

## SALE AND INVESTMENT SOLICITATION PROCESS

### INTRODUCTION

On November 18, 2025, the Court of King’s Bench of Alberta (the “**Court**”) granted an initial order (the “**Initial Order**”), among other things, granting protection to Canacol Energy Ltd. (“**Canacol**”) and 2654044 Alberta Ltd., Canacol Energy ULC, 2498003 Alberta ULC, Canacol Energy Colombia S.A.S., CNE Energy S.A.S., Cantana Energy GMBH, CNE Oil & Gas S.R.L., Shona Holding GMBH and CNE Oil & Gas S.A.S. (collectively together with Canacol, the “**CCAA Applicants**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) and appointed KPMG Inc. as monitor (in such capacity, the “**Monitor**”) in the CCAA proceedings. On November 28, 2025, the Court granted an amended and restated initial order.

On December 11, 2025, the Court granted a second amended and restated initial order (the “**SARIO**”), among other things, approving interim financing (the “**DIP Financing**”) pursuant to that certain Canacol DIP Loan Commitment Letter dated December 2, 2025 (as amended and restated from time to time, the “**DIP Commitment Letter**”) between the CCAA Applicants, the guarantor parties thereto, and the lender signatories thereto (the “**DIP Lenders**”) who are of holders of Canacol’s \$500,000,000 of 5.75% senior unsecured notes due 2028 (the “**Senior Unsecured Notes**”) and participants in an ad hoc committee of the Senior Unsecured Notes (as may be reconstituted from time to time, the “**Ad Hoc Committee**” and the advisors to the Ad Hoc Committee, the “**Ad Hoc Committee Advisors**”),<sup>1</sup> and granting a super-priority charge securing all obligations owing under the DIP Commitment Letter (the “**DIP Obligations**”).

On January 16, 2026, the Court granted an order (the “**SISP Approval Order**”) that, among other things, (a) approved the engagement by Canacol of Moelis & Company LLC to act as sale advisor (the “**Sale Advisor**”) and (b) authorized Canacol, with the assistance of the Sale Advisor and under the supervision of the Monitor, to implement a sale and investment solicitation process in accordance with the terms hereof (the “**SISP**”).

Capitalized terms that are not defined herein have the meanings ascribed thereto in SARIO or the SISP Approval Order, as applicable.

The SISP is intended to solicit interest in and opportunities for a sale of, or investment in, all or substantially all of the property, assets and undertakings (the “**Property**”) and/or business operations (the “**Business**”) of Canacol and/or its direct and indirect subsidiaries and affiliates (collectively, the “**Canacol Entities**”) in each case that constitute an Acceptable Transaction (as defined herein). Such opportunities may include one or more of a restructuring, recapitalization or other form of reorganization of the Business and affairs of the Canacol Entities as a going

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<sup>1</sup> The Ad Hoc Committee Advisors are: Cassels Brock & Blackwell LLP, Davis Polk & Wardwell LLP, Houlihan Lokey Assessoria Financeira Ltda, Garrigues S.L.P., and such other advisors as may be retained by the Ad Hoc Committee.

concern, or a sale of all, substantially all or one or more components of the Canacol Entities' Property and Business as a going concern or otherwise.

The SISP will be conducted by Canacol through the Sale Advisor and under the supervision of the Monitor.

Parties who wish to have their bids and/or proposals considered shall be expected to participate in this SISP as conducted by the Sale Advisor.

## **OPPORTUNITY**

1. The SISP is intended to solicit interest in, and opportunities for a sale of, or investment in, all or part of the Canacol Entities' Property or Business (the "**Opportunity**").
2. In order to maximize the number of participants that may have an interest in the Opportunity, the SISP will provide for the solicitation of interest for:
  - a. the sale of the Canacol Entities' interest in the Property. In particular, interested parties may submit proposals to acquire all or substantially all of the Property of the Canacol Entities (a "**Sale Proposal**"); and
  - b. an investment in the Canacol Entities' Business as a going concern. Such proposals for the Business may take the form of an investment in the Business including by way of a plan of compromise or arrangement pursuant to the CCAA (an "**Investment Proposal**").
3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined herein), any Sale Proposal or any Investment Proposal will be made on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Sale Advisor or the Canacol Entities, or any of their respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Canacol Entities in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to court orders, except as otherwise provided in such court orders.

## **SOLICITATION OF INTEREST**

4. As soon as reasonably practicable following the SISP Approval Order, the Sale Advisor shall, in consultation with Canacol and the Monitor:
  - a. prepare: (i) in consultation with the Ad Hoc Committee, a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest in the Property or Business pursuant to the SISP, and a confidential information memorandum ("**CIM**"); and (ii) through the assistance of Canacol's counsel, a

non-disclosure agreement in form and substance satisfactory to Canacol and the Monitor (an “NDA”);

- b. gather and review all required due diligence material to be provided to interested parties and establish a secure, electronic data room (the “**Data Room**”), which will be maintained and administered by the Sale Advisor during the SISP;
  - c. prepare a list of potential bidders, including: (i) parties that have approached Canacol, the Sale Advisor, the Monitor, the Ad Hoc Committee or other stakeholder of Canacol, indicating an interest in the Opportunity; and (ii) local and international strategic and financial parties who the Sale Advisor, in consultation with Canacol, the Monitor and the Ad Hoc Committee believe may be interested in purchasing all or part of the Business or Property or investing in Canacol pursuant to the SISP (collectively, the “**Known Potential Bidders**”);
  - d. cause a notice of the SISP (the “**Notice**”) to be published in the *Globe and Mail* (National Edition), and/or other industry publications determined to be beneficial or appropriate, once approved by the Court; and
  - e. send the Teaser Letter and NDA, in form acceptable to the Monitor and the Sale Advisor, to all Known Potential Bidders and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Sale Advisor by Canacol, the Monitor, the DIP Lenders, the Ad Hoc Committee or such other stakeholder of Canacol as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.
5. As soon as reasonably practicable following the SISP Approval Order, (i) Canacol shall, in consultation with the Ad Hoc Committee, issue a press release setting out the information contained in the Notice and such other relevant information that Canacol, in consultation with the Sale Advisor and the Monitor, considers appropriate and (ii) the Monitor shall post a copy of the Notice on its Website.

## **PHASE 1: NON-BINDING LETTERS OF INTENT**

### **Qualified Bidders**

6. Any party who expresses a desire to participate in the SISP (a “**Potential Bidder**”) must, prior to being given any additional information beyond the Teaser Letter such as the CIM or access to the Data Room, provide to the Sale Advisor written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect principals and equity holders of the Potential Bidder, and such other information that will enable Canacol, the Sale Advisor and the Monitor to determine that such person is likely based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP.

7. If a Potential Bidder has delivered the NDA and the confirmation contemplated in paragraph 6 above with disclosure that is satisfactory to Canacol, in consultation with the Sale Advisor and the Monitor, then such Potential Bidder will be deemed to be a “**Phase 1 Qualified Bidder**”.
8. At any time during Phase 1 of the SISP, Canacol, in consultation with the Sale Advisor and the Ad Hoc Committee, and with the consent of the Monitor, may in its reasonable business judgement eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a “Phase 1 Qualified Bidder” for the purposes of the SISP.

### **Due Diligence**

9. The Sale Advisor, in consultation with Canacol and the Monitor, subject to competitive and other business considerations, will afford each Phase 1 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as it deems appropriate. Due diligence access may further include management presentations with the participation of the Monitor and Canacol where appropriate, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and to which the Sale Advisor, in its reasonable business judgment and in consultation with Canacol and the Monitor, may agree. The Sale Advisor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if Canacol, in consultation with the Sale Advisor and the Monitor, determines such information to represent proprietary or commercially sensitive competitive information.
10. Phase 1 Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information relating to the Property and Business in connection with their participation in the SISP and any transaction they enter into with Canacol.

### **Submission of Non-Binding Letters of Intent**

11. A Phase 1 Qualified Bidder who wishes to pursue the Opportunity further must deliver an executed letter of intent (“**LOI**”), identifying such bidder’s interest in each specific Property or Business, to the Sale Advisor and the Monitor at the addresses specified in Schedule “A” hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Mountain Daylight Time) on or before March 9, 2026 (the “**Phase 1 Bid Deadline**”). Copies of each LOI (including Qualified LOIs) received by the Sale Advisor and/or Monitor will be circulated to the Ad Hoc Committee Advisors, [Macquarie \(as defined herein\) and the advisors to the RCF Lenders \(as defined herein\) \(the “RCF Lender Advisors”\)](#), promptly following the Phase 1 Bid Deadline.

12. An LOI so submitted will be considered a qualified LOI (a “**Qualified LOI**”) only if all of the following conditions are satisfied:
- a. it is submitted to the Sale Advisor and the Monitor on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
  - b. it contains an indication of whether the Phase 1 Qualified Bidder is making a:
    - i. Sale Proposal; or
    - ii. an Investment Proposal;
  - c. in the case of a Sale Proposal, it identifies or contains the following:
    - i. the aggregate and net purchase price, in US dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder, key assumptions supporting the valuation, and any proposed deductions;
    - ii. a description of the Property that is expected to be subject to the transaction and any of the Property, obligations or liabilities for each Property expected to be excluded;
    - iii. a specific indication of the financial capability (including analysis of the Phase 1 Qualified Bidder’s current available cash liquidity, summary of key covenants and or restrictions on such liquidity), together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
    - iv. a detailed outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
    - v. an acknowledgement that any Sale Proposal transaction will be on an “as-is, where-is” basis;
    - vi. all conditions to closing that the Phase 1 Qualified Bidder may wish to impose;
    - vii. an acknowledgement that any Sale Proposal transaction will need to provide for the payment of allowed pre-petition claims from social security institutes in Colombia, withholding taxes payable in Colombia and incurred through the closing date of the transaction and the payment of certain Colombian creditors deemed to be necessary by Canacol, with the consent of the Monitor, for the operation of the Canacol Entities in Colombia;

- viii. a description of the conditions and approvals required for a final and binding offer and the expected timeline for same;
  - ix. an acknowledgement that the Sale Proposal may be shared on a confidential basis with the Ad Hoc Committee, [Macquarie and the RCF Lenders](#) and such other stakeholders of Canacol as Canacol and the Monitor may determine necessary, and their respective advisors; and
  - x. any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the proposed transaction;
- d. in the case of an Investment Proposal, it identifies or contains the following:
- i. a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment in the Business;
  - ii. the aggregate amount of the equity and/or debt investment to be made in the Business in US dollars and key assumptions supporting the valuation;
  - iii. the underlying assumptions regarding the pro forma capital structure and proposed recovery to creditors;
  - iv. a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the proposed transaction;
  - v. a description of the conditions and approvals required for a final and binding offer and the expected timeline for same;
  - vi. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer and expected timeline for same;
  - vii. an acknowledgement that any Investment Proposal is made on an “as-is, where-is” basis;
  - viii. an acknowledgement that any Investment Proposal transaction will need to provide for the payment of allowed pre-petition claims from social security institutes in Colombia, withholding taxes payable in Colombia and incurred through the closing date of the transaction, and the payment of certain Colombian creditors deemed to be necessary by Canacol, with the consent of the Monitor, for the operation of the Canacol Entities in Colombia;
  - ix. all conditions to closing that the Phase 1 Qualified Bidder may wish to impose;
  - x. an acknowledgement that the Investment Proposal may be shared on a confidential basis with the Ad Hoc Committee, [Macquarie and the RCF](#)

Lenders and such other stakeholders of Canacol as Canacol and the Monitor may determine necessary, and their respective advisors; and

- xi. any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the proposed transaction; and

e. in the case of either a Sale Proposal or an Investment Proposal:

- i. it does not contain any requirement or provision for a break fee or reimbursement of expenses associated with submitting the Sale Proposal or Investment Proposal, conducting due diligence in respect thereof or otherwise.

- 13. Canacol, in consultation with the Sale Advisor, and with the consent of the Monitor and the Ad Hoc Committee, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

#### **Assessment of Phase 1 Bids**

- 14. Following the Phase 1 Bid Deadline, Canacol will assess the Qualified LOIs in consultation with the Sale Advisor, the Monitor ~~and~~, the Ad Hoc Committee, Macquarie and the RCF Lenders. If it is determined by Canacol, with the consent of the Monitor and Ad Hoc Committee, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (a) has a bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (b) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed to be a “**Phase 2 Qualified Bidder**”, provided that Canacol may, in consultation with the Sale Advisor, Macquarie and the RCF Lenders and with the consent of the Monitor and the Ad Hoc Committee, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some Phase 1 Qualified Bidders from the process). Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISF. If it is determined by Canacol, with the consent of the Monitor and Ad Hoc Committee, that no Phase 1 Qualified Bidder has submitted a Qualified LOI, the SISF shall be terminated.

- 15. Notwithstanding anything contained herein, within 5 days after the Phase 1 Bid Deadline, and provided that the SISF has not otherwise been terminated in accordance with its terms, each of the DIP Lenders, the members of the Ad Hoc Committee, Macquarie, each of the RCF Lenders and members of the senior management team of Canacol shall notify the Sale Advisor and the Monitor in writing whether it intends to bid or otherwise support or participate in a third party bid to be made in Phase 2 of the SISF. If a notice of intention to bid or support or participate in a bid is received by the Sale Advisor and the Monitor, each such party who delivered such a notice shall be deemed to be a Phase 2

Qualified Bidder and shall, thereafter, immediately lose any consultation or consent rights otherwise provided herein and, in the case of Canacol, be excluded from all internal communications and decision making by Canacol, its board, or their respective advisors as it relates to the SISP; provided that, with respect to members of the Ad Hoc Committee, any of the DIP Lenders, Macquarie and/or any of the RCF Lenders that provide the notice described herein, any such consultation or consent rights lost by those ~~members~~parties, as applicable, shall be reinstated upon the withdrawal by those ~~members~~parties of, or rejection of, any such bid. Subject to such reinstatement, references to DIP Lenders, Ad Hoc Committee, Macquarie, RCF Lenders or to Canacol from this point in the SISP forward (including the Auction Procedures at Schedule “B” hereto) shall exclude any parties, lenders, members, employees, consultants who are deemed to be a Phase 2 Qualified Bidder.

16. The Sale Advisor, in consultation with Canacol, the Monitor, and the Ad Hoc Committee, will prepare a bid process letter for Phase 2 (the “**Bid Process Letter**”), which will include a draft purchase/investment agreement (the “**Draft Purchase/Investment Agreement**”) which will be made available in the Data Room, and the Bid Process Letter will be sent to all Phase 2 Qualified Bidders who are invited to participate in Phase 2. The process set out in the Bid Process Letter may, with the consent of the Ad Hoc Committee and the Monitor, include a stalking horse bid from a Phase 2 Qualified Bidder (on customary terms including bid protections) ~~process~~ to be proposed as part of Phase 2.

## PHASE 2: FORMAL BINDING OFFERS

17. Phase 2 Qualified Bidders that wish to make a formal Sale Proposal or an Investment Proposal shall submit to the Sale Advisor and the Monitor at the address specified in Schedule “A” hereto (including by email or fax transmission), a sealed binding offer that complies with all of the following requirements, so as to be received by them by 5:00 pm. (Mountain Daylight Time) on April 6, 2026 (the “**Phase 2 Bid Deadline**”):
  - a. it complies with all of the requirements set forth in respect of the Phase 1 Qualified LOIs;
  - b. the proposed purchase price or consideration provides for: (i) the payment in full in cash on closing of all amounts outstanding that are secured by each of the Charges (other than the DIP Charge, which is addressed in next clause); (ii) the payment in full in cash on closing of the DIP Obligations then outstanding, unless otherwise agreed to by the DIP Lenders in accordance with the DIP Commitment Letter; (iii) the payment in full in cash on closing of all allowed claims under that certain Credit and Guarantee Agreement dated as of September 3, 2024, by and among Canacol, as Borrower, the guarantors party thereto, the Lenders party thereto, the Hedge Providers from time to time party thereto, the Issuing Banks from time to time party thereto, and Macquarie Bank Ltd. (“**Macquarie**”), as Administrative Agent and Collateral Agent, unless otherwise agreed to by the Macquarie in its sole discretion; (iv) the payment in full in cash or the assumption

of all obligations ranking in priority to unsecured claims against the CCAA Applicants; (v) the payment in full in cash of all allowed pre-petition claims from social security institutes in Colombia, withholding taxes payable in Colombia and incurred through the closing date of the transaction, and the payment of certain Colombian creditors deemed to be necessary by Canacol, with the consent of the Monitor, for the operation of the Canacol Entities in Colombia; and (vi) unless the proposed purchase price is sufficient to repay in full in cash all obligations outstanding under the Senior Unsecured Notes and the proven claims of other unsecured creditors of Canacol, consideration to the holders of Senior Unsecured Notes in form and amount acceptable to the Ad Hoc Committee in its sole discretion (collectively, an “**Acceptable Transaction**”);

- c. it contains: (i) duly executed binding transaction document(s) generally in the form of the Draft Purchase/Investment Agreement; and (ii) a blackline to the Draft Purchase/Investment Agreement;
- d. it contains evidence of authorization and approval from the Phase 2 Qualified Bidder’s board of directors (or comparable governing body) and/or shareholders, as necessary and applicable;
- e. it (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to Canacol and the Monitor;
- f. it includes a letter stating that the Phase 2 Qualified Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of: (i) the closing of the transaction with the Successful Bidder, and (ii) 30 days from the Sale Approval Application (as defined herein), subject to further extensions as may be agreed to under the applicable transaction agreement(s);
- g. it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing, in form and substance acceptable to Canacol, the Monitor and in consultation with the Ad Hoc Committee;
- h. it is not conditional upon the outcome of unperformed due diligence by the bidder, and/or obtaining financing;
- i. it specifies any regulatory or other third party approvals that are required to be satisfied in order to complete the transaction;
- j. it fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;

- k. it is accompanied by a cash deposit (the “**Deposit**”) of 10%: (i) of the purchase price offered in respect of a Sale Proposal; (ii) of the total new investment contemplated in respect of an Investment Proposal; or (iii) of the total cash consideration, which shall be paid to the Monitor by wire transfer (to a bank account specified by the Monitor) and held in trust by the Monitor in accordance with this SISP;
  - l. it includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding Canacol and the Property and Business prior to making its offer; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents, the Business and/or the Property in making its bid; (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the Sale Advisor, Canacol, the Monitor, the DIP Lenders or the members of the Ad Hoc Committee, or any of their respective advisors or representatives, whether express, implied, statutory or otherwise, regarding the Business, Property, or Canacol, or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by Canacol; (iv) it has not engaged in any collusion with respect to the SISP; and (v) it acknowledges that the completion of its Sale Proposal or Investment Proposal, as applicable, is subject to the approval of the Court;
  - m. demonstrates that it is capable of being consummated by no later than June 30, 2026, as may be extended with the consent of Canacol, the Monitor and the Ad Hoc Committee (the “**Outside Date**”); and
  - n. it is received by the Phase 2 Bid Deadline.
18. Copies of each Phase 2 Bid received by the Sale Advisor and/or Monitor will be circulated to the Ad Hoc Committee Advisors, [Macquarie and the RCF Lender Advisors](#), promptly following the Phase 2 Bid Deadline.
19. Following the Phase 2 Bid Deadline, Canacol, in consultation with the Sale Advisor, the Monitor ~~and~~, the Ad Hoc Committee, [Macquarie and the RCF Lenders](#), will assess the Phase 2 Bids received with respect to the Property or Business. Canacol, in consultation with the Sale Advisor, and with the consent of the Monitor and the Ad Hoc Committee, will designate the most competitive bids that comply with the foregoing requirements to be “**Phase 2 Qualified Bids**”. Only Phase 2 Qualified Bidders whose bids have been designated as Phase 2 Qualified Bids are eligible to become the Successful Bidder(s).
20. Canacol, with the consent of the Monitor and the Ad Hoc Committee, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Phase 2 Qualified Bid, provided that Canacol may not waive compliance with the requirements contained in subsection 17.b without the consent of the

DIP Lenders, Macquarie and the Ad Hoc Committee, as applicable each in their sole discretion.

21. The Sale Advisor, upon receiving instructions from Canacol, and within five (5) business days of the Phase 2 Bid Deadline (or such later time as may be agreed to by Canacol, the Monitor and the Ad Hoc Committee), shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constitutes a Phase 2 Qualified Bid.
22. Without limiting anything else herein, Canacol, in consultation with the Sale Advisor, the Ad Hoc Committee and the Monitor, may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one or more "Phase 2 Qualified Bid(s)", subject to the requirements contained in subsection 17.b that require the consent of the DIP Lenders, Macquarie and the Ad Hoc Committee, as applicable each in their sole discretion.

### **Evaluation of Competing Bids**

23. A Phase 2 Qualified Bid will be evaluated based upon several factors, including, without limitation, whether the proposed purchase price or consideration provided under such Phase 2 Qualified Bid is equal to or greater than the proposed purchase price or consideration necessary to be an Acceptable Transaction under subsection 17.b unless agreed to otherwise by the DIP Lenders, Macquarie and the Ad Hoc Committee, as applicable, each in their sole discretion, and other items such as the net value and form of consideration to be provided by such bid, the identity and circumstances of the Phase 2 Qualified Bidder, any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction by the Outside Date, each as evaluated by Canacol, in consultation with the Sale Advisor, the Monitor and the Ad Hoc Committee.
24. If no Phase 2 Qualified Bids are received by the Phase 2 Bid Deadline, the SISF shall be terminated.

### **Selection of Successful Bid**

25. If one or more Phase 2 Qualified Bids has been received, Canacol, in consultation with the Sale Advisor, the Monitor ~~and~~, the Ad Hoc Committee, Macquarie and the RCF Lenders: (a) will review and evaluate each Phase 2 Qualified Bid, and shall be permitted to negotiate the terms of any Phase 2 Qualified Bid with the applicable Phase 2 Qualified Bidder, and such Phase 2 Qualified Bid may be amended, modified or varied as a result of such negotiations, and (b) will, with the consent of the Ad Hoc Committee, identify the highest or otherwise best bid or bids (the "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid (the "**Successful Bidder**") for any particular Property or the Business in whole or part. For greater certainty, a Successful Bid must contain a purchase price and/or such other consideration to be paid by the

Successful Bidder that is equal to or greater than the purchase price or consideration necessary to qualify as an Acceptable Transaction under subsection 17.b unless agreed to otherwise by the DIP Lenders, Macquarie and the Ad Hoc Committee, each as applicable, in their sole discretion. The determination of any Successful Bid by Canacol shall be subject to approval by the Court.

26. If two or more Phase 2 Qualified Bids has been received, Canacol may, with the consent of the Monitor and the Ad Hoc Committee, proceed with an auction process to determine the Successful Bid (the “**Auction**”), which Auction shall be administered in accordance with the terms set forth in **Schedule “B”** hereto. Forthwith upon determining to proceed with an Auction, Canacol shall provide written notice to each Phase 2 Qualified Bidder, along with copies of all Phase 2 Qualified Bids and a statement by Canacol specifying which Phase 2 Qualified Bid is the leading bid and the start date of the Auction.
27. Canacol, with the consent of the Monitor and the Ad Hoc Committee, (i) shall have no obligation to select a Successful Bid; and (ii) reserves the right to reject any or all Phase 2 Qualified Bids.

### **Sale Approval Hearing**

28. At the hearing of the application to approve any transaction with a Successful Bidder (the “**Sale Approval Application**”), Canacol shall seek, among other things, approval from the Court to consummate any Successful Bid. All of the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by Canacol on and as of the date of approval of the Successful Bid by the Court.
29. Any Deposit delivered with a Phase 2 Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder within ten (10) business days of the date on which the Successful Bid is approved by the Court, or such earlier date as may be determined by the Monitor, in consultation with Canacol and the Sale Advisor.

### **CONFIDENTIALITY, STAKEHOLDER/BIDDER COMMUNICATION AND ACCESS TO INFORMATION**

30. All information provided by Canacol to parties pursuant to this SISP is confidential and shall be subject to an applicable NDA or such other confidentiality agreement between Canacol and such party.
31. Except as otherwise permitted herein, participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between Canacol and/or the Sale Advisor, and/or the Monitor and/or the DIP Lenders and/or the Ad Hoc Committee and/or Macquarie and/or the RCF Lenders, and such other bidders or Potential Bidders in connection with the SISP. Canacol may however, with the

consent of the applicable participants and the Monitor, and in consultation with the Ad Hoc Committee disclose such information to other bidders for the purpose of seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders. Further, Canacol and the Monitor may disclose such information to the ~~DIP Lenders~~ Ad Hoc Committee Advisors, the Ad Hoc Committee ~~Advisors~~, Macquarie, the RCF Lenders and the ~~Ad Hoc Committee~~ RCF Lender Advisors in accordance with ~~the terms of~~ this SISP.

32. Except as otherwise permitted herein: (a) all discussions regarding a Sale Proposal, Investment Proposal, LOI or Phase 2 Bid should be directed through the Sale Advisor and/or the Monitor; and (b) under no circumstances should the management or any employee or director of Canacol or any stakeholder of Canacol, other than members of the Ad Hoc Committee ~~or~~, the Ad Hoc Committee Advisors, Macquarie, the RCF Lenders and the RCF Lender Advisors, be contacted directly without the prior written consent of the Monitor and/or the Sale Advisor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
33. Except as otherwise permitted herein, if it is determined by Canacol, in consultation with the Sale Advisor and the Ad Hoc Committee and with the consent of the Monitor, that it would be worthwhile to facilitate a discussion between a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder (as applicable, depending on the stage of the SISP) and a stakeholder or other third party as a consequence of a condition to closing or potential closing condition identified by such bidder, Canacol may provide such bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Monitor. The Monitor must be present (which may be by videoconference or teleconference) at all such meetings.
34. For greater certainty, nothing herein shall preclude a stakeholder from contacting potential bidders to advise that Canacol has commenced a SISP and that they should contact the Sale Advisor or the Monitor if they are interested.

#### **SUPERVISION OF THE SISP**

35. The Monitor will oversee, in all respects, the conduct of the SISP by Canacol and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out herein, and is entitled to receive all information in relation to the SISP.
36. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between Canacol and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in any definitive agreement that may be signed by Canacol.

37. Without limiting the preceding paragraph, neither the Monitor nor the Sale Advisor shall have any liability whatsoever to any person or party, including without limitation, any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, or any other creditor or other stakeholder of the Canacol Entities, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or willful misconduct by the Monitor or Sale Advisor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor or Sale Advisor for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct of the Monitor or Sale Advisor.
38. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
39. Canacol shall have the right to modify the SISP with the prior written approval of the Monitor and the Ad Hoc Committee if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in these CCAA proceedings shall be advised of any substantive modification to the procedures set forth herein and any such party or Canacol have an opportunity to seek the intervention of the Court, as appropriate, to address any such substantive modifications.

**Schedule “A”**

**Sale Advisor**

**Moelis & Company LLC**

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**Monitor**

KPMG Inc. in its capacity as Monitor of Canacol and the other CCAA Applicants  
Attention: Paul van Eyk ([pvaneyk@kpmg.ca](mailto:pvaneyk@kpmg.ca)) / Duncan Lau ([duncanlau@kpmg.ca](mailto:duncanlau@kpmg.ca))

**With a copy to:**

Bennett Jones LLP, counsel to Monitor  
Attention: Raj Sahni ([sahnir@bennettjones.com](mailto:sahnir@bennettjones.com))

## **SCHEDULE "B": AUCTION PROCEDURES**

All capitalized terms used and not otherwise defined in this Schedule "B", have the respective meanings ascribed to them in the SISP.

1. **Auction.** If Canacol receives more than one Phase 2 Qualified Bid, Canacol may, with the consent of the Monitor and the Ad Hoc Committee, conduct and administer an Auction in accordance with the terms of the SISP. Instructions to participate in the Auction (including details regarding location and start time) will be provided to Qualified Parties (as defined herein) not less than 48 hours prior to the Auction.
2. **Participation.** Only parties that provided a Phase 2 Qualified Bid by the Phase 2 Bid Deadline (collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. Eastern Standard Time on the day prior to the Auction, each Qualified Party must inform Canacol whether it intends to participate in the Auction. Canacol will promptly thereafter inform in writing the Monitor, Ad Hoc Committee, Macquarie, the lenders under that certain revolving credit and guaranty agreement dated as of February 14, 2023 (as same may have been amended or restated) between among others, Canacol, as borrower and Deutsche Bank Trust Company Americas, as administrative agent (the "**RCF Lenders**"), and each Qualified Party who has expressed its intent to participate in the Auction of the identity of all Qualified Parties that have indicated their intent to participate in the Auction.
3. **Auction Procedures.** The Auction shall be governed by the following procedures:
  - (a) **Attendance.** Only Canacol, the Qualified Parties, the Monitor, the Sale Advisor, the DIP Lenders, Ad Hoc Committee, RCF Lenders, Macquarie and each of their respective advisors (the "**Permitted Participants**") will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
  - (b) **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid (as defined below);
  - (c) **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by Canacol, in consultation with the Sale Advisor and the Ad Hoc Committee and with the consent of the Monitor (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to Canacol's announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments of USD\$1,000,000;

- (d) **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group conference room, on an open basis, and all Qualified Parties and Permitted Participants will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties and the Permitted Participants throughout the entire Auction; provided, however, that Canacol, in its discretion, may establish separate conference rooms to permit interim discussions between Canacol, the Monitor, the DIP Lenders, the Ad Hoc Committee, [Macquarie, the RCF Lenders](#) and individual Qualified Parties with the understanding that all formal bids will be delivered in one group conference, on an open basis;
- (e) **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and
- (f) **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

#### **Selection of Successful Bid**

4. **Selection.** Before the conclusion of the Auction, Canacol, in consultation with the Monitor, the Sale Advisor ~~and~~, the Ad Hoc Committee, [Macquarie and the RCF Lenders](#), will: (a) review each Qualified Bid, considering the factors set out in Section 17 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction by the Outside Date (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental, regulatory or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, (v) the net benefit to Canacol and its stakeholders and (vi) any other factors Canacol may, consistent with its fiduciary duties, reasonably deem relevant; and (b) with the consent of the Monitor and the Ad Hoc Committee, identify the highest or otherwise best bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**"). For greater certainty, a Successful Bid must contain a purchase price and/or such other consideration to be paid by the Successful Party that is equal to or greater than the purchase price or consideration necessary to qualify as an Acceptable Transaction under subsection 17.b unless agreed to otherwise by the DIP Lenders, Macquarie and the Ad Hoc Committee, each as applicable, in their sole discretion. The determination of any Successful Bid by Canacol shall be subject to approval by the Court.

5. **Acknowledgement.** The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within five business days of the Successful Bid being selected as such, unless extended by Canacol, with the consent of the Monitor and the Ad Hoc Committee.

<b>Summary report:</b>	
<b>Litera Compare for Word 11.9.0.82 Document comparison done on 2026-01-16 1:54:15 PM</b>	
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<b>Intelligent Table Comparison:</b> Active	
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<b>Modified DMS:</b> iw://gowlingwlg-ca.cloudmanage.com/ACTIVE_CA/92351073/4	
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Embedded Excel	0
Format changes	0
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