

# FORM 13

## NOTICE OF AMENDMENT OF WARRANT TERMS

Name of Listed Issuer: **Avila Energy Corporation** (the “Issuer”).

Trading Symbol: **VIK**

Date: **November 2, 2023**

Date of Press Release announcing amendment: **September 20, 2023**

Closing price of underlying shares on the day prior to the announcement: **0.05**

Closing price of underlying shares at the time of issuance **Various – please see below**

### 1. Current terms of warrants to be amended: Table 1

Date Issued	Issue Price	Exercise Price	Market Price of underlying shares	Number of Warrants	Expiry Date	Percentage of Warrant class held by Insiders
September 9, 2021	0.25	0.35	0.32	1,000,000	September 9, 2023	Nil
September 13, 2021	0.25	0.35	0.32	3,855,000	September 13, 2023	Nil
September 20, 2021	0.25	0.35	0.32	100,000	September 20, 2023	Nil
November 5, 2020	0.15	0.20	0.005	377,000	November 5, 2023	Nil
June 28, 2022	0.50	0.75	0.32	110,000	June 28, 2024	Nil
July 28, 2022	0.50	0.75	0.64	20,000	July 28, 2024	Nil
September 14, 2022	0.50	0.75	0.57	40,000	September 14, 2024	100%
September 15, 2022	0.50	0.75	0.57	100,000	September 15, 2024	Nil
September 30, 2022	0.50	0.75	0.385	500,000	September 30, 2024	Nil
October 20, 2022	0.50	0.75	0.34	50,000	October 20, 2024	Nil
December 9, 2022	0.50	0.75	0.285	30,000	December 9, 2024	Nil

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**2. Current terms of debentures to be amended: Table 2**

<b>Date issued:</b>	<b>May 11, 2022 (First Tranche) and July 5, 2022 (Final Tranche)</b>
<b>Issue Price:</b>	<b>\$1,000 per debenture unit (the “Debenture Units”), bearing interest at 4% per annum, which is convertible and unsecured.</b>
<b>Conversion Price:</b>	<b>Each Debenture Unit includes the right of full conversion of the entire principal amount and accrued interest into Common Shares at a price of \$0.50 as well as one additional common share purchase warrant (the “Warrants”) entitling the holder to purchase one additional Common Share at a price of \$0.75 for a period of two years following the conversion.</b>
<b>Market Price of underlying shares:</b>	<b>May 11, 2022: \$0.32 and July 5, 2022: \$0.345</b>
<b>Number of Warrants:</b>	<b>Will depend on the number of conversions of the Debenture Units.</b>
<b>Maturity Date:</b>	<b>April 1, 2025.</b>
<b>Percentage of Warrants class held by insiders:</b>	<b>will depend on the number of conversions of the Debenture Units.</b>

Pursuant to Policy 6, Section 7.4, Amendments are permitted provided that:

- a) The warrants are not listed for trading;
- b) The exercise price is higher than the current market price;
- c) No warrants have been exercised in the last 6 months;
- d) At least 10 trading days remain before expiry.

### 3. Amendment(s)

a) Extension – amended expiry date:

- **Each Warrant (Table 1) to be extended by one year;**
- **Maturity date of the Debentures (Table 2) to be extended by one year;**

*The term of a warrant may not extend past the date that would have been allowed on the date of issuance.*

b) Repricing – amended exercise price: **The underlying Common Shares and Warrants (Table 2) will be repriced to \$0.25 each.**

*If the amended price is below the market price of the underlying security at the time the warrants were issued, and following the amendment the exercise price is below the closing price of the underlying security for any 10 consecutive trading days by more than the permitted private placement discount, the term of the warrants must be amended to 30 days. The amended term must be announced by press release and Form 13 and the 30 day term will commence 7 days from the end of the 10 day period. See Policy 6 section 7.4 for details.*

### 4. Amended terms of warrants: Table 3

Date Issued	Issue Price	Exercise Price	Market Price of underlying shares	Number of Amended Warrants	Expiry Date	Percentage of Warrant class held by Insiders
September 9, 2021	0.25	0.35	0.32	1,000,000	September 9, 2024	Nil
September 13, 2021	0.25	0.35	0.32	3,855,000	September 13, 2024	Nil

September 20, 2021	0.25	0.35	0.32	100,000	September 20, 2024	Nil
November 5, 2020	0.15	0.20	0.005	377,000	November 5, 2024	Nil
June 28, 2022	0.50	0.75	0.32	110,000	June 28, 2025	Nil
July 28, 2022	0.50	0.75	0.64	20,000	July 28, 2025	Nil
September 14, 2022	0.50	0.75	0.57	40,000	September 14, 2025	100%
September 15, 2022	0.50	0.75	0.57	100,000	September 15, 2025	Nil
September 30, 2022	0.50	0.75	0.385	500,000	September 30, 2025	Nil
October 20, 2022	0.50	0.75	0.34	50,000	October 20, 2025	Nil
December 9, 2022	0.50	0.75	0.285	30,000	December 9, 2025	Nil

#### 5. Amended Terms of Debentures: Table 4

<b>Date issued:</b>	<b>May 11, 2022 (First Tranche) and July, 5, 2022 (Final Tranche)</b>
<b>Issue Price:</b>	<b>\$1,000 per debenture unit (the “Debenture Units”), bearing interest at 4% per annum, which is convertible and unsecured</b>
<b>Conversion Price:</b>	<b>Each Debenture Unit includes the right of full conversion of the entire principal amount and accrued interest into Common Shares at a price of <u>\$0.25</u> as well as one additional common share purchase warrant (the “Warrants”) entitling the holder to purchase one additional Common Share at a price of</b>

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	<b><u>\$0.25</u> for a period of two years following the conversion.</b>
<b>Market Price of underlying shares:</b>	<b>May 11, 2022: \$0.32 and July 5, 2022: \$0.345</b>
<b>Number of Warrants:</b>	<b>will depend on the number of conversions of the Debenture Units.</b>
<b>Maturity Date:</b>	<b><u>April 1, 2026.</u></b>
<b>Percentage of Warrants class held by insiders:</b>	<b>will depend on the number of conversions of the Debenture Units.</b>

The amendments to the debentures will only apply to will benefit the existing debenture holders who are prepared to commit an additional 20% on the face value of the current Private Placement of the Issuer on a tag-along basis.

listed Issuers must obtain appropriate corporate approvals prior to any change, modification or amendment of outstanding warrants or other convertible securities (including non-listed securities). The amendment of the terms of a warrant (or other security) may be considered to be the distribution of a new security under securities laws and require exemptions from legislative requirements. Furthermore, the amendment of the terms of a security held by an insider or a related party may be considered to be a related party transaction under Multilateral Instrument 61-101 and require exemptions from provisions of that rule. Issuers should consult legal counsel before amending the terms of a security.

#### 4. Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in Policy 1).
4. All of the information in this Form 13 Notice of Amendment of Warrant Terms is true.

Dated November 2, 2023.

Lars Glimhagen

Name of Director or Senior  
Officer

"Lars Glimhagen"

Signature

Secretary and CFO

Official Capacity