



Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months period ended

September 30, 2024 and 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements (the "**Interim Financial Statements**") of CGX Energy Inc. (the "**Company**") are the responsibility of the management and Board of Directors of the Company.

The Interim Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Accounting Standards 34 'Interim Financial Reporting' ("**IAS 34**") using accounting policies consistent with International Financial Reporting Standards ("**IFRS**"). Accordingly, these Interim Financial Statements should be read in conjunction with our most recent annual audited financial statements for the year ended December 31, 2023 (the "**2023 Annual Financial Statements**"). Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the Interim Financial Statements have been prepared within acceptable limits of materiality.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the Interim Financial Statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the Interim Financial Statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Interim Financial Statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Toronto, Canada

November 6, 2024

"Suresh Narine"

Suresh Narine
Executive Chairman and Executive Director
(Guyana)

"Daniel Sanchez"

Daniel Sanchez
Chief Financial Officer

CGX Energy Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(US\$'s)

As at	Notes	September 30, 2024	December 31, 2023
Assets			
Current			
Cash and cash equivalents	5	\$ 2,722,012	\$ 6,414,819
Trade receivables and other assets	6	317,190	2,214,842
Total current assets		\$ 3,039,202	\$ 8,629,661
Non-current			
Property, plant and equipment	7	20,364,565	19,974,249
Exploration and evaluation assets	8	56,399,297	56,277,570
Total non-current assets		\$ 76,763,862	\$ 76,251,819
Total assets		\$ 79,803,064	\$ 84,881,480
Liabilities			
Current			
Trade and other payables	10	\$ 18,153,900	\$ 20,293,347
Farm in partner payable	9	181,067	884,409
Total current liabilities		\$ 18,334,967	\$ 21,177,756
Non-current			
Other payables		\$ 133,000	\$ 276,000
Total non-current liabilities		133,000	276,000
Total liabilities		\$ 18,467,967	\$ 21,453,756
Shareholders' equity			
Share capital		\$ 358,163,441	\$ 358,163,441
Reserve for share based payments	11	29,083,201	29,026,801
Accumulated deficit		(325,911,545)	(323,762,518)
Total shareholders' equity		\$ 61,335,097	\$ 63,427,724
Total liabilities and shareholders' equity		\$ 79,803,064	\$ 84,881,480

Nature of operations and going concern uncertainty (Note 1)
Commitments and contingencies (Note 13)

Approved on behalf of the Board of Directors on November 6, 2024:

("Signed" Suresh Narine)
_____, Director
Suresh Narine

("Signed" Dennis Mills)
_____, Director
Dennis Mills

The accompanying notes are an integral part of these Interim Financial Statements

CGX Energy Inc.
Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss
(US\$'s)

For the period ended September 30,	Notes	Three months		Nine months	
		2024	2023	2024	2023
Operating expenses					
Management and consulting		\$ 258,728	\$ 271,589	\$ 1,173,699	\$ 2,238,897
General and administrative		134,102	197,526	370,271	605,121
Professional fees		92,034	109,611	229,923	708,194
Interest expense	13	143,002	143,001	425,895	424,340
Shareholder information		7,774	25,672	28,355	125,173
Share based expense	11	19,000	(195,000)	56,400	95,000
Foreign exchange (gain) loss		16,213	(44,905)	(63,016)	37,481
Total operating expenses		\$ (670,853)	\$ (507,494)	\$(2,221,527)	\$(4,234,206)
Indirect revenue from farm in partner		—	47,728	72,500	1,899,087
Net loss and comprehensive loss		\$ (670,853)	\$ (459,766)	\$(2,149,027)	\$(2,335,119)
Loss per share					
Basic net loss per share		(0.00)	(0.00)	(0.01)	(0.01)
Diluted net loss per share		(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of shares					
Basic (000's)		338,549	338,549	338,549	337,900
Diluted (000's)		338,549	338,549	338,549	337,900

The accompanying notes are an integral part of these Interim Financial Statements

CGX Energy Inc.
Unaudited Condensed Interim Consolidated Statements of Changes in Equity
(US\$'s)

	Share Capital		Reserves		Total
	Number of Shares	Amount	Share based payments	Accumulated Deficit	
Balance at December 31, 2023	338,549,000	\$ 358,163,441	\$ 29,026,801	\$ (323,762,518)	\$ 63,427,724
Share based payments (Note 11)	—	—	56,400	—	56,400
Net loss and comprehensive loss for the period	—	—	—	(2,149,027)	(2,149,027)
Balance at September 30, 2024	338,549,000	\$ 358,163,441	\$ 29,083,201	\$ (325,911,545)	\$ 61,335,097
Balance at December 31, 2022	334,509,000	\$ 356,041,589	\$ 29,869,801	\$ (320,568,941)	\$ 65,342,449
Share based payments	—	—	290,000	—	290,000
Shares issued on exercise of options	4,040,000	1,156,852	—	—	1,156,852
Transfer of contributed surplus on exercise of options	—	965,000	(965,000)	—	—
Net loss and comprehensive loss for the period	—	—	—	(2,335,119)	(2,335,119)
Balance at September 30, 2023	338,549,000	\$ 358,163,441	\$ 29,194,801	\$ (322,904,060)	\$ 64,454,182

The accompanying notes are an integral part of these Interim Financial Statements

CGX Energy Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flow

(US\$'s)

For the period ended September 30,	Notes	Three months		Nine months	
		2024	2023	2024	2023
Operating Activities					
Net loss for the period		\$ (670,853)	\$ (459,766)	\$(2,149,027)	\$(2,335,119)
<u>Items not affecting cash:</u>					
Amortization		3,351	5,228	10,549	23,893
Share-based expense	11	19,000	(195,000)	56,400	95,000
Unrealized foreign exchange (gain) loss		(8,107)	32,865	17,072	14,189
Interest accretion on trade and other payables		143,002	143,001	425,895	424,340
Net change in non-cash working capital items:					
Trade receivables and other assets		(110,114)	(102,020)	(67,361)	232,670
Trade and other payables		(687,304)	(1,180,781)	(2,226,256)	551,701
Net cash used in provided from operating activities		\$ (1,311,025)	\$ (1,756,473)	\$ (3,932,728)	\$ (993,326)
Investing Activities					
Purchases of exploration and evaluation expenditures		(171,421)	—	(267,327)	(20,842)
Purchases of property, plant and equipment		(127,746)	(496,324)	(400,865)	(1,922,896)
Proceeds from the sale of scrap materials		—	—	145,600	—
Proceeds from 2023 JOA Amendment	8	—	—	1,500,000	\$ —
Farm in partner advances		(264,101)	(2,267,978)	(703,342)	(2,223,353)
Net cash used in (provided from) investing activities		\$ (563,268)	\$ (2,764,302)	\$ 274,066	\$ (4,167,091)
Financing Activities					
Proceeds from share options exercises		—	—	—	1,156,852
Net cash provided from financing activities		\$ —	\$ —	\$ —	\$ 1,156,852
Net decrease in cash and cash equivalents		\$ (1,874,293)	\$ (4,520,775)	(3,658,662)	(4,003,565)
Effect of exchange rate changes		16,213	24,901	(34,145)	18,676
Cash and cash equivalents at beginning of period		\$ 4,580,092	\$ 12,901,404	6,414,819	12,390,419
Cash and cash equivalents at end of period		\$ 2,722,012	\$ 8,405,530	\$ 2,722,012	\$ 8,405,530

The accompanying notes are an integral part of these Interim Financial Statements

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$’s)
For the three and nine months period ended September 30, 2024

GENERAL

CGX Energy Inc. (“CGX” or the “Company”) is incorporated under the laws of Ontario, Canada in 1998. The Company’s common shares (“Common Shares”) are listed and publicly traded on the TSX Venture Exchange (“TSXV”) under the trading symbol “OYL”. The Company’s head office is located at 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6. Its principal business activities are petroleum and natural gas exploration offshore the Cooperative Republic of Guyana, South America (“Guyana”) and construction of a deepwater port on the Berbice river in Guyana.

The following table summarizes the Company’s subsidiaries, the location of their registered offices, and the Company’s percentage interest.

Company	Registered Office	Percentage of Interest (%)
CGX Resources Inc. (“CRI”)	Bahamas	100%
GCIE Holdings Limited (“GCIE Holding”)	Barbados	100%
Grand Canal Industrial Estates Inc. (“GCIE”) ¹	Guyana	100%
CGX Energy Management Corp. (“CGMC”)	United States, Delaware	100%

1. Owned 100% by GCIE Holding

1. Nature of Operations and Going Concern Uncertainty

The Company is in the process of exploring and evaluating petroleum and natural gas properties in the Guyana Suriname basin in South America and construction of a deepwater port on the Berbice river in Guyana. The business of petroleum and natural gas exploration involves a high degree of risk and there can be no assurance that the Company’s exploration programs will result in profitable operations. In addition, there is no guarantee that the Company will be able to secure the necessary financing to complete the deepwater port project or be able to operate it profitably. The amounts shown as exploration and evaluation expenditures include acquisition costs and are net of any impairment charges to date; these amounts are not necessarily representative of present or future cash flows. The recoverability of the Company’s exploration and evaluation expenditures is dependent upon the discovery of economically recoverable petroleum and natural gas reserves; securing and maintaining title and beneficial interest in the properties; the ability to obtain the necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals and attaining profitable production or alternatively, upon the Company’s ability to farm-out its interest on an advantageous basis; all of which are uncertain.

The Company’s Petroleum Production Licence (“PPLs”) title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory, environmental and social requirements.

The Company has a history of operating losses and as at September 30, 2024 had a working capital deficiency of \$15,295,765 (December 31, 2023: \$12,548,095) and an accumulated deficit of \$325,911,545 (December 31, 2023: \$323,762,518). The ability of the Company to continue as a going concern is dependent on securing additional required financing through issuing additional equity or debt instruments, securing a joint farm-out for its PPL, the sale of Company assets, or securing a partner for the deepwater port project. As a result, the Company does not have sufficient cash flow to meet its operating requirements for the 12 month period from the current date of its statement of financial position. The Company has been successful in raising financing in the past, and believes in the viability

of its strategy and that the actions presently being taken by management of CGX provide the best opportunity for the Company to continue as a going concern, but there can be no assurances to that effect. As a result there exist material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company has implemented cost-saving measures, including the termination of leases and workforce reductions. Additionally, the Company is exploring further opportunities for additional reductions.

These Interim Financial Statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the Interim Financial Statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations.

2. Basis of Preparation

2.1 Statement of Compliance

These Interim Financial Statements, including comparatives, have been prepared in accordance with IAS 34 - Interim Financial Reporting using accounting policies consistent with the IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These Interim Financial Statements were authorized by the Board of Directors of the Company on November 6, 2024.

2.2 Basis of presentation

These Interim Financial Statements include only significant transactions and events occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed and should be read in conjunction with the 2023 Annual Financial Statements. In preparing these Interim Financial Statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the 2023 Annual Financial Statements.

2.3 Use of management estimates, judgments, and measurement uncertainty

The preparation of the Interim Financial Statements requires management of CGX to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses. Such estimates primarily relate to unsettled transactions and events as at the date of CGX's Interim Financial Statements.

On an ongoing basis, Management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates and judgements relate to the valuation of exploration and evaluation expenditures, functional currency, determination of cash generating units and impairment testing, taxes, and contingencies. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

Exploration and evaluation (“E&E”) expenditures (Note 8) and PP&E (Note 7)

The application of the Company’s accounting policy for E&E expenditures requires judgement to determine whether it is probable that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Company capitalizes E&E expenditures as assets. The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances; in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

If any facts and circumstances indicate an E&E asset or PP&E is carried at more than its recoverable amount, the E&E asset or PP&E is impaired, and recognizing an impairment loss is required.

Farm-in / Farm out

A farm-out is effectively a disposal and farm-in is an acquisition by the farmee of part of the farmor’s working interest, with the consideration being the fair value of the future expenditure undertaken by the farmee. The Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the Company as a gain on disposal.

Deep water port assets under construction and useful economic life Assets in the course of construction are carried at cost.

These assets are not amortized until they are available for use in commercial operation. Management reviews progress reports to determine when the deep water port is ready for commercial operation and will begin amortizing the port over the useful economic life of the deep water port. Once available for use, the annual depreciation charge for the deep water port is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values will be re-assessed annually and amended where necessary.

Functional currency

The determination of the Company's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining functional currency, the Company analyzed both the primary and secondary factors, including the currency of the Company's operating costs in Canada, United States and Guyana, and sources of financing.

Cash generating units and impairment testing

Cash generating units (“CGU’s”) are identified to be the exploration and evaluation license and the port at Berbice, the lowest level at which there are identifiable cash inflows that are largely independent of cash inflows of other groups of assets. The determination of CGUs requires judgment in defining a group of assets that generate cash inflows that are largely independent of the cash inflows from other

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

The Company monitors internal and external indicators of impairment relating to its properties, plant and equipment, and E&E assets. External sources of information include changes in the economic and legal environment in Guyana. In assessing impairment for E&E assets, the Company applies judgment in considering various factors that determine technical feasibility and commercial viability.

The Company reviews the carrying amounts of its long-lived assets to be held and used to determine whether there is any indication that those assets have suffered an impairment loss. If and when facts and circumstances indicate that the carrying value of an exploration and evaluation expenditures or the deep water port may exceed its recoverable amount, an impairment review is performed.

The equivalent combined carrying value of the CGU's is compared against the recoverable amount of the CGU's and any resulting impairment loss is written off to net income (loss). The recoverable amount is the greater of fair value, less costs of disposal or value-in-use. Impairments of exploration and evaluation expenditures are only reversed when there is significant evidence that the impairment has been reversed, but only to the extent of what the carrying amount would have been, had no impairment been recognized.

Income taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies

Contingent gains or liabilities are possible receipts or obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or present obligations that are not recognized because either it is not probable that an inflow or outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent gains or liabilities are not recognized but are disclosed and described in the notes to its consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to any claims that may result in proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any such claims as well as the perceived merits of the amount of relief sought or expected to be sought.

2.4 New standards, interpretations and amendments adopted by the Company

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's Interim Financial Statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's Interim Financial Statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's Interim Financial Statements.

3. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business. The property in which the Company currently has an interest is in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration, deepwater port development and pay for administrative costs, the Company will spend its existing funds available and will be required to raise additional funding. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2024.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) C\$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of September 30, 2024, and the date of these Interim Financial Statements, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

The Company considers its capital to be equity, which as at September 30, 2024 totaled \$61,335,097 and was comprised of share capital, reserve accounts and deficit (December 31, 2023: \$63,427,724).

4. Financial Instruments

Fair Value

Cash and cash equivalents, trade receivables and other assets, and farm in partner receivable are measured at amortized cost, which approximates fair value due to their short-term nature. Trade and other payables and farm in partner advances are measured at amortized cost, which also approximates fair value due to their short-term nature.

Warrant liability is measured as fair value through profit and loss with Level two classification within the fair value hierarchy.

The fair value hierarchy has the following levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

As at September 30, 2024 and December 31, 2023 the Company does not have any financial assets measured at fair value and that require classification within the fair value hierarchy.

These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

1) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The Company's maximum exposure to credit risk as at September 30, 2024 is the carrying value of cash and cash equivalents, trade receivables and other assets and farm-in partner balances.

- i. **Cash and cash equivalents:** Cash and cash equivalents are held mainly with major Canadian and American financial institutions in Canada, Guyana and the United States and therefore the risk of loss is minimal. The Company keeps cash and cash equivalents in major Guyanese banks to pay its current month activities.
- ii. **Trade receivables and other assets:** The Company is exposed to credit risk attributable to cash advances to suppliers, prepaid expenses, or credits from vendors. The Company does not believe that this risk is significant. (See Note 6)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$’s)
For the three and nine months period ended September 30, 2024

- iii. **Farm in partner balances:** The Company is exposed to credit risk attributable to its farm in partner. The Company does not believe that this risk is significant as these are short term in nature. (See Note 9)

2) Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at September 30, 2024, the Company had a working capital deficiency of \$15,295,765 (December 31, 2023: \$12,548,095). In order to meet its working capital and property exploration expenditures, the Company must secure further financing to ensure that those obligations are properly discharged (See Note 1). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests.

3) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

1) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term is invested in short-term guaranteed investment certificates and in high interest saving accounts, as appropriate.

2) Currency risk

The Company's E&E activities are substantially denominated in US dollars. The Company's funds are predominantly kept in US and Canadian (“C\$”) dollars, with major Canadian, Guyanese and United States financial Institutions. As at September 30, 2024, the Company had approximately C\$– (December 31, 2023:C\$62,000) in Canadian dollar denominated cash deposits.

Sensitivity Analysis

As at September 30, 2024, the carrying amount of the Company’s financial assets and financial liabilities exposure to foreign currency balances approximate as follows:

Account	Foreign Currency	Exposure	
		As at September 30, 2024	As at December 31, 2023
Cash and cash equivalents	C \$	\$ –	\$ 62,000
Trade and other receivables	C \$	84,000	191,000
Trade and other payables	C \$	(461,000)	(1,343,000)
Other payables	C \$	(180,000)	(364,000)
		\$ (557,000)	\$ (1,454,000)

Based on management’s knowledge and experience of the financial markets, the Company believes it is reasonably possible over a one year period that a change of 10% in foreign exchange rates would

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

increase/decrease, net loss for the nine months ended September 30, 2024 by C\$55,700 (December 31, 2023: C\$145,400).

5. Cash and Cash Equivalents

Cash and cash equivalents as at September 30, 2024, consisted of \$2,722,012 (December 31, 2023: \$6,414,819) on deposit with major financial institutions, of which \$50,000 (December 31, 2023: \$50,000) was in short-term guaranteed investment certificates with remaining maturities on the date of purchase of less than 90 days.

6. Trade Receivables and Other Assets

The Company's trade receivables and other assets arise from harmonized sales tax ("HST") receivable, trade receivables and prepaid expenses. These are broken down as follows:

As at,	September 30, 2024	December 31, 2023
Trade receivables	\$ 61,967	\$ 1,514,406
HST	2,671	24,932
Prepaid expenses	252,552	675,504
Total trade receivables and other assets	\$ 317,190	\$ 2,214,842

Below is an aged analysis of the Company's trade receivables:

As at,	September 30, 2024	December 31, 2023
1 -90 days	\$ 61,967	\$ 1,514,406
Over 90 days	—	—
Total trade receivables	\$ 61,967	\$ 1,514,406

At September 30, 2024, the Company anticipates full recovery of these amounts receivable and therefore no allowance was recorded against these receivables. Of the trade receivable amount outstanding as at September 30, 2024, \$11,100 (December 31, 2023: \$1,514,406) relates to amounts owed from Frontera Energy Corp ("Frontera") and its subsidiaries.

The Company holds no collateral for any receivable amounts outstanding as at September 30, 2024 and December 31, 2023. The credit risk on the receivables has been further discussed in Note 4.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

7. Property, Plant and Equipment

	Port (staging facility) ⁽¹⁾	Logistics Yard ⁽¹⁾	Vehicles, office furniture and fixtures	Computer, software & equipment	Total
Cost					
As at December 31, 2023	\$ 19,051,402	\$ 707,230	\$ 450,542	\$ 539,637	\$ 20,748,811
Additions	400,865	—	—	—	400,865
As at September 30, 2024	\$ 19,452,267	\$ 707,230	\$ 450,542	\$ 539,637	\$ 21,149,676
Accumulated amortization					
As at December 31, 2023	\$ —	\$ —	\$ 234,925	\$ 539,637	\$ 774,562
Amortization ⁽²⁾	—	—	10,549	—	10,549
As at September 30, 2024	\$ —	\$ —	\$ 245,474	\$ 539,637	\$ 785,111
Net book value					
As at December 31, 2023	\$ 19,051,402	\$ 707,230	\$ 215,617	\$ —	\$ 19,974,249
As at September 30, 2024	\$ 19,452,267	\$ 707,230	\$ 205,068	\$ —	\$ 20,364,565

Notes: (1) No amortization has been recorded on these assets as they are still under construction.

(2) Amortization has been recorded within general and administrative expense in the statement of comprehensive loss.

The lands upon which the port project is located are subject to an industrial lease of state land with the Commissioner of Lands and Surveys in Guyana. The term of the lease is for a period of 50 years commencing in 2010 with an option to renew for an additional 50 years. This land is subject to annual rental commitments relating to this lease.

8. Exploration and Evaluation Assets

	Corentyne
Balance, December 31, 2023	\$ 56,277,570
Additions	267,327
Proceeds from the sale of scrap materials	(145,600)
Balance, September 30, 2024	\$ 56,399,297

As at September 30, 2024, the expenditures capitalized above include costs for license acquisitions and maintenance of licences, general exploration, geological and geophysical consulting, surveys, 3D-seismic acquisition, processing and interpretation, drill planning and well exploration costs.

Corentyne Petroleum Agreements ("Corentyne PA") Commitment, Guyana

The Company is the operator of the Corentyne block and currently holds a 27.48% working interest while Frontera Energy Guyana Corp. ("Frontera Guyana") holds the remaining 72.52% interest in the block. Pursuant to the amendment dated August 9, 2023 to the joint operation agreement dated January 30, 2019 between CGX Resources Inc., the Company's wholly-owned subsidiary, and Frontera Guyana, the Company has agreed to transfer an additional 4.52% participating interest to Frontera Guyana, which transfer is subject to approval from the Government of Guyana. See below Join Operation Agreements.

On January 23, 2023, the Joint Operations announced that the Government of Guyana approved an Appraisal Plan (“AAP”) for the northern section of the Corentyne block which commenced with the Wei-1 well. Following completion of Wei-1 drilling operations and upon detailed analysis of the results, the Joint Operations may consider future wells per its appraisal program to evaluate possible development feasibility in the Kawa-1 discovery area and throughout the northern section of the Corentyne block. Any future drilling is contingent on positive results at Wei-1 well, and the Joint Operations has no further drilling obligations beyond the Wei-1 well. The appraisal programme was approved for a period of 24 months from June 29, 2022 to June 28, 2024. On June 26, 2024, the Joint Operation has submitted a Notice of Potential Commercial Interest for the Wei-1 discovery to the Government of Guyana, which preserves the Joint Operation’s interests in the License.

After commercial production begins, the Company is allowed to recover contract costs as defined in the Corentyne PA from “cost oil” produced and sold from the contract area and limited in any month to an amount which equals seventy-five percent (75%) of the total production from the contract area for such month excluding any hydrocarbon used in petroleum operations or which is lost. The Joint Operations’s share of the remaining production or “profit oil” is 47%.

To the extent that in any month recoverable contract costs exceed the value of cost hydrocarbons, the unrecoverable amount shall be carried forward and shall be recoverable in the immediately succeeding month, and to the extent not then recovered, in the subsequent month or months.

The Company has \$155.0 million of recoverable contract costs brought forward from the original Corentyne licence. This cost can be recovered against any future commercial production.

Annual rental fees of \$0.1 million and training fees of \$0.1 million are required to be paid under the PA.

Joint Operation Agreements

On January 30, 2019, Frontera Guyana a wholly-owned subsidiary of Frontera, and CRI, executed Joint Operating Agreements (“JOAs”) providing for Frontera Guyana to acquire a 33.333% interest in CRI’s Corentyne and Demerara PPLs and PAs. The transfers of the 33.333% interest in both the Corentyne and Demerara PPL and PA were completed on May 28, 2019.

2022 JOA Amendment

On July 21, 2022, the Company entered into an agreement (the “**2022 JOA Amendment**”) to transfer 34.67% of its interest in the Corentyne PA to Frontera Guyana. In exchange, Frontera Guyana provided funding of (i) up to \$130.0 million funding of Wei-1 well, (ii) up to \$28.8 million of certain Kawa-1 exploration well, Wei-1 pre-drill, and other costs, (iii) \$54.0 million of outstanding payables settled, and (iv) \$3.8 million cash consideration. On December 1, 2022, the Joint Operation announced that the 2022 JOA Amendment was completed with all conditions precedent satisfied, pending approval by the Government of Guyana.

2023 JOA Amendment

On August 9, 2023, CRI and Frontera Guyana, entered into an agreement to further amend the joint operation agreement (“**JOA**”) dated January 30, 2019 and subsequently amended (the “**2023 JOA Amendment**”).

Pursuant to the 2023 JOA Amendment, the Company agreed to transfer an additional 4.7% participating interest in the Corentyne block to Frontera Guyana, in exchange for Frontera Guyana funding CGX’s participating interest share of the costs associated with the Wei-1 well for up to approximately \$16.5 million.

Pursuant to the 2023 JOA Amendment, if the final amount paid by Frontera Guyana as a carry towards CGX’s participating interest share of Wei-1 expenses is less than \$16.5 million, the Company has the right to receive from Frontera Guyana a re-assignment of a portion of said 4.7% interest equivalent to the portion of the consideration that is not used towards the payment of CGX’s participating interest share of costs associated with the Wei-1 well. The 2023 JOA Amendment was completed during the fourth quarter of 2023, pending approval from the Government of Guyana.

According to the final cost of the Wei-1 well, the Company would have the right to receive from Frontera Guyana a reassignment of 0.78% participating interest in the Corentyne block. However, pursuant to that certain Closing Letter dated March 7, 2024 (“**Closing Letter**”) between the Company and Frontera Guyana, the Company has instead agreed to receive from Frontera Guyana (i) the re-assignment of a 0.18% participating interest in the Corentyne block, (ii) \$1.5 million cash consideration to cover certain other operating expenses of the Company, and (iii) \$0.6 million in settlement of other accounts payable related to the Joint Operations. The transfer is subject to approval from the Government of Guyana. .

During the second quarter of 2024, the Company received cash consideration of \$1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023.

9. Related Party Transactions and Compensation of Key Management

Under IFRS, parties are considered to be related if one party has the ability to “control” (financially or by share capital) the other party or have significant influence (management) on the other party in making financial, commercial and operational decisions.

Frontera

As at November 6, 2024, Frontera, through one of its wholly-owned subsidiary, held approximately 76.05% of the issued and outstanding Common Shares of CGX on an undiluted basis and has the voting power to influence the outcome of all corporate transactions. Frontera consolidates the financials statements of the Company and is listed and publicly traded on the Toronto Stock Exchange under the trading symbol “FEC”.

During the second quarter of 2024, the Company received cash consideration of \$1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023. (See further information regarding the 2023 JOA Amendment in the 2023 Annual Financial Statements Note 8. Exploration and Evaluation Assets)

Farm-in partner cash call balances

Under the JOA, the Company is the operator of the Corentyne licence. As operator, the Company makes cash calls from its partner to pay for future licence expenditures. As at September 30, 2024, the Company has a payable balance of \$181,067 (December 31, 2023: \$884,409 payable balance) to Frontera Guyana related to the operation of the Corentyne licence.

In addition, as operator of the Corentyne licence, the Company receives a fee from its partner to reimburse its indirect costs related to operating the licence. This fee is based on total expenditures under

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

the JOA. During the nine months ended September 30, 2024, the Company recorded fees from Frontera Guyana of \$72,500 (nine months ended September 30, 2023: \$1,899,087).

As of September 30, 2024, the Company has accounts receivable from Frontera of \$11,100 related to its portion of the University program funding, and other operational costs (December 31, 2023: \$Nil).

See further information of JOA related party transactions with Frontera on Note 8. Exploration and Evaluation Assets.

Other related party transactions

On November 22, 2022, the Company entered into a contract with Gaico Construction and General Services Inc. (“**Gaico**”), Gaico was contracted through a bid to construct the Company's access trestle and wharf as well as to perform required dredging operations for Port Operations, the contract price is \$2,098,174 plus taxes. Gaico is controlled by a family member of the Executive Chairman and Executive Director of the Company. The transaction is in the normal course of operations. During the nine months ended September 30, 2024, the Company paid \$100,530 as part of the contract (nine months ended September 30, 2023: \$1,901,211). As of September 30, 2024, Gaico has a outstanding account payable balance of \$Nil (December 31, 2023: \$133,130).

Key Management Personnel

Key management includes the Company’s directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management included:

Nine months period ended September 30,	2024	2023
Short-term employee benefits	\$ 1,158,500	\$ 2,569,414
Share based expense (recovery)	56,400	(143,000)
Total compensation paid to key management	\$ 1,214,900	\$ 2,426,414

During the nine months ended September 30, 2024, key management personnel exercised Nil (nine months ended September 30, 2023: 1,400,000) stock options at a weighted average exercise price of \$Nil (2023: C\$0.20 (\$0.15)). The weighted average trading price on date of exercise for the stock options exercised during the nine months ended September 30, 2024 was \$Nil (nine months ended September 30, 2023: C\$1.28 (\$0.96)).

In 2023, the Company, with the approval of the Board of Directors, recorded incentive remuneration of C\$1,181,000 (\$894,000) for services related to the years 2020 to 2022. Of this total, approximately C\$546,000 (\$414,000) is to be paid in three equal annual installments in August of 2024, 2025, and 2026. The Company made the first installment payment of C\$182,000 during the third quarter of 2024. Included as Other Payables non-current liabilities is C\$182,000 (December 31, 2023: C\$364,000). These amounts are ranked as senior obligations.

As of September 30, 2024, key management outstanding compensation included in trade and other payables is \$627,000 (December 31, 2023: \$660,000). These amounts are unsecured, non-interest-bearing, and due upon demand.

10. Trade and Other Payables

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

The usual credit period taken for trade purchases is between 30 to 90 days. The following is an aged analysis of the trade and other payables:

As at,	September 30, 2024	December 31, 2023
Less than one month, accruals	\$ 1,101,195	\$ 2,571,978
One month to three months	314,601	937,227
Over three months ⁽¹⁾	16,738,104	16,784,142
Total trade and other payables	\$ 18,153,900	\$ 20,293,347

(1) Includes approximately \$16.3 million provision related to the Prospector claim, refer to Note 13. Commitments and Contingencies.

11. Reserve for Share Based Payments

A summary of the changes in the Company's reserve for share based payments for the nine months ended September 30, 2024 and year ended December 31, 2023 is set out below:

As at,	September 30, 2024	December 31, 2023
Balance at beginning of period	\$ 29,026,801	\$ 29,869,801
Share based payments	56,400	122,000
Value transferred on exercise of options	—	(965,000)
Balance at end of period	\$ 29,083,201	\$ 29,026,801

12. Segmented Information

Operating and geographic segments

At September 30, 2024 and December 31, 2023, the Company's current operations are comprised of two reporting operating segments. The petroleum and natural gas exploration in Guyana, and the Berbice Deep Water Port project. The Company still has no revenues.

The following is a detailed breakdown of the Company's non-current assets by geographical location:

As at,	September 30, 2024	December 31, 2023
Non-Current Assets		
Guyana	\$ 76,763,862	\$ 76,251,819
Total Non-Current Assets	\$ 76,763,862	\$ 76,251,819

13. Commitments and Contingencies

Contractual obligations

The Company entered into contracts for the Corentyne block as part of its operations. As of September 30, 2024, the outstanding purchase orders and contracts under these agreements amount to \$Nil.

Demerara Seismic agreement - Prospector

In September 2014, the Company entered into a contract with Prospector PTE. Ltd. (“**Prospector**”) to conduct a 3D seismic survey on the Company’s previously 100% owned Demerara block as part of its commitments under the Demerara PA. The aggregate cost of this seismic survey was approximately \$19.0 million with \$7.0 million paid to Prospector by way of issuance of 15,534,310 Common Shares, \$2.5 million paid in cash in 2014 and the remainder of approximately \$9.5 million payable in cash twelve months after the conclusion of the seismic survey (December 2015). In accordance with the contract with Prospector, the amounts outstanding twelve months after the conclusion of the seismic survey accrued interest at a rate of 12% per annum.

On October 3, 2016, the Company renegotiated the interest rate down from 12% per annum to 6% per annum and agreed to have Prospector complete the seismic processing of the seismic survey. In exchange, CGX agreed to be responsible under certain circumstances to Prospector for 50% of the processing costs, which were estimated to be in the region of \$1.0 million.

The processing began in late 2016 and was substantially completed in 2017 (albeit there was a dispute as to the quality – see below) and as a result, the Company recorded a provision of \$0.6 million.

In July 2018, Prospector filed a request for arbitration against CGX and CRI in the International Chamber of Commerce (“**ICC**”) for repayment of the debt accrued under the seismic acquisition contract (and the addendum thereto) dated September 2014 for the acquisition of 3D seismic data on the Demerara block. Prospector requested that the International Court of Arbitration of the ICC constitute the arbitral tribunal (the “**Tribunal**”) and requested that the Tribunal award to Prospector the relief of (i) the amount \$12.4 million being the amount Prospector alleged it was owed as at May 1, 2018, (ii) any interest that will have accrued from May 1, 2018 until the date of the award in the amount of 6% per annum based on the Deed of Addendum 1 (the “**Addendum**”) between CGX and Prospector dated October 3, 2016, (iii) post-award interest in the amount of 6% per annum until payment as per the Addendum, and (iv) costs and reasonable and necessary attorney’s fees incurred by Prospector in bringing the arbitration (the “**Arbitration**”). It was subsequently agreed that the Tribunal had no jurisdiction over CRI.

On January 15, 2019, Prospector and CGX agreed to a one year suspension of the Arbitration. The Tribunal indicated that the Arbitration would be stayed for 12 months from January 22, 2019 until January 22, 2020. The parties subsequently agreed to extend the suspension for a further year until January 22, 2021.

On January 23, 2021, Prospector formally gave notice of the end of the suspension and recommencement of the Arbitration. On April 23, 2021, the Company filed its Defence and Counterclaim (along with supporting factual, witness and expert evidence) in the Arbitration against Prospector at the ICC for \$26.1 million, plus interest and costs, for damages it claims to have suffered as a result of the unsatisfactory processing of the 3D seismic data.

The Arbitration hearing was conducted at the end of March 2022 in London, UK. On September 13, 2022, the International Court of Arbitration of the ICC released its Partial Final Award in the amounts of \$9.5 million and \$0.6 million in favour of Prospector and denied the Company’s counterclaim.

On November 30, 2022, the Tribunal released its Final Award, which awarded Prospector \$4.3 million in pre-award interest; post-award interest at the rate of 6% per annum (simple) on the principal sum of \$9.5 million from September 14, 2022 until payment in full of the principal sum; and \$0.7 million for its legal costs and expenses.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements – (US\$'s)
For the three and nine months period ended September 30, 2024

In October 2022, the Company initiated a challenge to the Partial Final Award. On November 15, 2022, Prospector requested that the UK High Court ("UKHC") dismiss CGX's challenge without a hearing. On December 19, 2022, the UKHC dismissed CGX's challenge without a hearing. On January 6, 2023, CGX applied to the UKHC for an order setting aside the dismissal of its challenge to the Partial Final Award without a hearing. On March 3, 2023, the UKHC dismissed CGX's application.

Prospector also brought an application against the Company to recognize and enforce the Partial Final Award and the Final Award of the International Court of Arbitration of the ICC in Ontario. The Company opposed that application. The hearing took place on March 29, 2023. On July 17, 2023, the Ontario Superior Court of Justice issued its decision granting Prospector's application, confirming that the Partial Final Award and the Final Award are recognized and enforceable by the Ontario Superior Court of Justice in Ontario.

In December 2023, the Company received a Notice of Garnishment for the bank accounts in Canada, the balance as of December 31, 2023 of those bank accounts were immaterial.

On October 25, 2024, Prospector filed an application in the Court of King's Bench of Alberta seeking an order that the Ontario Judgement be registered as a judgment in the Court of King's Bench of Alberta (such that the Partial Final Award and the Final Award be recognized and enforceable in Alberta). The hearing for the application is scheduled to be heard on November 14, 2024.

As at September 30, 2024, the Company has a provision of approximately \$16.3 million for the amounts claimed by Prospector plus accrued interest, legal costs and expenses recorded within trade and other payables (December 31, 2023: \$15.9 million).