

**BLUENERGIES LTD.**  
**(formerly ACME GOLD COMPANY LIMITED)**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**(Unaudited)**

**(Presented in Canadian Dollars)**

**For the three months ended**

**December 31, 2025 and 2024**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the consolidated condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited consolidated condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of unaudited consolidated condensed interim financial statements and are in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited consolidated condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**BLUENERGIES LTD. (formerly ACME GOLD COMPANY LIMITED)**  
**CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Presented in Canadian dollars)

	December 31, 2025	September 30, 2025
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 2,127,708	\$ 1,497,487
Amounts receivable	31,819	26,032
Deposit	46,000	46,000
Prepaid expenses	115,734	116,234
	<b>2,321,261</b>	<b>1,685,753</b>
Deferred exploration costs (Note 4)	224,591	449,031
Exploration and evaluation asset (Notes 4 and 7)	5,317,780	3,699,157
	<b>\$ 7,863,632</b>	<b>\$ 5,833,941</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Amounts payable and accrued liabilities (Note 7)	\$ 1,061,819	\$ 805,620
Shareholder loan payable (Note 7)	2,004,937	-
	<b>3,066,756</b>	<b>805,620</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	11,718,348	11,708,973
Shareholder contributions	806,885	806,885
Reserves (Note 6)	798,482	666,456
Deficit	(8,526,839)	(8,153,993)
	<b>4,796,876</b>	<b>5,028,321</b>
	<b>\$ 7,863,632</b>	<b>\$ 5,833,941</b>

Nature of operations and going concern (Note 1)  
Commitment (Note 8)  
Subsequent Events (Note 12)

These financial statements were approved by the Board of Directors on February 25, 2026.

**On behalf of the Board of Directors:**

"Cyrus Driver" Director  
Cyrus Driver

"Craig Steinke" Director  
Craig Steinke

See accompanying notes to the consolidated condensed interim financial statements.

**BLUENERGIES LTD. (formerly ACME GOLD COMPANY LIMITED)**  
**CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Presented in Canadian dollars)

	<b>Three months ended December 31, 2025</b>	Three months ended December 31, 2024
<b>Expenses</b>		
Conferences, marketing and shareholder relations	\$ 15,796	\$ 14,231
Consulting and management fees (Note 7)	137,260	177,737
Insurance	9,375	-
Interest expense (Note 7)	4,937	-
Professional fees	6,589	109,145
Office and administration	16,871	37,117
Rent	15,819	7,833
Share-based compensation (Notes 6 and 7)	132,026	-
Transfer agent and filing fees	23,487	5,000
Travel	22,741	17,934
Foreign exchange	(3,095)	23,936
	<b>(381,806)</b>	<b>(392,933)</b>
<b>Other items</b>		
Interest income	8,960	-
<b>Loss and comprehensive loss</b>	<b>\$ (372,846)</b>	<b>\$ (392,933)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.01)</b>	<b>\$ (15.76)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>64,316,076</b>	<b>24,936</b>

See accompanying notes to the consolidated condensed interim financial statements.

**BLUENERGIES LTD. (formerly ACME GOLD COMPANY LIMITED)**  
**CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited - Presented in Canadian dollars)

For the three months ended December 31, 2025 and 2024

	Common shares	Share capital	Shareholder contributions	Reserves	Deficit	Shareholders' equity
Balance, September 30, 2024	16,667	\$ 1,014,585	\$ 806,885	\$ -	\$ (1,661,543)	\$ 159,927
Common shares issued	10,703	3,210,900	-	-	-	3,210,900
Share issue costs	-	(74,525)	-	-	-	(74,525)
Common shares issued to settle debt	969	290,700	-	-	-	290,700
Loss and comprehensive loss	-	-	-	-	(392,933)	(392,933)
Balance, December 31, 2024	28,339	\$ 4,441,660	\$ 806,885	\$ -	\$ (2,054,476)	\$ 3,194,069
Balance, September 30, 2025	64,305,750	\$ 11,708,973	\$ 806,885	\$ 666,456	\$ (8,153,993)	\$ 5,028,321
Exercise of warrants	12,500	9,375	-	-	-	9,375
Share-based compensation	-	-	-	132,026	-	132,026
Loss and comprehensive loss	-	-	-	-	(372,846)	(372,846)
<b>Balance, December 31, 2025</b>	<b>64,318,250</b>	<b>\$ 11,718,348</b>	<b>\$ 806,885</b>	<b>\$ 798,482</b>	<b>\$ (8,526,839)</b>	<b>\$ 4,796,876</b>

See accompanying notes to the consolidated condensed interim financial statements.

**BLUENERGIES LTD. (formerly ACME GOLD COMPANY LIMITED)**  
**CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Presented in Canadian dollars)

	<b>Three months ended December 31, 2025</b>	Three months ended December 31, 2024
<b>Operating activities</b>		
Loss for the period	\$ (372,846)	\$ (392,933)
Items not involving cash:		
Share-based compensation	132,026	-
Interest expense	4,937	-
Changes in non-cash working capital items:		
Amounts receivable	(5,787)	-
Deferred transaction costs	-	(88,495)
Prepaid expenses	500	-
Amounts payable and accrued liabilities	(102,716)	(189,413)
	<b>(343,886)</b>	<b>(670,841)</b>
<b>Investing activities</b>		
Deferred exploration costs	(40,642)	(1,500,877)
Exploration and evaluation assets	(994,626)	(160,980)
	<b>(1,035,268)</b>	<b>(1,661,857)</b>
<b>Financing activities</b>		
Proceeds from common shares issued	-	3,210,900
Share issue costs	-	(74,525)
Exercise of warrants	9,375	-
Shareholder loans received	2,000,000	-
	<b>2,009,375</b>	<b>3,136,375</b>
<b>Change in cash</b>	<b>630,221</b>	<b>803,677</b>
<b>Cash, beginning</b>	<b>1,497,487</b>	<b>340,844</b>
<b>Cash, ending</b>	<b>\$ 2,127,708</b>	<b>\$ 1,144,521</b>

**Supplemental cash flow information**

Income taxes	\$	-	\$	-
Interest	\$	-	\$	-
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$	418,490	\$	171,236
Common shares issued to settle debt	\$	-	\$	290,700
Deferred exploration costs capitalized to exploration and evaluation	\$	265,082	\$	282,071

See accompanying notes to the consolidated condensed interim financial statements.

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

BluEnergies Ltd. (formerly Acme Gold Company Limited) (the “Company” or “BluEnergies”) was incorporated under the laws of British Columbia, Canada, on September 25, 2020. The Company’s head office address Suite 3123, 595 Burrard Street, Vancouver, BC, V7X 1J1. The registered and records office address is Suite 2200, 885 West Georgia Street, Vancouver, BC, Canada, V6C 3E8. Effective May 24, 2022, the Company obtained a listing on the Canadian Securities Exchange (“CSE”) under the symbol “AGE” and commenced trading on May 26, 2022. Upon the completion of the reverse takeover (“RTO”) by Canadian Global Energy (“CGE”), the Company changed its name to BluEnergies Ltd., was de-listed from the CSE and commenced listing on the TSX Venture Exchange (“TSXV”) on April 14, 2025 under the symbol “BLU”.

On April 8, 2025, Acme Gold Company Limited (“Acme”) completed the acquisition of all of the outstanding shares of CGE, which constituted a reverse takeover under the policies of the TSXV (the “RTO”), with Acme being the legal parent and CGE being the accounting acquiror. The RTO was completed pursuant to a business combination agreement dated December 20, 2024, as amended March 12, 2025, among Acme, its wholly-owned subsidiary 1517742 B.C. Ltd., and CGE. Immediately prior to the RTO, an aggregate of 28,822 shares of CGE were returned to treasury and cancelled, and as a result of the RTO, the Company issued to the shareholders of CGE 1,600 post-consolidation common shares of the Company for each share they held in CGE. For accounting purposes, CGE was treated as the accounting parent company and these consolidated financial statements are a continuation of the consolidated financial statements of CGE. In connection with closing of the Transaction, Acme changed its name to “BluEnergies Ltd”.

Immediately prior to the closing of the RTO, Acme consolidated its common shares on a two-for-one basis, and reconstituted its board of directors and management. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in these consolidated financial statements have been adjusted retrospectively to reflect the share consolidation.

The Company is engaged principally in the acquisition and exploration of oil and gas properties. The recovery of the Company’s investment in its exploration and evaluation assets is dependent upon the future discovery, development, and sale of oil and gas, upon the ability to raise sufficient capital to finance these activities, and/or upon the sale of these properties.

The consolidated condensed interim financial statements have been prepared assuming the Company will continue on a going-concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended December 31, 2025, the Company reported a loss of \$372,846 (2024 - \$392,933) and had an accumulated deficit of \$8,526,839 as of that date (September 30, 2025 - \$8,153,993). The Company had a working capital deficit of \$745,495 as of December 31, 2025 (September 30, 2025 – working capital of \$880,133). These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Continuing operations as a going concern are dependent upon management’s ability to raise adequate financing in the capital markets and to ultimately achieve profitable operations in the future. Although management has been successful in the past; there is no assurance that these initiatives will be successful in the future.

The consolidated condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

## **2. BASIS OF PREPARATION**

### **Statement of compliance**

These consolidated condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The accounting policies and methods of computation applied by the Company in these consolidated condensed interim financial statements are the same as those applied in the Company’s audited financial statements as at and for the nine months ended September 30, 2025. The consolidated condensed interim financial statements do not include all of the information required for full audited financial statements. These consolidated condensed interim financial statements should be read in conjunction with the Company’s September 30, 2025 financial statements.

### **Basis of consolidation**

These consolidated condensed interim financial statements include the accounts of BluEnergies and its 100% owned subsidiary company Canadian Global Energy Corp. and BluEnergies (Liberia) Ltd. All intercompany transactions and balances have been eliminated.

## **3. REVERSE TAKEOVER**

As described in Note 1, on April 8, 2025, pursuant to the RTO between Acme, 1517742 B.C. Ltd. and CGE, 1517742 B.C. Ltd., acquired all of the issued and outstanding common shares of CGE. Prior to completing the RTO, Acme consolidated its share capital on a two-for-one basis. The shareholders of CGE then exchanged their common shares of CGE for post-consolidation Acme shares on a one common share of CGE for 1,600 post-consolidation Acme shares. In connection with closing of the RTO, Acme changed its name to “BluEnergies Ltd”.

The RTO constituted a reverse acquisition of Acme and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided under IFRS 2, Share-based Payment and IFRS 3, Business Combinations. As Acme did not qualify as a business according to the definition in IFRS 3, Business Combination, this reverse acquisition did not constitute a business combination; rather the transaction was accounted for as an acquisition by CGE of the net assets of Acme and its public listing. The fair value of the consideration paid (based on the fair value of the Acme shares and revaluation of stock options and broker warrants granted prior to the RTO) less the Acme net assets acquired, has been recognized as a listing expense in the statements of loss and comprehensive loss for the nine months ended September 30, 2025.

For accounting purposes, CGE was treated as the accounting parent company (legal subsidiary) and Acme had been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As CGE was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. The assets, liabilities and results of operations of Acme are included in these consolidated financial statements from the date of the acquisition on April 8, 2025.

Concurrently with the RTO, the Company completed a non-brokered private placement of 7,883,050 post-consolidated units at a price of \$0.40 per unit for gross proceeds of \$3,153,220 (the “Offering”). Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at \$0.75 per share for a period of two years. The Company also issued 126,900 finders’ warrants in connection with the Offering (Note 8). The Company also granted 4,600,000 stock options to directors, officers and consultants of the Company at \$0.40 per share for a period of 5 years (Note 9).

**BLUENERGIES LTD. (formerly ACME GOLD COMPANY LIMITED)**  
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**3. REVERSE TAKEOVER (continued)**

As part of the RTO, 200,000 post-consolidation broker warrants and 250,000 post-consolidation stock options previously issued by Acme were revalued as part of the consideration.

In relation to the RTO, the Company incurred \$574,150 of legal, accounting, transfer agent and regulatory fees which have been included as listing fees in the nine months ended September 30, 2025.

The following represents the fair value of Acme net assets acquired as at April 8, 2025 as a result of the RTO:

	<b>Amount</b>
<b>Consideration</b>	
10,095,001 shares at a value of \$0.40 per share	\$ 4,038,000
Transaction costs	\$ 574,150
200,000 broker warrants revalued	\$ 40,149
250,000 stock options revalued	\$ 59,485
	<u>\$ 4,711,784</u>
<b>Net assets of Acme</b>	
Cash	\$ 353,784
Other current assets	\$ 9,451
Deferred transaction costs	\$ 171,000
Accounts payable and accrued liabilities	\$ (185,816)
Net assets acquired	<u>\$ 348,419</u>
Listing expense	\$ 4,363,365

The consideration for the broker warrants and stock represent the total consideration transferred by the accounting acquirer, valued using the Black-Scholes valuation model with the following assumptions:

	Broker Warrants	Stock Options
Exercise price	\$0.20	\$0.20
Risk-free interest rate	2.47%	2.47%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	75%	75%
Expected option life in years	0.13	1.56

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**4. EXPLORATION AND EVALUATION ASSETS**

	Harper Basin Reconnaissance License
	\$
<b>Acquisition Costs:</b>	
Balance, December 31, 2024	664,160
Additions	340,840
Balance, September 30, 2025	1,005,000
Additions	844,086
Balance, December 31, 2025	1,849,086
<b>Exploration Costs:</b>	
Balance, December 31, 2024	757,299
Consulting	347,709
Engineering	16,440
Geology and geophysics	189,539
Legal	291,372
Software and geological data licensing fees	793,434
Other*	298,365
Balance, September 30, 2025	2,694,158
Consulting	91,064
Geology and geophysics	65,999
Legal	339,704
Software and geological data licensing fees	277,769
Balance, December 31, 2025	3,468,694
<b>Carrying Value:</b>	
September 30, 2025	\$ 3,699,158
December 31, 2025	\$ 5,317,780

\*included milestone commitment per the Joint Development Agreement (see Note 8)

**Harper Basin Reconnaissance License**

The Company holds 100% interest in the Reconnaissance License No. LPRA-002 (the “RL”), Harper basin, offshore Liberia, consisting of three blocks. The RL was issued by the Liberia Petroleum Regulatory Authority (“LPRA”) in September 2023, and expires on March 5, 2026.

There is a minimum work expenditure of US\$1,600,000 during the term of the license.

During the year ended December 31, 2023, the Company paid an original application fee of US\$50,000 (\$66,965 paid) and paid a license fee of US\$150,000 for each block (total of US\$450,000) (\$597,195 paid).

The license may be further extended for an additional one year term so long as the Company has completed the work program and financial commitments and is not otherwise in breach of the Reconnaissance License. If the term of license is extended, the Company shall pay US\$50,000 for each block that is renewed.

During the nine months ended September 30, 2025, the Company paid a fee of US \$250,000 (C\$340,840) for the extension of the right-to-match from June 30, 2025 to December 15, 2025.

Subsequent to December 31, 2025, on January 5, 2026, the Company entered into a Joint Study and Application Agreement with the Liberian subsidiary of TotalEnergies SE (“TTE”) to further explore the prospectivity of the Company’s Harper Basin property.

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

As part of this arrangement, solely due to the change in ownership percentages, the Company and TTE obtained a new Reconnaissance License (RL-003) on January 6, 2026, under which the Company holds a 35% interest and TTE holds a 65% interest. The Company paid LPRA a license fee of US\$612,500 (C\$844,086), based on its 35% interest, to obtain RL-003. RL-003 replaces the Company's previous license (RL) and require both parties to conduct a work program that includes state-of-the-art 3-D reprocessing and sea bottom data studies. The licensed areas are the same between RL and RL-003. The term of RL-003 continues to June 30, 2027. Expenditures under RL-003 and RL-002 are recoverable under any future production sharing contracts.

As at December 31, 2025, there was \$224,591 (September 30, 2025: \$449,031) of deferred exploration costs relating to the Harper Basin license.

**5. SHARE CAPITAL**

Authorized: Unlimited common shares without par value.

**Period ended December 31, 2025:**

During the period ended December 31, 2025, 12,500 warrants were exercised for gross proceeds of \$9,375.

**Period ended December 31, 2024:**

During the period ended December 31, 2024 the Company issued 10,703 common shares for gross proceeds of \$3,210,900. In connection with such share issuances, the Company incurred share issue costs of \$74,525.

During the same period, the Company issued 969 common shares to settle \$290,700 of debt.

**6. RESERVES**

**Warrants**

A continuity schedule of outstanding warrants for the three months ended December 31, 2025 and the nine months ended September 30, 2025 is as follows:

	December 31, 2025		September 30, 2025	
	Warrants outstanding	Weighted average exercise price	Warrants outstanding	Weighted average exercise price
Outstanding, beginning of period	7,997,450	\$0.75	-	\$0.00
Continuation of warrants of BluEnergies pre-RTO	-	-	200,000	0.20
Issued	-	-	8,009,950	0.75
Exercised	(12,500)	0.75	(212,500)	0.23
Expired	-	-	-	-
<b>Outstanding, end of period</b>	<b>7,984,950</b>	<b>\$0.75</b>	<b>7,997,450</b>	<b>\$0.75</b>

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**6. RESERVES** (continued)

**Warrants** (continued)

As at December 31, 2025, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Weighted Average Remaining Life (Years)	Expiry Date
7,858,050	\$0.75	1.52	8-Apr-27
126,900	\$0.75	0.42	4-Mar-26
<b>7,984,950</b>	<b>\$0.75</b>	<b>1.50</b>	

During the nine months ended September 30, 2025, the Company issued 7,883,050 warrants and 126,900 finders' fee warrants as part of the RTO (Note 3). The warrants attached to the concurrent financing had \$Nil value based on the residual value method. The fair value of the finders' fee warrants was \$12,291 using the Black-Scholes valuation method using the following assumptions: stock price volatility – 75%, risk-free interest rate – 2.45%, expected life of options – 2.00 years, and expected dividend yield – 0%.

**Stock Options**

The Company grants stock options to directors, officers, employees, and consultants pursuant to the Company's Stock Option Plan (the "Plan"). The number of options that may be issued pursuant to the Plan are limited to 10% of the Company's issued and outstanding common shares, and to other restrictions with respect to any single participant (not greater than 5% of the issued common shares), or any one consultant (not greater than 2% of the issued common shares), or consultants performing investor relations activities (not greater than 1% of the issued common shares).

Vesting provisions may also be applied to other option grants, at the discretion of the directors. Options issued pursuant to the Plan will have an exercise price as determined by the directors, and permitted by the regulatory authorities, at the time of the grant. Options have a maximum expiry date of 10 years from the grant date.

A continuity schedule of the Company's outstanding stock options for the three months ended December 31, 2025 and the nine months ended September 30, 2025 is as follows:

	December 31, 2025	September 30, 2025
	Options outstanding	Options outstanding
	Weighted average exercise price	Weighted average exercise price
Outstanding, beginning of period	4,050,000	-
Continuation of options of BluEnergies pre-RTO	-	250,000
Granted	-	4,600,000
Cancelled/Expired	-	(800,000)
<b>Outstanding, end of period</b>	<b>4,050,000</b>	<b>4,050,000</b>
<b>Exercisable, end of period</b>	<b>1,770,000</b>	<b>630,000</b>

**6. RESERVES** (continued)

**Options** (continued)

As at December 31, 2025, the following stock options were outstanding:

Number of Options	Exercise Price	Weighted Average Remaining Life	Expiry Date
250,000	\$0.20	1.08	31-Oct-26
3,800,000	\$0.40	4.52	8-Apr-30
4,050,000	\$0.39	4.31	

On April 8, 2025, 4,600,000 stock options were granted to directors, officers and consultants of the Company at \$0.40 per share for a period of 5 years. 10% of the stock options vested on June 26, 2025, 30% vests on October 8, 2025, 30% vests on April 8, 2026 and 30% vests on October 8, 2026. 800,000 of these stock options were cancelled on May 7, 2025. The fair value of the stock options that vested during the three months ended December 31, 2025 was \$132,026 (2024 - \$Nil) using the Black-Scholes valuation method using the following assumptions: stock price volatility – 75%, risk-free interest rate – 2.67%, expected life of options – 5.00 years, and expected dividend yield – 0%.

**7. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors, former directors, officers and significant shareholders of the Company to be key management personnel.

During the three months ended December 31, 2025, the Company incurred \$62,742 (2024: \$163,552) of consulting and management fees from officers, directors and former officers of the Company and capitalized \$79,304 (2024: \$73,190) of consulting fees to exploration and evaluation asset from an officer of the Company.

Total fair value of the share-based payments made to directors and officers was \$90,333 (2024 - \$Nil) for the three months ended December 31, 2025.

As at December 31, 2025, there is \$93,112 (September 30, 2025: \$160,078) due to officers and directors of the Company, included in accounts payable and accrued liabilities. All amounts owed to related parties are non-interest bearing, unsecured, and have no fixed terms of repayment.

On December 22, 2025, The Company entered into an unsecured loan agreement with certain shareholders, officers and directors of the Company for proceeds of \$2,000,000. The loan bears interest at 10% per annum, compounded monthly, and has a six-month term maturing on June 22, 2026.

Interest is accrued using the effective interest method. During the period ended December 31, 2025, the Company accrued interest expense of \$4,937 and is included in shareholder loans payable. Repayment of principal and accrued interest is due at maturity.

**8. COMMITMENT**

On September 22, 2021 and amended on February 6, 2025, the Company entered into a joint development agreement (“JDA”) with an international geophysical company based in Houston, Texas. The purpose for the JDA was to collaborate on a comprehensive international oil and gas database in view of identifying oil and gas exploration opportunities for a five year term. In consideration of the services and activities under taken for the first year of the agreement, the Company has paid a total of US\$500,000. Of the total, US\$333,333 (\$419,339) was paid during the year ended December 31, 2022 and the remaining US\$166,667 (\$216,867) was paid during the year ended December 31, 2024.

Additionally, the Company shall pay the vendor according to the following milestones, paid within 30 days of each milestone achievement (“Milestone Considerations”):

<b>Milestone</b>	<b>Consideration</b>
Equity investment acquired by the Company as a sole operator or as part of an exploration group over any block regardless of size	US\$500,000
Capital raise *	10% of capital raised, maximum of US\$1,000,000
Commencement of physical operation of drilling a well in which the land surface is penetrated by a drill bit (“Spud Well”)	US\$1,000,000
Executing an agreement with a third party to acquire an equity investment through an exploration group	10% of value of investment, maximum of US\$2,000,000
Board of directors approving to undertake the project	US\$2,500,000
First commercial oil production	US\$1,000,000
Net profit interest	2% on a quarterly basis
Disposal of interest	2% of net proceeds

\*As part of the concurrent financing with the RTO (Note 3), the Company paid \$293,768, which was included in exploration and evaluation assets (Note 4).

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) *Credit risk*

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on its cash. The Company reduces credit risk on its cash by maintaining its bank account with a large international financial institution. Accordingly, the Company does not believe it is subject to significant credit risk. The carrying value of this financial asset represents the maximum credit exposure.

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

*b) Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has liquidity risk as it has historically relied upon related parties to satisfy its capital requirements. Due to related parties are due within one year.

*c) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

*d) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

*e) Commodity price risk*

Oil and natural gas prices have been and are expected to remain volatile due to market uncertainties over the supply and demand of these commodities due to various factors including OPEC actions, the current state of world economies and ongoing credit and liquidity concerns. Depressed commodity prices have had and will continue to have a significant impact on the Company's ability to raise future capital to fund operations. Therefore, management regularly monitors natural resource commodity prices to determine the appropriate course of action to be taken by the Company.

**10. CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of equity comprised of share capital, reserves and deficit. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements and there were no changes in approach during the current period.

**11. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of oil properties in Liberia.

## **12. SUBSEQUENT EVENTS**

- a) On January 14, 2026, the Company entered into an agreement with an arm's length third party who provided legal services in relation to the Harper Basin property of US\$234,292 (C\$325,073). The Company intends to issue 216,715 common shares in connection with the agreement, using the share price of the Company's shares as at January 15, 2026. The issuance of shares is subject to TSXV approval.
- b) On January 16, 2026, the Company granted 2,300,000 stock options to directors, officers, and consultants of the Company at an exercise price of \$1.50 per share, expiring on January 15, 2031, subject to vesting conditions.
- c) On February 10, 2026, the Company announced its decision to accelerate the expiry date of 7,984,950 of the remaining outstanding common share purchase warrants originally issued on April 8, 2025. Pursuant to the terms, the expiry dates were accelerated to March 12, 2026, following the Company's shares trading at or above \$1.50 for 20 consecutive trading days. Subsequent to December 31, 2025, 4,509,000 warrants were exercised for proceeds of \$3,381,750.