



Daniel Sanchez  
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April 4, 2025

**VIA SEDAR+**

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Ontario Securities Commission  
New Brunswick Financial and Consumer Services Commission  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Prince Edward Island  
Office of the Superintendent of Securities, Service Newfoundland and Labrador

Dear Sirs/Mesdames:

**Re: CGX Energy Inc. (the Issuer)  
Submission of Second Amended Annual Financial Statements of the Issuer (the AFS)**

We are submitting a second amended AFS of the Issuer for the year ended December 31, 2024 in accordance with the requirements of the TSX Venture Exchange (**TSXV**). This amendment is being made to include the auditor's signature in their audit report which was inadvertently omitted in the previous version of the AFS of the Issuer. No other changes are being made to the previously filed AFS of the Issuer.

The original version of the AFS of the Issuer contained a date-related error, which was corrected in the first amended version of the AFS of the Issuer.

Both revisions to the AFS of the Issuer were identified internally and were not requested by the TSXV.

Please note that there are no changes to the accompanying Management Discussion & Analysis (MD&A) or the CEO and CFO certifications under National Instrument 52-109.

If you have any questions regarding the above, please contact the undersigned.

Yours truly,

*Daniel Sanchez*  
*Chief Financial Officer*  
*CGX Energy Inc.*



**Consolidated Financial Statements**

**For the years ended**

**December 31, 2024 and 2023**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The Consolidated Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("**IFRS**"). Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

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 Consolidated 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 Consolidated 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 Consolidated 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

March 10, 2025

*"Suresh Narine"*

Suresh Narine  
Executive Chairman and Executive Director  
(Guyana)

*"Daniel Sanchez"*

Daniel Sanchez  
Chief Financial Officer

# Independent auditor's report

To the shareholders of  
**CGX Energy Inc.**

## Opinion

We have audited the consolidated financial statements of **CGX Energy Inc.** [the Company], which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has a history of operating losses and as at December 31, 2024 had a working capital deficiency of \$15,789,916 and an accumulated deficit of \$326,344,657. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. In addition to the matters described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<p data-bbox="207 478 618 537"><i>Indicators of impairment of exploration and evaluation assets (“E&amp;E”)</i></p> <p data-bbox="207 558 630 982">As at December 31, 2024, the carrying value of E&amp;E assets was \$56,204,110. Refer to Note 9 of the consolidated financial statements for the Company’s E&amp;E disclosures and Note 3 for Company’s policy on impairment assessment. Cash-generating units [“CGUs”] are assessed by management for indicators of impairment or impairment reversal at each reporting date. The Company concluded that no indicators of impairment or impairment reversal were present as at December 31, 2024.</p> <p data-bbox="207 1020 630 1230">Auditing the Company’s assessment of indicators of impairment or impairment reversal involved significant judgement due to the uncertainty that the Company’s construction activities and exploration programs will result in commercial development.</p>	<p data-bbox="662 558 1414 617">To test the Company’s assessment of indicators of impairment, we performed the following procedures, among others:</p> <ul data-bbox="662 655 1414 1268" style="list-style-type: none"> <li data-bbox="662 655 1414 743">• Read the Board of Director’s meeting minutes and obtained evidence of continued efforts to secure a financial or farm-out partner.</li> <li data-bbox="662 747 1414 835">• Assessed whether there were indications of decline in asset value or changes in the extent or manner in which the asset was expected to be used.</li> <li data-bbox="662 840 1414 961">• Assessed the competence, capability, objectivity, and independence of the management experts engaged to evaluate resources in the specific areas, and the methodology they adopted.</li> <li data-bbox="662 966 1414 1054">• Assessed the Company’s rights to the exploration areas by obtaining the license agreements and considering the conditions and term of the license and expectations of renewal.</li> <li data-bbox="662 1058 1414 1146">• Reviewed a formal legal opinion from management’s external legal counsel regarding the Company’s license and interest in the Corentyne Block.</li> <li data-bbox="662 1150 1414 1268">• Assessed the ability and actions of the Company to finance future development activity and whether exploration and evaluation in a specific area has not led to commercially viable quantities of resources.</li> </ul>

**Other information**

Management is responsible for the other information. The other information comprises:

- Management’s discussion and analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management’s Discussion & Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ryan MacDonald.

Toronto, Canada  
March 10, 2025



Chartered Professional Accountants  
Licensed Public Accountants

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

As at	Notes	December 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	6	\$ 2,073,990	\$ 6,414,819
Trade receivables and other assets	7	294,333	2,214,842
Farm in partner receivable	10	105,397	—
<b>Total current assets</b>		<b>\$ 2,473,720</b>	<b>\$ 8,629,661</b>
<b>Non-current</b>			
Property, plant and equipment	8	20,625,791	19,974,249
Exploration and evaluation assets	9	56,204,110	56,277,570
<b>Total non-current assets</b>		<b>\$ 76,829,901</b>	<b>\$ 76,251,819</b>
<b>Total assets</b>		<b>\$ 79,303,621</b>	<b>\$ 84,881,480</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	11	\$ 18,263,636	\$ 20,293,347
Farm in partner payable	10	—	884,409
<b>Total current liabilities</b>		<b>\$ 18,263,636</b>	<b>\$ 21,177,756</b>
<b>Non-current</b>			
Other payables	10	\$ 133,000	\$ 276,000
<b>Total non-current liabilities</b>		<b>133,000</b>	<b>276,000</b>
<b>Total liabilities</b>		<b>\$ 18,396,636</b>	<b>\$ 21,453,756</b>
<b>Shareholders' equity</b>			
Share capital	12	\$ 358,163,441	\$ 358,163,441
Reserve for share based payments	13	29,088,201	29,026,801
Accumulated deficit		(326,344,657)	(323,762,518)
<b>Total shareholders' equity</b>		<b>\$ 60,906,985</b>	<b>\$ 63,427,724</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 79,303,621</b>	<b>\$ 84,881,480</b>

*Nature of operations and going concern uncertainty (Note 1)*  
*Commitments and contingencies (Note 16)*

Approved on behalf of the Board of Directors on March 10, 2025:

("Signed" Suresh Narine)

\_\_\_\_\_, Director

Suresh Narine

("Signed" Dennis Mills)

\_\_\_\_\_, Director

Dennis Mills

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

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

<b>For the year ended December 31,</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Port Revenue		\$ 53,145	\$ —
<b>Operating expenses</b>			
Management and consulting		\$ (1,529,596)	\$ (2,847,043)
General and administrative		(517,026)	(925,515)
Professional fees		(135,897)	(860,179)
Interest expense		(568,896)	(567,341)
Shareholder information		(29,592)	(140,429)
Share based expense	12	(61,400)	(122,000)
Foreign exchange gain (loss)		62,123	(64,350)
<b>Total operating expenses</b>		<b>\$ (2,780,284)</b>	<b>\$ (5,526,857)</b>
Indirect revenue from farm in partner	10	145,000	2,333,280
<b>Net loss and comprehensive loss</b>		<b>\$ (2,582,139)</b>	<b>\$ (3,193,577)</b>
<b>Loss per share</b>			
Basic net loss per share		(0.01)	(0.01)
Diluted net loss per share		(0.01)	(0.01)
<b>Weighted average number of shares</b>			
Basic (000's)		338,549	338,227
Diluted (000's)		338,549	338,227

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

**CGX Energy Inc.**  
**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 12)	—	—	61,400	—	61,400
Net loss and comprehensive loss for the year	—	—	—	(2,582,139)	(2,582,139)
<b>Balance at December 31, 2024</b>	<b>338,549,000</b>	<b>\$ 358,163,441</b>	<b>\$ 29,088,201</b>	<b>\$ (326,344,657)</b>	<b>\$ 60,906,985</b>
<hr/>					
Balance at December 31, 2022	334,509,000	\$ 356,041,589	\$ 29,869,801	\$ (320,568,941)	\$ 65,342,449
Share based payments	—	—	122,000	—	122,000
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 year	—	—	—	(3,193,577)	(3,193,577)
Balance at December 31, 2023	338,549,000	\$ 358,163,441	\$ 29,026,801	\$ (323,762,518)	\$ 63,427,724

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

**CGX Energy Inc.**  
**Consolidated Statements of Cash Flow**  
*(US\$'s)*

<b>For the year ended December 31,</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>			
Net loss for the year		\$ (2,582,139)	\$ (3,193,577)
<i>Items not affecting cash:</i>			
Amortization		13,932	27,991
Share-based expense	12	61,400	122,000
Unrealized foreign exchange loss (gain)		52,641	(21,089)
Interest accretion on trade and other payables		570,451	560,134
<b>Net change in non-cash working capital items:</b>			
Trade receivables and other assets		(44,504)	(1,203,332)
Trade and other payables		(2,399,312)	40,505
<b>Net cash used in operating activities</b>		<b>\$ (4,327,531)</b>	<b>\$ (3,667,368)</b>
<b>Investing Activities</b>			
Exploration and evaluation expenditures		(176,240)	—
Purchases of property, plant and equipment		(625,474)	(1,974,357)
Proceeds from the sale of scrap materials		249,700	—
Proceeds from 2023 JOA Amendment	9	1,500,000	\$ —
Farm in partner advances		(989,806)	(1,485,455)
<b>Net cash used in investing activities</b>		<b>\$ (41,820)</b>	<b>\$ (3,459,812)</b>
<b>Financing Activities</b>			
Proceeds from share options exercises		—	1,156,852
<b>Net cash provided from financing activities</b>		<b>\$ —</b>	<b>\$ 1,156,852</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,369,351)</b>	<b>(5,970,328)</b>
Effect of exchange rate changes		28,522	(5,272)
<b>Cash and cash equivalents at beginning of year</b>		<b>6,414,819</b>	<b>12,390,419</b>
<b>Cash and cash equivalents at end of year</b>		<b>\$ 2,073,990</b>	<b>\$ 6,414,819</b>

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

**Notes to the Consolidated Financial Statements – (US\$’s)**  
**For the year ended December 31, 2024 and 2023**

**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.

<b>Company</b>	<b>Registered Office</b>	<b>Percentage of Interest (%)</b>
CGX Resources Inc. (“ <b>CRI</b> ”)	Bahamas	100%
GCIE Holdings Limited (“ <b>GCIE Holding</b> ”)	Barbados	100%
Grand Canal Industrial Estates Inc. (“ <b>GCIE</b> ”) <sup>1</sup>	Guyana	100%
CGX Energy Management Corp. (“ <b>CGMC</b> ”)	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 (“**PPL**”) 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 December 31, 2024 had a working capital deficiency of \$15,789,916 (December 31, 2023: \$12,548,095) and an accumulated deficit of \$326,344,657 (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

**Notes to the Consolidated Financial Statements – (US\$’s)**  
**For the year ended December 31, 2024 and 2023**

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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 Consolidated 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 Consolidated 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**

The Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). These Consolidated Financial Statements were approved and authorized by the Board of Directors of the Company on March 10, 2025.

### **2.2 Basis of presentation**

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measure at fair value, as explained in the accounting policies in Note 3.

### **2.3 Use of management estimates, judgments, and measurement uncertainty**

The preparation of the Consolidated 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 consolidated 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, valuation of share-based payments and warrant liabilities, 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 9) and PP&E (Note 8)***

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

**Notes to the Consolidated Financial Statements – (US\$'s)**  
**For the year ended December 31, 2024 and 2023**

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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.

### ***Corentyne License***

On June 26, 2024, CRI and Frontera Energy Guyana Corp. ("**Frontera Guyana**" and together with CRI, the "**Joint Venture**") announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the Government of Guyana, which preserves their interests in the PPL and the Petroleum Agreement ("PA") for the Corentyne block. Due to the absence of a response from the Government of Guyana and the remarks made by certain Government officials, on December 12, 2024, the Joint Venture announced that it had sent the Government of Guyana a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation. On February 11, 2025, the Joint Venture announced that it received a communication from the Government of Guyana in which the Government has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the Government's intention to cancel the PPL. Although the Government argued that the PPL and PA have been terminated, it invited the Joint Venture to submit any representations it wished to have considered by the Government prior to its final decision on whether to cancel any existing license. The Government further stated that any such license would cease to have effect on March 10, 2025, unless any representation made are favorably considered. On February 24, 2025, the Company announced that the Joint Venture had provided a response, advising the Government of Guyana that notwithstanding the Government's contradictory positions, both the PPL and the PA remain valid and in force. The Joint Venture remains firmly of the view that its interest in the PPL and the PA for the Corentyne block remain in place and in good standing.

Considering the circumstances described, the Company has assessed whether under IFRS 6.20 there is any impairment indicator, which needs to make significant judgements based on facts and external legal opinions.

The Company has concluded that there are no impairment indicators under IFRS 6 considering that:

- the interest in the PA and the PPL for the Corentyne block remain in place and in good standing;
- the volume of gross prospective resources identified, and independently evaluated, in the Corentyne block; and
- the conceptual field development plan, performed by third parties, for the northern portion of the Corentyne block including subsea architecture, development well planning, production and export facilities and other considerations.

The Corentyne E&E asset's carrying value as of December 31, 2024 is \$56.2 million (December 31, 2023: \$56.3 million).

### ***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 licenses and the deep water 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 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

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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.

***Valuation of share based payments and warrant liability (Notes 12 and 13)***

The Black-Scholes option pricing model is used to determine the fair value for the share based payments and warrant liability and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

***Port Revenue***

Revenue from port services is recognized in accordance with IFRS 15 – Revenue from Contracts with Customers.

- Cargo Wharfage Fees: Revenue is recognized at the point in time when cargo is loaded or unloaded at the port, as this represents the completion of the performance obligation.
- Side Wharfage Services: Revenue is recognized over the period the vessel is berthed and utilizing the wharfage facilities, as the service is provided over time.

Revenue is measured at the transaction price agreed upon with customers, net of discounts and rebates. Where applicable, variable consideration (e.g., volume-based discounts) is estimated using the expected value method and recognized only when it is highly probable that there will be no significant reversal.

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Disclosures comply with IFRS 15, including the breakdown of revenue streams and any significant judgments applied in determining revenue recognition.

### **3. Material Accounting Policy Information**

#### **3.1 Basis of Consolidation**

Subsidiaries consist of entities over which the Company is expected to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All inter-company and intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

#### **3.2 Exploration and evaluation expenditures**

All licence acquisition, exploration and appraisal costs of technical services and studies, seismic acquisition, exploratory drilling and testing are initially capitalized by well, field, unit of account or specific exploration unit as appropriate, with the exception of share based payments related to option grants for those involved in exploration and evaluation activities, which are expensed. Expenditures directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. These costs include material and fuel used, rig costs and payments made to contractors. If no commercial reserves are found, the exploration asset is written off. Expenditures incurred during the various exploration and appraisal phases, excluding dry hole costs, are carried forward until the existence of commercial reserves and when the technical feasibility and commercial viability are demonstrable and approved by the regulator. If commercial reserves have been discovered and technical feasibility and commercial viability are demonstrable, the carrying value of the exploration and evaluation assets, after any impairment loss, is reclassified as oil and gas properties. If technical feasibility and commercial viability cannot be demonstrated upon completion of the exploration phase, the carrying value of the exploration and evaluation costs incurred are expensed in the period this determination is made.

Exploration and evaluation assets are tested for impairment when indicators of impairment are present and when exploration and evaluation assets are transferred to oil and gas properties. The Company has determined the level for assessing for impairment at the CGU level. 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 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.

#### **3.3 Impairment of assets**

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

##### ***Financial assets carried at amortized cost***

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and

**Notes to the Consolidated Financial Statements – (US\$'s)**  
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the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an expected credit losses account. Impaired debts are written off against the expected credit losses account when they are assessed as uncollectible.

#### ***Impairment of non-financial assets***

At each date of the statement of financial position, the Company reviews the carrying amounts of its intangible E&E and PP&E assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the assets belong.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

#### **3.4 Share based payments**

Employees (including directors, officers and senior executives) and certain consultants of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees and consultants render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

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The costs of equity-settled transactions with employees and consultants are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees and consultants become fully entitled to the award (the “vesting date”).

The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee or consultant as measured at the date of modification.

Any dilutive effect of outstanding options is reflected as additional dilution in the computation of loss per share.

### **3.5 Property, plant and equipment**

PP&E are stated at cost less accumulated amortization and accumulated impairment losses. The cost of an item of PP&E consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization is provided at rates calculated to write off the cost of PP&E, less their estimated residual value, using the declining balance method at the following rates:

Office, furniture and fixtures	20 %
Vehicles	20 %
Computer, software and equipment	30 %

An item of PP&E is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of comprehensive income.

The Company conducts an annual assessment of the residual balances, useful lives and amortization methods being used for PP&E and any changes arising from the assessment are applied by the Company prospectively.

Where an item of PP&E comprises major components with different useful lives, the components are accounted for as separate items of PP&E. Expenditures incurred to replace a component of an item of PP&E that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

### 3.6 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

#### *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

#### *Deferred income tax*

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- a. where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- b. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- a. where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- b. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

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Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

### **3.7 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise of cash at banks and on hand, and short term deposits with a remaining maturity of 90 days or less on the date of acquisition and which are readily convertible into a known amount of cash.

### **3.8 Financial assets**

Financial assets classified as fair value through profit or loss (“FVTPL”) are measured at fair value with realized and unrealized gains and losses recognized in the statement of comprehensive loss. As at December 31, 2024, and 2023 the Company does not have any financial assets classified as FVTPL.

Financial assets measured at amortized cost include the Company’s cash and cash equivalents, trade receivables and other assets and farm in partner receivable. As at December 31, 2024, and 2023, the carrying amounts for these assets approximate their fair value due to their short-term nature.

Financial assets classified as fair value through other comprehensive income (“FVOCI”) are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). As at December 31, 2024, and 2023, the Company has not classified any financial assets as FVOCI.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

### **3.9 Financial liabilities**

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or at amortized cost.

Financial liabilities classified at amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period. The Company’s trade and other payables and convertible loan from related party are recorded at amortized cost. As at December 31, 2024, and 2023, the carrying amounts for trade and other payables and convertible loan from related party approximate their fair value due to their short-term nature.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as FVTPL unless they are designated as effective hedging instruments.

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Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive loss. As at December 31, 2024, and 2023, the Company had classified the warrant liability as FVTPL.

### **3.10 Loss per share**

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the year, if dilutive. The Company uses the “treasury stock method” where assumed proceeds upon the exercise of the options, warrants and convertible debentures that are used to purchase common shares at the average market price during the year. During the years ended December 31, 2024, and 2023 all the outstanding stock options and warrants were antidilutive.

### **3.11 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

### **3.12 Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence; related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### **3.13 Foreign currency transactions**

Items included in the financial statements of each of the Company’s consolidated entities are measured using the currency of the primary economic environment in which each entity operates (the “functional currency”). The functional currency of the Company and each of its subsidiaries is the US\$. The consolidated financial statements are presented in US\$, which is the Company’s presentation currency.

### **3.14 Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive loss.

Foreign-currency-denominated warrants, outside of the scope of IFRS 2, which will be settled by the Company delivering a variable number of its shares for a fixed amount of foreign currency are classified as a financial liability. Changes in the fair value of the liability are recorded in profit or loss.

### **3.15 Other revenue recognition**

CGX recognizes interest revenue and fees from farm in partner as earned on an accrual basis, when collection is reasonably assured.

### **3.16 Joint arrangements**

A joint arrangement is an arrangement in which two or more parties have joint control and must act together to direct the activities that significantly affect the returns of the arrangement. Under IFRS 11 joint arrangements, the Company classifies its interest in joint arrangements as either joint operations or joint ventures. When making this assessment, the Company considers the structure and contractual terms of the arrangement, as well as the legal form of any separate vehicles, in addition to all other relevant facts and circumstances. Joint operations are recognized on a proportionate consolidation basis by including the Company’s share of assets, liabilities, revenues and expenses and other comprehensive income in each of the respective consolidated accounts. Joint ventures are recognized using the equity method of accounting. The Company’s share of individual assets and liabilities are recognized as an investment in the joint venture account on the consolidated statements of financial position, and revenues and expenses are recognized with net earnings as a gain/loss from investment in joint venture account on the consolidated statements of operations and comprehensive income.

As described in Note 9, CRI entered into Joint Operating Agreements with Frontera Guyana. The Company reviewed the legal form and contractual terms of this arrangement and concluded that it would be classified as a joint operations. Based on this assessment, the Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses. The Company recognizes its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

### **3.17 New and amended standards and interpretations**

#### ***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 Consolidated Financial Statements.

### **3.18 IFRS Standards Issued but Not Yet Effective**

As of December 31, 2024, the following new and amended IFRS standards have been issued by the IASB but are not yet effective for the current reporting period. The Company has not early adopted these standards and is currently assessing their impact on future financial statements.

#### *Standards and Amendments Effective for Annual Periods Beginning on or After January 1, 2025*

##### *IAS 21 – Lack of Exchangeability (Amendments to IAS 21)*

These amendments provide guidance on determining the exchange rate when a currency is not exchangeable. The Company does not expect any material impact on its financial statements.

#### *Standards and Amendments Effective for Annual Periods Beginning on or After January 1, 2026*

##### *IFRS 9 & IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments*

The amendments clarify contractual cash flow characteristics and provide additional guidance on financial instrument disclosures. The Company does not anticipate a material impact but will assess any required disclosures.

##### *IFRS 9 & IFRS 7 – Contracts Referencing Nature-dependent Electricity*

These amendments clarify the application of IFRS 9 for contracts linked to variable electricity pricing. The Company does not expect any material impact on its financial statements.

#### *Standards and Amendments Effective for Annual Periods Beginning on or After January 1, 2027*

##### *IFRS 18 – Presentation and Disclosure in Financial Statements*

IFRS 18 replaces IAS 1 and introduces revised presentation and disclosure requirements. The Company will assess its financial statement format to ensure compliance with the new standard.

##### *IFRS 19 – Subsidiaries without Public Accountability: Disclosures*

IFRS 19 allows eligible subsidiaries to apply reduced disclosure requirements. The Company will assess whether any of its subsidiaries qualify for this exemption.

The Company is in the process of evaluating the impact of these standards and amendments and will implement them in the reporting periods in which they become effective.

## **4. 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 December 31, 2024.

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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 December 31, 2024, and the date of these Consolidated 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 December 31, 2024 totaled \$60,906,985 and was comprised of share capital, reserve accounts and deficit (December 31, 2023: \$63,427,724).

## **5. 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 December 31, 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 December 31, 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 7)

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- 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 10)

**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 December 31, 2024, the Company had a working capital deficiency of \$15,789,916 (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 December 31, 2024, the Company had approximately C\$Nil (December 31, 2023:C\$62,000) in Canadian dollar denominated cash deposits.

***Sensitivity Analysis***

As at December 31, 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 December 31, 2024	As at December 31, 2023
Cash and cash equivalents	C \$	\$ –	\$ 62,000
Trade and other receivables	C \$	<b>86,000</b>	191,000
Trade and other payables	C \$	<b>(193,000)</b>	(1,343,000)
Other payables	C \$	<b>(180,000)</b>	(364,000)
		<b>\$ (287,000)</b>	<b>\$ (1,454,000)</b>

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

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increase/decrease, net loss for the Year Ended December 31 2024 by C\$28,700 (December 31, 2023: C\$145,400).

**6. Cash and Cash Equivalents**

Cash and cash equivalents as at December 31, 2024, consisted of \$2,073,990 (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.

**7. 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:

<b>As at,</b>	<b>December 31, 2024</b>	December 31, 2023
Trade receivables	\$ 96,730	\$ 1,514,406
HST	19,253	24,932
Prepaid expenses	178,350	675,504
<b>Total trade receivables and other assets</b>	<b>\$ 294,333</b>	<b>\$ 2,214,842</b>

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

<b>As at,</b>	<b>December 31, 2024</b>	December 31, 2023
1 -90 days	\$ 96,730	\$ 1,514,406
<b>Total trade receivables</b>	<b>\$ 96,730</b>	<b>\$ 1,514,406</b>

At December 31, 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 December 31, 2024, \$5,800 (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 December 31, 2024 and December 31, 2023. The credit risk on the receivables has been further discussed in Note 5.

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## 8. Property, Plant and Equipment

	<b>Port (staging facility) <sup>(1)</sup></b>	<b>Logistics Yard <sup>(1)</sup></b>	<b>Vehicles, office furniture and fixtures</b>	<b>Computer, software &amp; equipment</b>	<b>Total</b>
<b>Cost</b>					
As at December 31, 2022	\$ 17,098,708	\$ 707,230	\$ 453,443	\$ 539,637	\$ 18,799,018
Additions	1,952,694	—	21,663	—	1,974,357
Disposal	—	—	(24,564)	—	(24,564)
As at December 31, 2023	\$ 19,051,402	\$ 707,230	\$ 450,542	\$ 539,637	\$ 20,748,811
Additions	662,475	—	172	2,827	665,474
<b>As at December 31, 2024</b>	<b>\$ 19,713,877</b>	<b>\$ 707,230</b>	<b>\$ 450,714</b>	<b>\$ 542,464</b>	<b>\$ 21,414,285</b>
<b>Accumulated amortization</b>					
As at December 31, 2022	\$ —	\$ —	\$ 230,902	\$ 539,637	\$ 770,539
Amortization <sup>(2)</sup>	—	—	27,991	—	27,991
Disposal	\$ —	\$ —	(23,968)	\$ —	(23,968)
As at December 31, 2023	\$ —	\$ —	\$ 234,925	\$ 539,637	\$ 774,562
Amortization <sup>(2)</sup>	—	—	13,776	156	13,932
<b>As at December 31, 2024</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 248,701</b>	<b>\$ 539,793</b>	<b>\$ 788,494</b>
<b>Net book value</b>					
As at December 31, 2023	\$ 19,051,402	\$ 707,230	\$ 215,617	\$ —	\$ 19,974,249
<b>As at December 31, 2024</b>	<b>\$ 19,713,877</b>	<b>\$ 707,230</b>	<b>\$ 202,013</b>	<b>\$ 2,671</b>	<b>\$ 20,625,791</b>

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.

## 9. Exploration and Evaluation Assets

	<b>Corentyne</b>
<b>Balance, December 31, 2022</b>	<b>\$ 49,955,896</b>
Additions	22,296,783
2023 JOA Amendment	(15,975,109)
Balance, December 31, 2023	\$ 56,277,570
Additions	176,240
Proceeds from the sale of scrap materials	(249,700)
<b>Balance, December 31, 2024</b>	<b>\$ 56,204,110</b>

As at December 31, 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.

**Notes to the Consolidated Financial Statements – (US\$’s)**  
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**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 Guyana holds the remaining 72.52% interest in the block. This includes the 4.52% participating interest transferred to Frontera Guyana, pursuant to the amendment dated August 9, 2023 to the joint operation agreement originally signed on January 30, 2019 between CRI, the Company’s wholly-owned subsidiary, and Frontera Guyana. The transfer remains subject to approval from the Government of Guyana. See below Join Operation Agreements.

On January 23, 2023, the Joint Venture 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 Venture 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 Venture 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 Venture announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the Government of Guyana, which preserves their interests in the PPL and the Petroleum Agreement ("PA") for the Corentyne block. Due to the absence of a response from the Government of Guyana and the remarks made by certain Government officials, on December 12, 2024, the Joint Venture announced that it had sent the Government of Guyana a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation. On February 11, 2025, the Joint Venture announced that it received a communication from the Government of Guyana in which the Government has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the Government's intention to cancel the PPL. Although the Government argued that the PPL and PA have been terminated, it invited the Joint Venture to submit any representations it wished to have considered by the Government prior to its final decision on whether to cancel any existing license. The Government further stated that any such license would cease to have effect on March 10, 2025, unless any representation made are favorably considered. On February 24, 2025, the Company announced that the Joint Venture had provided a response, advising the Government of Guyana that notwithstanding the Government’s contradictory positions, both the PPL and the PA remain valid and in force. The Joint Venture remains firmly of the view that its interest in the PPL and the PA for the Corentyne block remain in place and in good standing.

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 Venture’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.

**Notes to the Consolidated Financial Statements – (US\$'s)**  
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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 Venture 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 the cash consideration of \$1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023.

## **10. 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 March 10, 2025, 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 the cash consideration of \$1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023. (See 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 December 31, 2024, the Company has a receivable balance of \$105,397 (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 the JOA. During the Year Ended December 31 2024, the Company recorded fees from Frontera Guyana of \$145,000 (Year Ended December 31 2023: \$2,333,280).

As of December 31, 2024, the Company has accounts receivable from Frontera of \$5,800 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 9. 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 Year Ended December 31 2024, the Company paid \$100,530 as part of the contract (Year Ended December 31 2023: \$1,901,211). As of December 31, 2024, Gaico has a outstanding account payable balance of \$Nil (December 31, 2023: \$133,130).

On November 26, 2024, the Company sold surplus inventory from the Kawa and Wei exploration wells to Gaico. The sale was conducted through a bidding process, in which various companies were invited to participate. CGX’s designated pipe broker, facilitated the process and received five bids, with Gaico submitting the highest offer. The transaction generates proceeds of approximately \$14,000. The transactions were approved in accordance with the Company's related party transaction policy.

**Notes to the Consolidated Financial Statements – (US\$'s)**  
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**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:

<b>Year Ended December 31</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 1,490,400	\$ 2,875,500
Share based expense (recovery)	61,400	(116,000)
<b>Total compensation paid to key management</b>	<b>\$ 1,551,800</b>	<b>\$ 2,759,500</b>

During the year ended December 31, 2024, key management personnel exercised Nil (year ended December 31, 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 year ended December 31, 2024 was \$Nil (year ended December 31, 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 (\$133,000) (December 31, 2023: C\$364,000 (\$276,000)). These amounts are ranked as senior obligations.

As of December 31, 2024, key management outstanding compensation included in trade and other payables is \$589,000 (December 31, 2023: \$660,000). These amounts are unsecured, non-interest-bearing, and due upon demand.

**Management Agreements**

As at December 31, 2024, the Company is a party to three separate written management agreements with certain senior officers (December 31, 2023: three). These agreements require a total payment of up to \$1.9 million (December 31, 2023: \$1.9 million) upon the occurrence of certain events, such as termination or a change in control.

**11. 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. 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:

<b>As at,</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Less than one month, accruals	\$ 1,428,990	\$ 2,571,978
One month to three months	22,500	937,227
Over three months <sup>(1)</sup>	16,812,146	16,784,142
<b>Total trade and other payables</b>	<b>\$ 18,263,636</b>	<b>\$ 20,293,347</b>

(1) Includes approximately \$16.4 million provision related to the Prospector claim, refer to Note 16. Commitments and Contingencies.

**Notes to the Consolidated Financial Statements – (US\$'s)**  
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## 12. Capital Stock

### Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. Changes in the issued and outstanding common shares are as follows:

<b>As at,</b>	<b>Number of Shares</b>	<b>\$</b>
Balance at December 31, 2022	334,509,000	\$ 356,041,589
Shares issued on exercise of options <sup>(1)</sup>	4,040,000	1,156,852
Transfer of contributed surplus on exercise of options	—	965,000
<b>Balance at December 31, 2023, and December 31, 2024</b>	<b>338,549,000</b>	<b>\$ 358,163,441</b>

(1) The weighted average trading price on date of exercise for the stock options exercised during the year ended December 31, 2023 was C\$1.28 (\$0.96) (year ended December 31, 2022: \$Nil).

### Common share purchase warrants

The exercise price and expiry date of the warrants outstanding at December 31, 2024 are as follows:

<b>Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,173,774	\$1.51	October 28, 2026

On October 28, 2021, as part of an offering transaction, Frontera received 5-year warrants to purchase up to 1,173,774 Common shares at an exercise price equal to \$1.51 per Common Share. There are no changes in the number of common share purchase warrants outstanding for the year ended December 31, 2024 and 2023.

### Options

The Company established a share option plan to provide additional incentive to its directors, officers, employees and consultants for their efforts on behalf of the Company in the conduct of its affairs. The maximum number of Common Shares reserved for issuance under the share option plan comprising part of the share incentive plan may not exceed 10% of the number of Common Shares outstanding. Under the terms of the plan, all options vest immediately, unless otherwise specified. All options granted under the plan expire no later than the tenth anniversary of the grant date. As at December 31, 2024, the Company had 31,554,900 (December 31, 2023: 22,113,901) options available for issuance under the plan.

<b>For the period ended</b>	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Weighted Average Exercise Price (\$)</b>	<b>No. of Options</b>	<b>Weighted Average Exercise Price (\$)</b>	<b>No. of Options</b>
Outstanding at beginning of year	C\$0.63	11,740,999	C\$0.59	16,191,000
Transactions during the year:				
Granted	\$—	—	1.49	800,000
Exercised	\$—	—	0.38	(4,040,000)
Expired or retracted	\$0.56	(9,440,999)	1.41	(1,210,001)
<b>Outstanding at end of year</b>	<b>C\$0.94</b>	<b>2,300,000</b>	<b>C\$0.63</b>	<b>11,740,999</b>
<b>Exercisable at end of year</b>	<b>C\$0.94</b>	<b>2,300,000</b>	<b>C\$0.62</b>	<b>11,474,332</b>

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The following table provides additional outstanding stock option information as at December 31, 2024:

<b>Exercise Price</b>	<b>No. of Options Outstanding</b>	<b>Weighted Average Remaining Life (Years)</b>	<b>Weighted Average Exercise Price</b>	<b>No. of Options Exercisable</b>	<b>Weighted Average Exercise Price</b>
C\$ 0.710	1,500,000	0.05	0.71	1,500,000	0.71
C\$ 1.360	800,000	1.81	1.36	800,000	1.36
<b>C\$ 0.71 - 1.36</b>	<b>2,300,000</b>	<b>0.66</b>	<b>0.94</b>	<b>2,300,000</b>	<b>0.94</b>

Volatility for all option grants has been calculated using the Company's historical information.

No options were granted and/or vested during the year ended December 31, 2024:

	<b>Vesting of prior year issued options</b>	<b>Totals</b>
Share based compensation	<b>\$61,400</b>	<b>\$61,400</b>

The weighted average grant-date fair value of options granted during the year ended December 31, 2024 was \$Nil (December 31, 2023: \$0.89 ) per option issued.

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share based compensation for the stock options granted and/or vested during the year ended December 31, 2023:

	<b>Vesting of prior year issued options</b>	<b>January 25, 2023</b>	<b>January 25, 2023 (*)</b>	<b>Totals</b>
Number of options granted		400,000	400,000	800,000
Exercise price		C\$1.49	C\$1.49	
Risk-free interest rate		2.88%	2.88%	
Expected life (years)		5	5	
Expected volatility		111.22%	111.22%	
Market price		C\$1.49	C\$1.49	
Expected dividends and forfeiture rate		—	—	
Vesting		1/3 immediately, 1/3 in 6 months and 1/3 in 12 months	vest 9 months from the date of grant	
Fair value of grant		\$ 357,000	\$ 357,000	\$ 714,000
Share based compensation	<b>\$ (116,000)</b>	<b>\$ 238,000</b>	<b>\$ -</b>	<b>\$ 122,000</b>

\* The service contract was terminated before the options reached the vesting date, therefore no expense was recorded.

**Notes to the Consolidated Financial Statements – (US\$'s)**  
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### 13. Reserve for Share Based Payments

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

<b>As at,</b>	<b>December 31, 2024</b>	December 31, 2023
Balance at beginning of year	\$ 29,026,801	\$ 29,869,801
Share based payments	61,400	122,000
Value transferred on exercise of options	—	(965,000)
<b>Balance at end of year</b>	<b>\$ 29,088,201</b>	<b>\$ 29,026,801</b>

### 14. Income Tax

The following table reconciles the income tax provision from the expected amount based on statutory rates to the amount reported:

	<b>2024</b>	<b>2023</b>
Loss before income tax	(2,582,139)	(3,193,577)
Combined statutory rate	26.5 %	26.5 %
Estimated income tax recovery	(684,000)	(846,000)
Difference between Canadian and foreign tax rates	291,000	234,000
Difference between current and deferred tax and foreign exchange rates	1,363,000	(392,000)
Expiry of taxable losses carried forward	192,000	—
Other permanent differences	53,000	81,000
Deferred tax assets not recognized	(1,215,000)	923,000
Deferred income tax recovery	—	—

The Canadian statutory income tax rate of 26.5% (2023: 26.5%) is comprised of the federal income tax rate of approximately 15.0% (2023: 15.0%) and the provincial income tax rate of approximately 11.5% (2023: 11.5%). The United States income tax rate is approximately 21% (2023: 21%). The Guyanese income tax rate is approximately 25.0% (2023: 25.0%).

Deferred income tax recoverable

The primary differences which give rise to the deferred income tax recoveries at December 31, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
<b><i>Deferred income tax assets</i></b>		
Temporary differences	112,000	143,000
Losses carried forward	16,189,000	17,373,000
	16,301,000	17,516,000
Less: deferred tax assets not recognized	(16,301,000)	(17,516,000)
Net deferred income tax assets	—	—

**Notes to the Consolidated Financial Statements – (US\$'s)**  
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Deferred tax liabilities	—	—
Deferred income tax liabilities	—	—
Net deferred income tax assets	—	—

As at December 31, 2024, the Company had United States non-capital loss carry-forwards of \$4,472,000 (2023: \$3,453,000). Of these tax benefits, which have not been recognized in the accounts, \$492,000 expire in 2032, \$704,000 expire in 2033, \$594,000 expire in 2034, \$508,000 expire in 2035, \$359,000 expire in 2036, \$124,000 expire in 2037, \$275,000 expire in 2038, \$212,000 expire in 2039, \$29,000 expire in 2040, \$82,000 expire in 2041, \$43,000 expire in 2042, \$44,000 expire in 2043 and \$1,006,000 expire in 2044.

As at December 31, 2024, the Company had Canadian non-capital loss carry-forwards of C\$82,803,000 (2023: C\$83,090,000 ). Some of these non-capital loss carry-forwards may be restricted against certain types of income, and which under certain circumstances, may be utilized to reduce taxable income in future years.

As at December 31, 2024, the Canadian non-capital loss carry-forwards expire as follows:

<b>December 31,</b>	<b>C\$ 2024</b>
2025	948,000
2027	3,396,000
2028	4,566,000
2029	5,028,000
2030	9,597,000
2031	1,568,000
2032	7,732,000
2033	6,965,000
2034	5,220,000
2035	3,668,000
2036	3,877,000
2037	4,653,000
2038	778,000
2039	3,826,000
2040	2,294,000
2041	5,995,000
2042	9,049,000
2043	2,887,000
2044	756,000
	82,803,000

**Notes to the Consolidated Financial Statements – (US\$’s)**  
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## 15. Segmented Information

### Operating and geographic segments

At December 31, 2024 and 2023, the Company’s current operations comprise two reportable operating segments: petroleum and natural gas exploration in Guyana and the Berbice Deep Water Port project. In the fourth quarter of 2024, the Company recorded revenue of \$53,145 from the port.

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

<u>As at,</u>	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
Non-Current Assets				
Guyana	\$	<b>76,829,901</b>	\$	76,251,819
<b>Total Non-Current Assets</b>	<b>\$</b>	<b>76,829,901</b>	<b>\$</b>	<b>76,251,819</b>

## 16. Commitments and Contingencies

### Contractual obligations

The Company entered into contracts for the Corentyne block as part of its operations. As of December 31, 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

**Notes to the Consolidated Financial Statements – (US\$’s)**  
**For the year ended December 31, 2024 and 2023**

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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.

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 Company consented to the registration of the Ontario Judgment in Alberta on the basis that there were no grounds to resist the application. The order recognizing the Ontario Judgment in Alberta was granted by the Court of King’s Bench of Alberta on December 9, 2024. Prospector has initiated collect attempts in Alberta.

As at December 31, 2024, the Company has a provision of approximately \$16.4 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).

### **Other Contingencies**

During 2023, the Company received an invoice for approximately \$1.9 million, to which the Company believes all obligations were settled in full as per the terms of the agreements (the “**Claim**”). The Company has rejected this Claim and has assessed that it is lower than probable that any material negative outcome will be realized as a result of the Claim. Therefore, as at December 31, 2024 no provision has been recorded in the Consolidated Financial Statements relating to this Claim (December 31, 2023: \$Nil).

### **17. Subsequent Events**

On June 26, 2024, the Joint Venture announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the Government of Guyana, which preserves their interests in the PPL and the PA for the Corentyne block.

Due to the absence of a response from the Government of Guyana and the remarks made by certain Government officials, on December 12, 2024, the Joint Venture announced that it had sent the Government of Guyana a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation.

On February 11, 2025, the Joint Venture announced that it received a communication from the Government of Guyana in which the Government has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the Government's intention to cancel the PPL. Although the Government argued that the PPL and PA have been terminated, it invited the Joint Venture to submit any representations it wished to have considered by the Government prior to its final decision on whether to cancel any existing license. The Government further stated that any such license would cease to have effect on March 10, 2025, unless any representation made are favorably considered.

On February 24, 2025, the Company announced that the Joint Venture had provided a response, advising the Government of Guyana that notwithstanding the Government’s contradictory positions, both the PPL and the PA remain valid and in force. The Joint Venture remains firmly of the view that its interest in the PPL and the PA for the Corentyne block remain in place and in good standing.