

FORM 62-103F3
REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL INVESTOR UNDER
PART 4

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

The report relates to common shares (the “Shares”) in the capital of Canacol Energy Ltd. (“CNE”) with its head office at Suite 2650, 585 - 8th Avenue SW, Calgary, Alberta, Canada T2P 1G1.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Shares are listed on the Toronto Stock Exchange.

Item 2 – Identity of the Eligible Institutional Investor

2.1 State the name and address of the eligible institutional investor.

Fourth Sail Capital, LP (“Fourth Sail”), as investment manager for certain funds (the “Funds”)
Rua Tabapuã, 841; 35
04533-000; São Paulo; SP; Brasil

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

In May 2020, the Funds managed by Fourth Sail acquired 1,244,300 Shares of CNE, crossing above the 15% threshold.

2.3 State the name of any joint actors.

Not applicable.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

Fourth Sail is an eligible institutional investor pursuant to section 1.1(1) of NI 62-103 and is eligible to file reports under Part 4 of NI 62-103 in respect of CNE.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s securityholding percentage

in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.

Fourth Sail's previous report dated February 7, 2020, reported holdings of 22,641,129 Shares representing approximately 12.62% of the issued and outstanding Shares.

3.2 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.

Fourth Sail reports that the number of Shares of CNE held by Fourth Sail's managed accounts as at May 31, 2020 was 27,584,529 Shares, representing approximately 15% of the issued and outstanding Shares.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which

(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,

Not applicable.

(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and

Not applicable.

(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Fourth Sail, as investment manager, has control or direction over 27,584,529 Shares of CNE, representing approximately 15% of the total Shares outstanding. Fourth Sail specifically disclaims any beneficial ownership of the reported Shares, but as investment manager of its Funds it maintains exclusive power to exercise investment control or direction over such Shares for its managed accounts as the beneficial owners.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

Not applicable.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;**
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (d) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (e) a material change in the reporting issuer's business or corporate structure;**
- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;**
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (i) a solicitation of proxies from securityholders;**
- (j) an action similar to any of those enumerated above.**

The Shares were acquired in the ordinary course of business for investment purposes only and not for the purpose of exercising control or direction over CNE. Fourth Sail's managed accounts may from time to time acquire additional Shares, dispose of some or all of the existing Shares, or may continue to hold the financial instruments.

Item 5 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 6 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 7 – Certification

I, Thiago Doria, Chief Financial Officer and Chief Compliance Officer of Fourth Sail Capital, LP certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

June 4, 2020

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Date

(Signed) “Thiago Doria”

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Signature

Thiago Doria, Chief Financial Officer and Chief Compliance Officer

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Name/Title