common Shares outstanding as of the date of this circular. Information as to the number and percentage of Common Shares beneficially owned, directly or indirectly, controlled or directed, by such Shareholders, is not within the direct knowledge of the Corporation and has been obtained from the System for Electronic Disclosure by Insiders maintained by the Canadian Securities Administrators or furnished by such person.

(2) On a non-diluted basis. Assumes that no Rights are exercised by any person other than the Standby Purchaser and the aggregate maximum of 102,124,183 Common Shares issuable to the Standby Purchaser pursuant to the Standby Purchase Agreement are acquired by the Standby Purchaser. Based on there being 274,035,519 Common Shares issued and outstanding as of the date of the closing of the Rights Offering (171,911,336 Common Shares outstanding as of the date of this circular plus the aggregate maximum 102,124,183 Common Shares issuable pursuant to the Standby Purchase Agreement).

As each of Alberta Investment Management Corporation, Erikson National Energy Inc. and Electron Capital Partners LLC beneficially owns or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Common Shares, each is considered to be a related party of the Corporation under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). However, the Rights Offering is not subject to the related party transaction rules under MI 61-101 based on the exemption in Section 5.1(k) thereof applicable to certain rights offerings.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

If you wish to retain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Common Shares to which you are entitled under the Basic Subscription Privilege. If you fail to do so, your percentage ownership of the Common Shares will be diluted by 41.62%, assuming all 122,549,019 Common Shares are issued under the Rights Offering.

In addition, the Rights Offering will trigger certain anti-dilution rights under Common Share purchase warrants held by Erikson National Energy Inc. ("**Erikson**"). On April 1, 2021, Pieridae granted Erikson warrants (the "**Erikson Warrants**") to purchase 5,000,000 Common Shares at a price of \$0.70 per Common Share. The Erikson Warrants include customary anti-dilution provisions whereby the Corporation is required to make adjustments to the exercise price of the Erikson Warrants and the total number of Common Shares issuable pursuant thereto upon the occurrence of certain events, which anti-dilution provisions will be triggered by the Rights Offering.

STANDBY COMMITMENT

Who is the Standby Purchaser and what are the fees?

We have entered into a standby purchase agreement with the Standby Purchaser dated August 27, 2024 (the "**Standby Purchase Agreement**") with respect to the Rights Offering, pursuant to which the Standby Purchaser has agreed, upon and subject to the terms and conditions thereof, to purchase 24,498,749 Common Shares under its Basic Subscription Privilege. In addition thereto, assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreement, the Standby Purchaser has agreed to purchase from the Corporation, at the Subscription Price, the Unsubscribed Shares up to the Standby Maximum (the "**Standby Commitment**"). Assuming the fulfilment or waiver of all closing conditions to the Standby Purchase Agreement, the Standby Commitment will ensure that the Corporation realizes gross proceeds under the Rights Offering of at least \$25,000,000. There is no fee payable by Pieridae to the Standby Purchaser for providing the Standby Commitment.

The Standby Purchase Agreement contains certain conditions precedent in favour of each of the Corporation and the Standby Purchaser that must be satisfied by October 26, 2024 (the "**Outside Date**"), and if any such conditions precedent are not satisfied (or waived by the applicable party) on or before the Outside Date, the Standby Purchase Agreement may be terminated by the party for which such unsatisfied (and un-waived) conditions precedent are in favour. Additionally, the Standby Purchase Agreement may be terminated by either the Corporation or the Standby Purchaser if the closing of the Rights Offering has not occurred on or before the Outside Date. The Standby Purchase Agreement may also be terminated by the Standby Purchaser if a "Material Adverse Change" (as defined in the Standby Purchase Agreement) occurs with respect to the Corporation.

In the event that the conditions precedent to the Standby Purchase Agreement are not satisfied or waived, the Corporation will not receive any funds from the Standby Purchaser and the Rights Offering will not be completed. In such circumstances, the Subscription Agent will return all subscription funds delivered by subscribers without interest or deduction.

The Corporation is responsible for all expenses related to the Rights Offering, including for greater certainty, all expenses of the Standby Purchaser, whether or not the Rights Offering is completed.

The Standby Purchaser is an "insider" and a "related party" of the Corporation (as such terms are defined under applicable securities laws, including MI 61-101) by virtue of having beneficial ownership of, or control or direction over, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all of the Corporation's outstanding voting securities. However, as noted above, the Rights Offering is exempt from the related party transaction rules under MI 61-101. The Standby Purchaser currently holds 34,366,846 Common Shares and is an Eligible Holder (see "*How to Exercise the Rights – Who is eligible to receive the Rights?*" below for the definition of an Eligible Holder) entitled to a Basic Subscription Privilege of 24,498,749 Common Shares.

The foregoing is a summary of certain terms of the Standby Purchase Agreement and is qualified in its entirety by reference to the full text of the Standby Purchase Agreement, a copy of which will be filed on SEDAR+ and is available electronically under the Corporation's issuer profile at www.sedarplus.ca.

In addition, it is a requirement of the Standby Purchase Agreement that the Corporation and the Standby Purchaser enter into an investor rights agreement (the "**Investor Rights Agreement**") and a registration rights agreement (the "**Registration Rights Agreement**") on closing of the Rights Offering. Pursuant to the Investor Rights Agreement, the Standby Purchaser will be granted, among other things, certain representation rights with respect to the Corporation's board of directors, including the right to designate two representatives for election to the board of directors. The Standby Purchaser's representation rights will terminate at such time that the Standby Purchaser, together with its affiliates, owns or exercises control or direction over less than 10% of the outstanding voting shares of the Corporation. Pursuant to the Registration Rights Agreement, the Standby Purchaser will be granted, among other things, certain registration rights with respect to the issued and outstanding Common Shares, including those purchased pursuant to the Rights Offering and the Standby Purchase Agreement (if any). Such registration rights include, subject to certain restrictions and limitations, the right to require that the Corporation facilitate the resale of Common Shares held by the Standby Purchaser or its affiliates by way of prospectus offering or otherwise and the right to participate in any prospectus offering initiated by the Corporation or another Shareholder.

The foregoing is a summary of certain terms of the Investor Rights Agreement and Registration Rights Agreement and is qualified in its entirety by reference to the full text of such agreements, copies of which will be filed on SEDAR+ on or about the closing of the Rights Offering under the Corporation's issuer profile at www.sedarplus.ca.

Have we confirmed that the Standby Purchasers have the financial ability to carry out the Standby Commitment?

Yes. Upon reasonable inquiry Pieridae has confirmed that the Standby Purchaser has the financial ability to carry out the Standby Commitment.

What are the security holdings of the Standby Purchaser before and after the Rights Offering?

Name	Holdings before the Rights Offering⁽¹⁾	Holdings after the Rights Offering if the Standby Purchaser takes up the entire Standby Commitment⁽¹⁾⁽²⁾
Alberta Investment Management Corporation	34,366,846 (19.99%)	136,491,029 (49.81%)

(1) Based on 171,911,336 Common Shares outstanding as of the date of this circular.

(2) Represents the Standby Purchaser's holdings after giving effect to the Rights Offering if the Standby Purchaser exercises its Basic Subscription Privilege and takes up the entire Standby Commitment and no other holders of Rights exercise their Rights to subscribe for Common Shares.

MANAGING OR SOLICITING DEALER

Who is the managing or soliciting dealer and what are its fees?

No managing or soliciting dealer has been appointed, and Pieridae will not pay any fees to brokers or anyone else for soliciting the exercise of Rights.

HOW TO EXERCISE THE RIGHTS

Subscriptions for Common Shares made in connection with this Rights Offering either directly or through a Participant (as defined herein) will be irrevocable. However, in the event the Rights Offering is terminated prior to the closing date for the Rights Offering, including in the event the Corporation does not receive funds from the Standby Purchaser or the Standby Purchase Agreement is otherwise terminated, the Subscription Agent will

return all subscription funds delivered by subscribers without interest or deduction, whether under the Basic Subscription Privilege or Additional Subscription Privilege.

Who is eligible to receive the Rights?

The Rights are offered only to Shareholders resident in Eligible Jurisdictions (“**Eligible Holders**”). Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to our satisfaction. This Rights Offering circular is not to be construed as an offering of the Rights, or the Common Shares issuable upon exercise of the Rights, for sale in any jurisdiction outside the Eligible Jurisdictions, including the United States (an “**Ineligible Jurisdiction**”), or to Shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (“**Ineligible Holders**”), or a solicitation therein of an offer to buy any securities therein or thereto. This Rights Offering circular will not be delivered to any Ineligible Holder resident in the United States, and Rights may not be exercised by or on behalf of an Ineligible Holder, unless such Ineligible Holder satisfies us that it is an Approved Eligible Holder, as provided below. Instead, Ineligible Holders will be sent: (1) a letter advising them that their Rights will be held by the Subscription Agent, who will hold such Rights as agent for the benefit of all such Ineligible Holders; and (2) an exempt purchaser status certificate (the “**Exempt Purchaser Status Certificate**”), whereby an Ineligible Holder can confirm that the delivery of their DRS Advice, and the exercise of their Rights, is lawful and complies with all applicable securities and other laws in the jurisdiction in which the Ineligible Holder resides.

An Ineligible Holder that satisfies us that such offering to and subscription by such holder or transferee is lawful and in compliance with all applicable securities and other laws (including, without limitation, by delivering an Exempt Purchaser Status Certificate) (each an “**Approved Eligible Holder**”) may have its DRS Advice issued and forwarded by the Subscription Agent upon direction from us. The Subscription Agent will hold the Rights until September 22, 2024 (10 days prior to the Expiry Time), in order to give the beneficial holders an opportunity to claim the DRS Advice by satisfying us that they are an Approved Eligible Holder. Following such date, the Subscription Agent for the account of Ineligible Holders will, prior to the Expiry Time, attempt to sell the Rights allocable to such Ineligible Holders and evidenced by DRS Advices in the possession of the Subscription Agent on such date or dates and at such price or prices as the Subscription Agent shall determine in its sole discretion.

No charge will be made for the sale of Rights by the Subscription Agent except for a proportionate share of any brokerage commissions incurred by the Subscription Agent and the costs of or incurred by the Subscription Agent in connection with the sale of the Rights. Registered Ineligible Holders will not be entitled to instruct the Subscription Agent in respect of the price or the time at which the Rights are to be sold. The Subscription Agent will endeavour to effect sales of Rights on the open market and any proceeds received by the Subscription Agent with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a *pro rata* basis among such registered Ineligible Holders and delivered by mailing cheques in Canadian funds as soon as practicable to such registered Ineligible Holders at their addresses recorded on the Corporation’s books. Amounts of less than \$10.00 will not be remitted. The Subscription Agent will act in its capacity as agent of the registered Ineligible Holders on a best efforts basis only and we and the Subscription Agent do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any registered Ineligible Holder. Neither we nor the Subscription Agent will be subject to any liability for the failure to sell any Rights of registered Ineligible Holders or as a result of the sale of any Rights at a particular price or on a particular day. There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Subscription Agent in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.

Holders of Rights should be aware that the acquisition and disposition of Rights or Common Shares may have tax consequences in Canada as well as the jurisdiction where they reside, which are not described herein. Accordingly, holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Rights or Common Shares having regard to their particular circumstances.

How does a security holder that is a registered holder participate in the Rights Offering?

If you are a registered Eligible Holder, a statement issued by the Subscription Agent under the direct registration system (a “**DRS Advice**”) representing the total number of transferable Rights to which you are entitled as at the Record Date has been mailed to you with a copy of the Rights Offering Notice. To exercise the Rights represented

by the DRS Advice, you must complete the subscription form attached to the DRS Advice (the “**Subscription Form**”) and deliver the DRS Advice and Subscription Form in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights and delivery to the Subscription Agent will only be effective when actually received by the Subscription Agent. DRS Advices with the accompanying Subscription Form and payments received after the Expiry Time will not be accepted.

In order to exercise your Rights you must:

1. **Basic Subscription Privilege.** Complete Section (a) of Form 1 on the Subscription Form to exercise Rights under the Basic Subscription Privilege. The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown on the face of the DRS Advice. If you exercise some but not all of the Rights exercisable under the Basic Subscription Privilege, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Subscription Agent at the time the DRS Advice and Subscription Form are surrendered to the Subscription Agent.
2. **Additional Subscription Privilege.** Complete Section (b) of Form 1 on the Subscription Form only if you also wish to participate in the Additional Subscription Privilege (see “*What is the Additional Subscription Privilege and how can you exercise this privilege?*” below).
3. **Sign Form 2.** Complete and sign Form 2 on the Subscription Form.
4. **Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of “Odyssey Trust Company, as Rights Agent”.** To exercise the Rights you must pay \$0.2448 per Common Share. In addition to the amount payable for any Common Shares you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Common Shares subscribed for under the Additional Subscription Privilege.
5. **Delivery.** Deliver or mail the DRS Advice with the completed Subscription Form and payment in the enclosed return envelope addressed to the Subscription Agent so that it is received by the Subscription Agent before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery. The address for the Subscription Agent is as follows:

Odyssey Trust Company
Trader’s Bank Building
702 – 67 Yonge Street
Toronto, Ontario M5E 1J8
Attn: Corporate Actions

The signature on the Subscription Form must correspond in every particular with the name that appears on the face of the DRS Advice.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Subscription Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will we be liable for the failure to give any such notice.

If a holder of Rights has any questions with respect to the proper exercise of Rights, such holder should contact the Subscription Agent by mail at Odyssey Trust Company, Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Corporate Actions; or toll-free by telephone at 1-587-885-0960 (North America); or by email at corp.actions@odysseytrust.com.

How does a security holder that is not a registered holder participate in the Rights Offering?

You are a beneficial Eligible Holder if: (i) you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”); and (ii) you are resident in an Eligible Jurisdiction. The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. Beneficial Eligible Holders who do not receive such confirmation should contact their Participant directly. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Subscription Agent will have any liability for: (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them; (ii) maintaining, supervising or reviewing any records relating to such Rights; or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants. The ability of a person having an interest in Rights held through a Participant to pledge such interest or otherwise take action with respect to such interest (other than through a Participant) may be limited due to the lack of a physical DRS Advice. Holders of Rights that hold such Rights through a Participant must arrange exercises of Rights through their Participant.

If you are a beneficial Eligible Holder:

1. to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant the Subscription Price for each Common Share that you wish to subscribe for; and
2. you may subscribe for Additional Common Shares pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Common Shares you wish to subscribe for and forwarding to such Participant the Subscription Price for such Additional Common Shares requested. Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction (see “*What is the Additional Subscription Privilege and how can you exercise this privilege?*” below).

Participants may not issue Rights to Ineligible Holders.

If a holder of Rights has any questions with respect to the proper exercise of Rights, such holder should contact the Subscription Agent by mail at Odyssey Trust Company, Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Corporate Actions; or toll-free by telephone at 1-587-885-0960 (North America); or by email at corp.actions@odysseytrust.com.

What is the Additional Subscription Privilege and how can you exercise this privilege?

Registered holders of Rights

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for Additional Common Shares that have not been subscribed and paid for pursuant to the Basic Subscription Privilege pursuant to the Additional Subscription Privilege.

If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Privilege in full by completing Section (a) of Form 1 on the Subscription Form for the maximum number of Common Shares that you may subscribe for and also complete Section (b) of Form 1 on the Subscription Form, specifying the number of Additional Common Shares desired. Send the Subscription Price for the Additional Common Shares under the Additional Subscription Privilege (in addition to the Subscription Price payable for the Common Shares purchased under the Basic Subscription Privilege) with your DRS Advice and Subscription Form to the Subscription Agent. The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of “Odyssey Trust Company, as Rights Agent”. These funds will be placed in a

segregated account pending allocation of the Additional Common Shares, with any excess funds being returned by mail without interest or deduction. Interest, if any, earned on such funds will be for our benefit.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege is less than the number of available Additional Common Shares, each such holder of Rights will be allotted the number of Additional Common Shares subscribed for under the Additional Subscription Privilege.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege exceeds the number of available Additional Common Shares, each such holder of Rights will be entitled to receive the number of Additional Common Shares equal to the lesser of:

1. the number of Additional Common Shares subscribed for by the holder under the Additional Subscription Privilege; and
2. the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares available through unexercised Rights by a fraction, the numerator of which is the number of Rights previously exercised by the holder under its Basic Subscription Privilege and the denominator of which is the aggregate number of Rights previously exercised by all holders of Rights under their Basic Subscription Privilege who have subscribed for Additional Common Shares under the Additional Subscription Privilege.

If any Rights holder has subscribed for fewer Additional Common Shares under the Additional Subscription Privilege than such holder's *pro rata* allotment of Additional Common Shares, the excess Additional Common Shares will be allotted in a similar manner among the Rights holders who were allotted fewer Additional Common Shares than they subscribed for under the Additional Subscription Privilege.

As soon as practicable after the Expiry Time, the Subscription Agent will mail to each holder of Rights who completed Section (b) of Form 1 on the Subscription Form, a certificate for the Additional Common Shares which that holder has purchased and shall return to the holder any excess funds paid for the subscription of Additional Common Shares by such holder under the Additional Subscription Privilege, without interest or deduction, in the same currency as the funds received by the Subscription Agent.

Beneficial holders of Rights

If you are a beneficial holder of Rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf.

How does a Rights holder sell or transfer Rights?

Registered holders of Rights

The Rights will trade on the TSX under the trading symbol "PEA.RT" until 10:00 a.m. (Calgary time) on October 2, 2024. If you do not wish to exercise your Rights, you may sell or transfer them directly or through your stockbroker or investment dealer at your expense, subject to any applicable resale restrictions (see "*How to exercise the Rights – Are there restrictions on the resale of securities?*" below). You may elect to exercise a part only of your Rights and dispose of the remainder, or dispose of all your Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Subscription Agent as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

If you wish to transfer your Rights, (a) complete Forms 3, 4 and 5 (collectively, the "**Transfer Forms**") on the Subscription Form; (b) have the signature (i) "Medallion Guaranteed" by a North American bank, broker, investment dealer or other institution under an acceptable STAMP, SEMP, or MSP Medallion Signature Guarantee program, or (ii) "Signature Guaranteed", "Signature and Authority to Sign Guaranteed" or "Endorsement

Guaranteed” by a participating Canadian Schedule 1 bank; and (c) deliver the DRS Advice and Subscription Form to the transferee.

It is not necessary for a transferee to obtain a new DRS Advice and Subscription Form to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Form 2 must correspond in every particular with the name of the transferee shown on the Transfer Forms. If the Transfer Forms are properly completed, Pieridae and the Subscription Agent will treat the transferee (or the bearer if no transferee is specified) as the absolute owner of the DRS Advice and Subscription Form for all purposes and will not be affected by notice to the contrary. A DRS Advice and Subscription Form so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the exercise, transfer or purchase of Rights through that Participant.

When can you trade the Common Shares issuable upon the exercise of your Rights?

The Common Shares issuable upon the exercise of your Rights will be listed on the TSX under the trading symbol “PEA” and will be available for trading as soon as practicable after closing of the Rights Offering.

Are there restrictions on the resale of securities?

Rights and the Common Shares issuable upon exercise of such Rights distributed to Shareholders in the Eligible Jurisdictions may be resold without hold period restrictions under the applicable securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a “control person” of the Corporation; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of Pieridae, the selling security holder has no reasonable grounds to believe that Pieridae is in default of securities legislation. There may be further restrictions on Common Shares acquired by Approved Eligible Holders in Ineligible Jurisdictions, including the United States, subject to the laws of that respective jurisdiction.

The Rights and Common Shares issuable upon exercise thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person (as defined in the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

Will we issue fractional Common Shares upon exercise of the Rights?

No. The Corporation will not issue fractional Common Shares upon the exercise of the Rights and only whole Rights may be exercised. Where the exercise of Rights would otherwise entitle the holder of Rights to fractional Common Shares, the holder’s entitlement will be reduced to the next lowest whole number of Common Shares and no cash or other consideration will be paid in lieu thereof.

APPOINTMENT OF DEPOSITARY

Who is the depositary?

Odyssey Trust Company is the depositary for the Rights Offering. You may contact the Subscription Agent: by hand, by courier or by registered mail at Odyssey Trust Company, Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Corporate Actions; or toll-free by telephone at 1-587-885-0960 (North America); or by email at corp.actions@odysseytrust.com. The Subscription Agent has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights.

What happens if we do not receive funds from the Standby Purchaser?

The Standby Purchase Agreement contains certain conditions precedent that, if not satisfied or waived by the closing date for the Rights Offering, allow either or both of Pieridae and the Standby Purchaser to terminate the Standby Purchase Agreement (see “*Standby Commitment*” above). If Pieridae does not receive the funds from the Standby Purchaser pursuant to such termination the Rights Offering will not be completed. In such circumstances, the Subscription Agent will return all subscription funds delivered by subscribers without interest or deduction.

If the Rights Offering is not completed, will my funds be returned to me?

Yes. The Subscription Agent will hold all funds it receives in a segregated bank account for the benefit of subscribers until completion of the Rights Offering. If the Rights Offering is not completed for any reason, including in the event the Corporation does not receive funds from the Standby Purchaser or the Standby Purchase Agreement is otherwise terminated, all funds received by the Subscription Agent, whether pursuant to the Basic Subscription Privilege or Additional Subscription Privilege, will be returned promptly, without interest or deduction. If the Rights Offering is completed, the subscription funds will be released to the Corporation as soon as practicable after the Expiry Time.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about Pieridae that has not been generally disclosed.

RISK FACTORS

An investment in the Rights or Common Shares issuable upon exercise of the Rights is subject to certain risks, including those described below, as well as those risks related to our business and operations that are described in our annual information form dated March 20, 2024, management’s discussion and analysis for the year ended December 31, 2023, and our other continuous disclosure documents. You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedarplus.ca.

Risks relating to the Rights Offering

Dilution

If you do not exercise all of your Rights pursuant to the Basic Subscription Privilege, your current percentage ownership in Pieridae will be diluted by the issuance of Common Shares upon the exercise of Rights by other holders of Rights.

Use of Proceeds

We currently intend to allocate the proceeds received from the Rights Offering as described under “*Use of Available Funds*”; however, management will have discretion in the actual application of the proceeds and may elect to allocate proceeds differently than those described if it believes that it would be in the best interests of the Corporation to do so as circumstances change. The failure of management to apply these funds effectively could have a material adverse effect on Pieridae.

Standby Commitment Not Guaranteed

The Standby Purchase Agreement contains certain conditions precedent that, if not satisfied or waived by the closing date for the Rights Offering, allow either or both of Pieridae and the Standby Purchaser to terminate the Standby Purchase Agreement. If we do not receive the funds from the Standby Purchaser pursuant to such termination, the Rights Offering will not be completed.

In addition, if the Rights Offering were not to be completed, although any subscription payments paid in connection with the exercise of Rights would be returned promptly to subscribers by the Subscription Agent without interest

or deduction, any person who had purchased Rights in the market would lose the entire purchase price paid to acquire such Rights.

Increased Holdings of Standby Purchaser

If the aggregate maximum of 102,124,183 Common Shares issuable to the Standby Purchaser pursuant to the Standby Purchase Agreement are acquired by the Standby Purchaser and if no other holders of Rights exercise their Rights to acquire Common Shares, up to 49.81% of our outstanding Common Shares will be held by the Standby Purchaser which may affect the trading volume and liquidity of our Common Shares and would enable the Standby Purchaser to exercise a significant level of control over all matters requiring Shareholder approval, including the election of directors, amendments to the Corporation's articles of incorporation, and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of the Corporation or changes in management and would make the approval of certain transactions difficult or impossible without the support of the Standby Purchaser. Additionally, the perception that the Standby Purchaser would have the ability to control or significantly influence the Corporation could cause our Common Shares to be less attractive to certain investors or otherwise result in a decline in the trading price of our Common Shares.

In addition, it is a requirement of the Standby Purchase Agreement that the Corporation and the Standby Purchaser will enter into the Investor Rights Agreement and the Registration Rights Agreement whether or not any Unsubscribed Shares are required to be purchased by the Standby Purchaser pursuant to the terms of the Standby Purchase Agreement.

Trading Market for Rights

Although the Rights are expected to be listed on the TSX, there is no assurance that an active or any trading market in the Rights will develop or that Rights can be sold on the TSX at any time. There is currently no market through which the Rights may be sold and purchasers may not be able to resell Rights. There can be no assurance that an active trading market will develop for the Rights, or if developed, that such a market will be sustained.

Exercises of Rights Irrevocable

You may not revoke or change the exercise of your Rights after you send in your Subscription Form and payment. The trading price of the Common Shares could decline below the Subscription Price for the Common Shares, resulting in a loss of some or all of your subscription payment.

Subscription Price Not Necessarily Indication of Value

You should not consider the Subscription Price to be an indication of Pieridae's value, and the Common Shares may trade at prices above or below the Subscription Price. The Subscription Price is \$0.2448 per Common Share, which is significantly lower than the closing price of our Common Shares on the TSX on August 26, 2024, which was \$0.32. In accordance with the TSX Company Manual, the Subscription Price must be at least a 25% discount to the market price of our Common Shares, determined in accordance with the rules of the TSX. The Subscription Price does not necessarily bear any relationship to the book value of our assets, net worth, past operations, cash flows, losses, financial condition, or any other established criteria for valuing the Corporation.

Price Volatility

The Common Shares are currently listed on the TSX under the symbol "PEA". The market price of the Rights and the underlying Common Shares may be volatile and subject to wide fluctuations and will be based on a number of factors, including, without limitation: (i) variations in quarterly results of operations; (ii) deviations in our earnings from publicly disclosed forward-looking guidance; (iii) changes in earnings estimates by analysts; (iv) our announcements or our competitors' announcements of significant contracts, acquisitions, strategic partnerships or joint ventures; (v) general conditions in the oil and natural gas industry; (vi) sales of our Common Shares by our significant shareholders; (vii) fluctuations in stock market price and volume; and (viii) other general economic conditions.

The announcement of this Rights Offering, the Subscription Price, and the number of Common Shares to be issued if this Rights Offering is completed could result in an immediate decrease in the trading price of our Common Shares. This decrease may occur before the expiration of this Rights Offering and continue after consummation of this Rights Offering. If such a decrease occurs, your purchase of Common Shares in this Rights Offering may be at a price greater than the prevailing trading price. Further, if a substantial number of Rights are exercised and the holders of Common Shares received upon exercise of those Rights choose to sell some or all of those shares, the resulting sales could depress the market price of our Common Shares. Accordingly, you may be able to purchase our Common Shares on the open market at a price below the Subscription Price.

Responsibilities of Holders of Rights

If you fail to follow the subscription procedures and meet the subscription deadline your subscription may be rejected. None of Pieridae, the Subscription Agent or any Participant undertakes to contact you concerning, or will attempt to correct, an incomplete or incorrect payment or Subscription Form. Whether a Subscription Form properly follows subscription procedures is solely within our discretion.

Interest

You will not earn any interest on your subscription funds while they are being held by the Subscription Agent pending the closing of this Rights Offering. In addition, if you exercise your Additional Subscription Privilege and are not allocated all of the Common Shares for which you subscribe pursuant to the exercise of the Additional Subscription Privilege, neither we, nor the Subscription Agent, will have any obligation with respect to the Rights except to return, without interest or deduction, any subscription payments to you.

Additional Common Shares Limited

If an insufficient number of Common Shares are available to fully satisfy all properly exercised Additional Subscription Privilege requests, the available Common Shares will be distributed proportionately among shareholders who properly exercised their Additional Subscription Privileges based on the number of Common Shares each shareholder subscribed for under its Basic Subscription Privilege. If this pro rata allocation results in any Shareholder receiving a greater number of Common Shares than the Shareholder subscribed for pursuant to the exercise of the Additional Subscription Privilege, then such shareholder will be allocated only that number of Common Shares for which the Shareholder subscribed for pursuant to the exercise of the Additional Subscription Privilege, and the remaining Common Shares will be allocated among all other Shareholders exercising the Additional Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Common Shares have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

ADDITIONAL INFORMATION

Where can you find more information about Pieridae?

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedarplus.ca.

You can also access information about us at our website at www.pieridaeenergy.com.