Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three-month period and year ended December 31, 2024

March 10, 2025

cgx energy inc

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1. INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**") is current to March 10, 2025, and is management's assessment of the operations and the financial results of CGX Energy Inc. (the "**Company**" or "**CGX**"). Financial data contained within this document are reported in United States dollars ("**USD**"), unless otherwise stated. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the years ended December 31, 2024 and 2023.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**").

Additional information relevant to the Company's activities is available on SEDAR+ at www.sedarplus.ca or on the Company's website at www.cgxenergy.com.

2. FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements or information ("forward-looking statements") that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to CGX's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

This MD&A contain certain statements or disclosures relating to the Company that are based on the expectations of its management as well as assumptions made by and information currently available to the Company which may constitute forward-looking statements under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words “assume”, “believe”, “continue”, “estimate”, “expect”, “forward”, “future”, “lead”, “may”, “plan”, “potential”, “prospect”, “will”, “would” and other similar words suggesting future outcomes or statements regarding an outlook.

In particular, but without limiting the foregoing, this MD&A contains forward-looking statements pertaining to the following: the Company’s exploration and development activities; expenditures; infrastructure projects, including road refurbishment, logistics yard, dock and trestle, dredging, access bridge, power to port, water to port and construction of buildings, all related to the Berbice Deep Water Port, (each as defined herein); the Company’s leads and drilling prospects in respect of its various oil and natural gas interests; governmental and regulatory approvals and agreements; trends in financial and commodities markets; the Company’s future performance, operations, liquidity and financial condition, including its ability to continue as a going concern.

In addition, statements relating to resources are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements contained in this MD&A reflect several material factors and expectations and assumptions of the Company including, but not limited to, prevailing and future commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve volumes; operating costs, the timing of receipt of regulatory approvals; success obtained in exploration, development and production activities; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the global, Guyanese, Surinamese and other economies; the state of the oil and natural gas exploration and production industry; the availability and cost of financing, labour and services; and ability to market crude oil and natural gas.

In particular, except where otherwise stated, the Company has assumed a continuation of existing business operations on substantially the same basis as exists at the time of filing of this MD&A.

The Company believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: expiry and/or termination of petroleum agreements and licenses; delays or changes in plans with respect to exploration or development projects or capital expenditures; risks associated with the onshore and offshore oil and natural gas industry in general such as operational risks in development, exploration and production; risks associated with international operations; uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses; risks associated with the construction, development and

operations of a deep water port; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; environmental risks; competition; incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; changes in legislation, including but not limited to tax laws, royalties and environmental regulations; and supply conflicts among the Organization of Petroleum Exporting Countries and other oil producing countries over production restrictions which impact crude oil prices, the extent and duration of which are uncertain at this time, on the Company's business, general economic and business conditions and markets.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements contained in this document or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements contained in this document are expressly qualified by this advisory statement.

3. OVERVIEW

Company Profile

CGX Energy Inc. (the "**Company**" or "**CGX**") is a Canadian oil and gas exploration company 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 in Toronto, Canada and its principal business involves the exploration for hydrocarbons in Guyana, South America and construction of a deepwater port, located on the eastern bank of the Berbice River, Guyana. As at December 31, 2024, CGX through one of its subsidiaries holds an interest in a Petroleum Prospecting Licence ("**PPL**") and related Petroleum Agreement ("**PA**") on the Corentyne block in the Guyana Basin, offshore Guyana, and is involved through one of its subsidiaries in the construction and development of the Berbice deep water port ("**BDWP**").

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

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

1. Owned 100% by GCIE Holding.

Highlights

Highlights of the recent activities to date of the Company and its subsidiaries include the following:

Corentyne License Update

On February 11, 2025, the Company and Frontera Energy Corporation ("**Frontera**"), joint venture partners through their wholly-owned subsidiaries (the "**Joint Venture**") in the PPL for the Corentyne block offshore Guyana (the "**License**"), announced that the Joint Venture received a communication (the "**Letter**") from the Government of Guyana (the "**Government**").

The Government has taken the position that the License, together with the Joint Venture's Petroleum Agreement with the Government (as amended, the "**Petroleum Agreement**"), have terminated and that, in the opinion of the Government, there are no reasonable grounds to grant any extensions to the Joint Venture in respect of its appraisal or exploration obligations under the License or the Petroleum Agreement. Furthermore, the Government says that, if it is determined that the License has continued, or that the Joint Venture holds any other type of licence contemplated by applicable legislation, the Letter serves as a 30-day notice of the Government's intention to cancel such license.

Although the Government argues that the License has terminated, it invites the Joint Venture "on or before February 22nd, 2025, (…) to submit any representations [the Joint Venture] wish[es] [the Government] to consider prior to [the Government] making [its] final decision as to whether to not cancel any license that may exist. Any such license will cease to have effect on March 10, 2025, unless any representation that may be made are favourably considered". Additionally, the Government also states its willingness "to extend the time for good faith negotiations to the dates set forth above so as to allow receipt and consideration of any representation" the Joint Venture makes. The Letter states that such invitation and intention to cancel are in no way any admission that the Joint Venture currently holds a licence of any nature.

On February 24, 2025, the Joint Venture responded to the Letter received from the Government (the "Response Letter"). Pursuant to the Response Letter, the Joint Venture has advised the Government that, among other things, despite the Government's contradictory positions, the License and the Petroleum Agreement remain valid and in force. Additionally, in the Response Letter, the Joint Venture has contested the Government's purported termination of the License, including the grounds for such termination, as further described in the Letter.

The Joint Venture remains firmly of the view that its interests in, and the License for, the Corentyne block remain in place and in good standing and the Petroleum Agreement has not been terminated. Notwithstanding the foregoing, the Joint Venture continues to assess all legal options available to it to assert its rights in respect of the License and the Petroleum Agreement.

The Joint Venture looks forward to expeditiously resolving this matter and continuing its multi-year efforts and investments to realize value for the people of Guyana and its shareholders from the Corentyne block.

Berbice Deep Water Port Update

On December 12, 2024, the Company announced that the Berbice Port, owned and operated by its wholly owned subsidiary GCIE, is fully accredited and has commenced operations as of Sunday, December 8, 2024. On this date, a 90m x 25m vessel carrying 3,800 metric tons of aggregates was safely moored and offloaded.

The Port is now open for business, and long-term agreements for its use are currently being negotiated. The facility can accommodate vessels of up to 150m in length and features a 10-acre port yard with a load capacity of 5 tons per square meter. It is accessible from the main Corentyne Highway via a 3 km road, rated at 5 tons per axle. Additionally, the port is supported by a 15-acre logistics yard in Bramfield, located 3.2 km from the port along the Corentyne Highway.

The Company received two vessels in December 2024 and recorded revenue of $53,100.

4. CARRYING ON BUSINESS IN GUYANA

The exploration and evaluation activities of the Company are currently being conducted in Guyana through its subsidiaries. Guyana is situated on the northern coast of the South American continent. It is bound on the north by the Atlantic Ocean, on the east by Suriname, on the southwest by Brazil and on the northwest by Venezuela. Guyana's total area is approximately 215,000 km^2 and comprised of a coastline several feet below sea level at high tide, and an interior region containing mountains, forests, and savannahs. This topography has endowed Guyana with an extensive network of rivers and creeks as well as a large number of waterfalls. Guyana is endowed with natural resources including fertile agricultural land and rich mineral deposits (including gold, diamonds and semi-precious stones, bauxite and manganese).

Guyana is divided into three counties (Demerara, Essequibo and Berbice) and 10 administrative regions. Georgetown is the capital city of Guyana, the seat of government, the main commercial center, and the principal port in Guyana. In addition to Georgetown, Guyana has six towns of administrative and commercial importance which are recognized municipal districts; each has its own mayor, council and civic responsibilities. Guyana is an independent republic headed by the Executive President and National Assembly. Guyana is a member of the British Commonwealth of Nations, with a legal system based for the most part on British Common Law.

5. EXPLORATION ACTIVITIES, GUYANA

Corentyne PA and PPL, Guyana (27.48% owned by CRI)

The Company is the operator of the Corentyne block and currently holds a 27.48% working interest, while Frontera Energy Guyana Corp. ("**Frontera Guyana**") holds the remaining 72.52% interest in the block. 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.

The original Corentyne PA was granted to CRI in 1998. CRI initiated an active exploration program but had to suspended activities due to a border dispute between Guyana and Suriname. In 2007 an International Tribunal determined that 93% of the original Corentyne PPL was located in Guyana. The original Corentyne PA was extended to June 2013.

On November 27, 2012, CRI received the current Corentyne PA, offshore Guyana, which is renewable after four years for up to six additional years. The Corentyne PA applies to the former offshore portion of the Corentyne PPL, covering 6,212 km^2.

On December 15, 2017, CRI was issued COR Addendum I to the November 27, 2012, PA. This Addendum I modified the Company's work commitments. By the end of the first renewal period, on or before November 27, 2019, the Company would relinquish the entire contract area except for any

discovery area and the area contained in any PPL or relinquish twenty-five (25%) percent of the contract area and renew the PPL for a second period of three (3) years. As a result of entering into COR Addendum I, CRI relinquished 25% of the area of the Corentyne PPL reducing the acreage to 4,709 km^2.

In August 2019, CRI was issued COR Addendum II to the November 27, 2012, PA. This Addendum II modified the work commitments. The Company was required to complete additional seismic acquisition or seismic processing, and drill one (1) exploration well before November 2020.

Starting in October 2019, a 3D seismic survey covering 582 km^2 was conducted in the northern portion of the Corentyne PPL to explore an area not previously covered by 3D seismic data, adjacent to the recent Pluma and Haimara discoveries on the Stabroek block.

CRI contracted McDaniel and Associates Consultants Ltd. to provide an independent resource report on September 10, 2020 which was finalized on October 20, 2020.

On November 26, 2020, CRI received COR Addendum III which further modified the principal agreement. In the second renewal period, phase one (November 27, 2019 to November 26, 2021) The Company committed to drill a second exploration well.

On January 23, 2023, the Joint Operation announced the Government of Guyana had approved an Appraisal Plan ("**AAP**") for the northern section of the Corentyne block, commencing with the Wei-1 well. Following the completion of Wei-1 well and thorough analysis of the results, the Joint Operation may consider future wells as part of its appraisal program to assess possible development feasibility in the Kawa-1 discovery area and the northern section of the Corentyne block. Any future drilling is contingent on positive results at Wei-1 well, and the Joint Operations has no further drilling obligations beyond the Wei-1 well. The appraisal programme was approved for a period of 24 months from June 29, 2022 to June 28, 2024, and designated an area of approximately 993.9 km^2. On June 26, 2024, the Joint Venture submitted a Notice of Potential Commercial Interest for the Wei-1 discovery to the Government of Guyana, which preserves the Joint Venture's interests in the License.

As previously disclosed, the Wei-1 well was drilled by the Company and Frontera Guyana. On June 11, 2023, the Company reached a significant milestone with the Wei-1 well, achieving a depth of 20,450 feet. Subsequently, wireline logging operations were successfully completed by June 23, 2023, and operations related to Wei-1 concluded by July 5, 2023, resulting in the release of the drilling rig.

During the drilling process, the Wei-1 well encountered multiple resource-bearing intervals in the northern part of the Corentyne block. These formations span various geological ages, including Maastrichtian, Campanian, and Santonian. Notable findings include the presence of medium sweet crude oil with an API gravity value between 22.3 and 31.1 degrees in the Maastrichtian interval. The Campanian interval confirmed the presence of prospective resources through downhole fluid analysis; however, further appraisal activities are required to determine the product types reasonably expected from such resources, as well as the quantity and economic viability of such resources.

The Joint Operation believes that the rock quality discovered in the Maastrichtian horizon in the Wei-1 well is analogous to that reported in the Liza Discovery on Stabroek block[1]. Results further demonstrate the potential for a standalone shallow prospective resource development across the Corentyne block, reasonably expected to be of a similar product type as encountered in the

[1] See analogous information advisory in Section 12 – Oil and Gas Information Advisories.

Maastrichtian interval (medium sweet crude oil with an API gravity value between 22.3 and 31.1 degrees). The Joint Operation has discovered 228 feet of net pay in Kawa-1 and 114 feet of net pay in Wei-1 (CGX's working interest 63 and 32 feet of net pay, respectively), as summarized below:

	100% working interest		CGX gross share (27.48%)	
Feet of Net Pay	**Wei-1**	**Kawa-1**	**Wei-1**	**Kawa-1**
Maastrichtian	13	68	4	19
Campanian	61	66	17	18
Santonian	40	76	11	21
Coniacian*	—	18	—	5
Total Net Pay	**114**	**228**	**32**	**63**

* Coniacian targeted in Kawa-1 well only.

An independent third-party laboratory conducted an analysis of the rock and fluid properties of the Campanian and Santonian intervals in the fourth quarter of 2023. This data showed low permeabilities in the Wei-1 penetrations.

With respect to the Kawa-1 Discovery, CGX is in the appraisal phase while it is currently finalizing the results obtained in the Wei-1 well to determine following steps in relation to the Wei-1 discovery. Typical deepwater developments can range four to seven years from discovery to first oil. The total cost of a typical deepwater project ranges greatly on several factors that challenge each project. Deepwater projects are more complicated developments that require appraisal drilling and conceptual modeling before Final Investment Decisions ("FID") can be made. After a FID has been made, it takes approximately three years to complete detailed design/construction/commissioning, prior to first oil. Resource estimates could be affected by limited well control and geologic variability away from the well. The appraisal program is being developed based on the results of the Kawa and Wei-1 wells.

Wei-1 Well

The Wei-1 well, located approximately 14 kilometres northwest of the Joint Operation's previous Kawa-1 discovery, was safely drilled by the NobleCorp Discoverer semi-submersible mobile drilling unit in water depth of approximately 1,912 feet (583 metres) to a total depth of 20,450 feet (6,233 meters). The Wei-1 well targeted Maastrichtian, Campanian and Santonian aged stacked sands within channel and fan complexes in the northern section of the Corentyne block. As reported on June 28, 2023, the Joint Operation's data acquisition program at the Wei-1 well included wireline logging, MDT fluid samples and sidewall coring throughout the various intervals. Based on this data acquisition program and additional information provided through the independent laboratory analysis process, the Joint Operation is pleased to report the following:

- In the Maastrichtian, Wei-1 test results confirm 13 feet (4 meters) of net pay (CGX's working interest 4 feet of net pay) in high quality sandstone reservoir with rock quality consistent with that reported in the Liza discovery on Stabroek block[2]. Fluid samples retrieved from the Maastrichtian and log analysis confirm the presence of sweet medium crude oil with a gas-oil ratio (GOR) of approximate 400 standard cubic feet per barrel.
- In the Campanian, petrophysical analysis confirm 61 feet (19 meters) of net pay (CGX's working interest 17 feet of net pay) almost completely contained in one contiguous sand

[2] See analogous information advisory in Section 12 – Oil and Gas Information Advisories.

body with good porosity and moveable oil. Oil sampled during MDT testing as well as samples analyzed downhole confirms the presence of light crude oil.

- In the Santonian, petrophysical analysis confirms 40 feet (12 meters) of net pay (CGX's working interest 11 feet of net pay) in blocky sands with indications of oil in core samples.
- Current interpretation of the Campanian and Santonian horizons show lower permeability and natural flow than the high-quality Maastrichtian, the Joint Operation believes these horizons may offer additional upside potential in the future.

There were no safety or environmental incidents throughout Wei-1 well operations.

Conceptual Field Development Planning Completed

Based on results from the Wei-1 and Kawa-1 wells, the Joint Operation retained SIA, a Subsea 7 - Schlumberger joint venture, to complete a conceptual field development plan for the northern portion of the Corentyne block including subsea architecture, development well planning, production and export facilities and other considerations. As is normal course following discoveries such as those made by the Joint Operation at Wei-1 and Kawa-1 wells, additional appraisal activities will be required before commerciality can be determined. While such additional appraisal activities will be necessary, as a result of the third-party analysis of the Wei-1 well results, the Joint Operation believes that a potential development of the Maastrichtian horizon may have lower associated development costs and be completed on a faster timeline than a broader development of both the shallow and deep zones on the entire Corentyne block.

Kawa-1 Well

On May 9, 2022, the Joint Operation in the PPL for the Corentyne block, offshore Guyana, announced the discovery of 228 feet (69 metres) of net pay (CGX's working interest 63 feet of net pay) across the Maastrichtian, Campanian, Santonian and Coniacian horizons at the Kawa-1 exploration well. Third-party analyses indicated the presence of light oil in the Santonian and Coniacian, and gas condensate in the Maastrichtian and Campanian. The findings are consistent with discoveries reported by other operators adjacent to the Corentyne block and further de-risked equivalent targets anticipated at the Wei-1 Well.

On March 4, 2022, CGX provided additional details regarding findings from analyses by an independent laboratory on Kawa-1 well samples of cuttings in the Santonian previously reported in a March 2, 2022, press release, which indicated the presence of additional prospective resources in the Santonian reservoir:

- Cuttings samples from twelve reservoir zones in the Kawa-1 well have been analyzed with a variety of geochemical methods to evaluate in situ hydrocarbons. Data from four pay intervals in the Santonian show consistent fingerprints which provide confidence in the interpretation and mitigate mud contaminants by overcoming the presence of Synthetic Oil Based Mud ("**SOBM**") in the cuttings. A technique called Low Temperature Hydrous Pyrolysis ("**LTHP**") was utilized to analyze the cuttings to preserve volatile hydrocarbons.
- High Resolution Gas Chromatography ("**HRGC**") analysis of the LTHP mobilized hydrocarbons demonstrates the reproducible presence of light hydrocarbons (C4-C12). Distinctive molecular ratios in these light hydrocarbons indicate that these Santonian reservoirs likely contain a light oil, consistent with fluorescence analysis of cuttings during drilling. These

results are supported by analysis of solvent-extracted samples from the cuttings, which contain biomarkers that show characteristic patterns consistent with a Cretaceous Santonian source.

- Measured ratios of Dibenzothiophene/Phenanthrene aromatics from the samples are low (<0.15) in line with low sulfur content and a marine shale source. Further geochemical investigation of samples taken from the Santonian, Campanian and Maastrichtian intervals continue and will be communicated when fully analyzed.

Furthermore, CGX reiterated that Kawa-1 was a first stage exploration well intended to identify the presence of hydrocarbons, which occurred. The Kawa-1 well was then decommissioned by way of safely plugging and abandoning it, as planned.

Joint Operation Agreement

On January 30, 2019, Frontera Guyana a wholly-owned subsidiary of Frontera and CRI, executed Joint Operating Agreements ("**JOA**") providing for Frontera Guyana to acquire a 33.333% interest in CRI's Corentyne PPL and PA. The transfers of the 33.333% interest in Corentyne PPL and PA was completed on May 28, 2019.

2022 JOA Amendment

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

2023 JOA Amendment

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

Pursuant to the 2023 JOA Amendment, the Company agreed to transfer up to 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.

6. DEEP WATER PORT FACILITY AND LOGISTICS YARD, GUYANA

Deep Water Port Facility

CRI acquired a 50-year lease in 2010 (the "**Lease**"), renewable for an additional term of 50 years, of approximately 55 acres of land situated close to the mouth of the Berbice River, adjacent to Crab Island, on its eastern bank (the "**Leased Land**"). The Lease was transferred in 2012 to GCIE. On November 26, 2020, the Company agreed to amend the Lease to reflect acreage containing no more than 30 acres as part of overall negotiations on COR Addendum III. The relinquishment did not affect GCIE's plans for the development of its deepwater port project.

GCIE plans to build a deep-water port on the Leased Land (the **"Port"**). GCIE believes that the Leased Land is strategically located for a deep-water port facility, serving the oil and gas, general cargo and agricultural industries in Guyana. The Port is expected to benefit from its proximity to the oil and gas industry in both Guyana and Suriname. The Port is located adjacent to Crab Island on the eastern bank of the Berbice River, approximately 4.8 km from the Atlantic Ocean.

GCIE expects that the Port will significantly enhance local content engagement in the oil and gas sector and strengthen logistics capacity for import and export activities. The facility is designed with expandable capacity, allowing for potential increases in product flow to and from the northern states of Brazil. Given its proximity to Suriname, the Port's oil and gas support functions will also serve the rapidly growing offshore exploration and development activities in that country's oil and gas sector. Additionally, the Port is expected to provide substantial benefits to the agricultural sector, supporting rice, sugar, agro-processing and agricultural materials.

GCIE has performed various developmental works on the site, including the installation of vertical drains and geotechnical treatment of the quayside land. Riverside construction has been completed on approximately 500 metres of rip rap flood protection, along with a 10-acre quayside laydown yard built to a five-ton per square metre load bearing-capacity. Aditionally, GCIE has constructed an access bridge connecting the main Corentyne highway and a 2.6 km access road, both built to American Association of State Highway and Transportation Officials ("**ASSHTO"**) standards. Other completed infrastructure improvements include the installation of concrete drains and driveways for residents along the roadway, as well as the extension of municipal water and power to the port site. Work on the 50 x 12 metres access trestle, which extends from the quayside yard westward into the Berbice river, was completed without any HSE-related incidents.

Requests for proposals were advertised for the wharf platform and access trestle, capital dredging program, design and construction of all gates, buildings, firefighting and first aid structures and covered storage areas.

The announcement of significant infrastructure projects in Region 6 by the Government of Guyana motivates the completion of the cargo aspects of the Port earlier, especially with respect to the handling of aggregates and other construction materials which must be imported into the region from elsewhere in the country and offshore. The port will be capable of loading and offloading vessels, mainly aggregates, from the completed trestle, as well as the storage of material at the completed port yard. A ramp to access the trestle and the installation of a fendering and mooring piles system to aid in bringing vessels alongside was completed in late 2024. Construction work to be completed in the first quarter 2025 includes the Customs & Administrative Office Building. Operation of the full cargo terminal aspects of the port is forecasted for the first quarter of 2026 and operation of oil and gas support is forecasted for later 2026, subject to construction schedules, financing, and supply chains. GCIE continues to develop and foster partnerships between Brazilian and Guyanese companies; necessary to begin handling cargo from and to Roraima and Amazonas, the northern states of Brazil.

The Port is now open for business, and long-term agreements for its use are currently being negotiated. The facility can accommodate vessels of up to 150m in length and features a 10-acre port yard with a load capacity of 5 tons per square meter. The Company received two vessels in December 2024, and recorded revenue of $53,100.

During the year ended December 31, 2024, GCIE incurred additions of $662,500 (year ended December 31, 2023: $1,952,700) with respect to expenditures to the Port.

Logistics yard

CRI owns a 16-acre plot of land which is accessible to the BDWP site detailed above via approximately 3.2 km of high quality, built to ASSHTO standards roadway. Approximately 5 acres of this plot has been developed by CRI as a functional, fenced logistics yard with a load bearing capacity of 5 tons per square metre, with fuel supply, office buildings, sanitary blocks, security and fully licensed to operate as a laydown logistics facility. There were no capital expenditures related to the logistics yard during the year ended December 31, 2024 (December 31, 2023: $Nil).

7. SOCIAL CORPORATE RESPONSIBILITY

The Company is committed to meeting the highest standards of Environmental, Social and Governance ("**ESG**") practices across all aspects of its business. CGX is dedicated to promoting sustainable growth as well as supporting local communities in Guyana. CGX has begun implementing early-stage social responsibility programs focused on education in Guyana. The Company firmly believes that by providing the younger generation with the valuable skills and education tools needed to succeed, the whole country will benefit from growth and prosperity.

CGX's primary ESG goal is to contribute to a sustainable future in Guyana. As the petroleum sector continues to develop and thrive, the country will inevitably benefit from the creation of new jobs, economic growth, infrastructure development and education. Within this context, CGX will continue to demonstrate its support and participation through proactive social and corporate responsibility. CGX and Frontera funds the Sustainable Guyana program established between Trent University and The University of Guyana which supports the education of Guyana's future leaders in fields crucial for the development of sustainable sectors of the Guyanese economy as described at www.trentu.ca/sustainableguyana.

8. LIQUIDITY AND CAPITAL RESOURCES

Recent Financing

On August 9, 2023, the Company entered into the 2023 JOA Amendment, whereby Frontera Guyana will effectively be farming into the Corentyne block to cover unexpected additional costs of the Wei-1 well for up to approximately $16.5 million. The 2023 JOA Amendment was completed during the fourth quarter of 2023 transferring 4.52% of interest, pending 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.

Capital Management

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024 and December 31, 2023, the Company had a working capital deficiency as follows:

		December 31, 2024		December 31, 2023
Current Assets	**$**	**2,473,720**	$	8,629,661
Current Liabilities		**18,263,636**		21,177,756
Working capital deficiency	**$**	**(15,789,916)**	$	(12,548,095)

In order to meet its short-term and long-term working capital, the Company closed the 2023 JOA Amendment and is seeking to secure further financing through a joint venture, property sale or issuance of equity to ensure that its obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company.

Going Concern Uncertainty and Management's Plans

The Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company has a history of operating losses, as of December 31, 2024, had accumulated deficit of $326.3 million (December 31, 2023: $323.8 million). The ability of the Company to continue as a going concern is dependent on securing additional required financing through issuing additional equity, debt instruments, sale of Company assets, obtaining payments associated with a joint venture farm-out, or otherwise. 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. While the Company has been successful in meeting its working capital requirements in the past, and although the Company believes in the viability of its strategy and that the actions presently being taken by Management will provide the best opportunity for the Company to continue as a going concern, there can be no assurances to that effect. As a result, there exist material uncertainties which 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.

9. COMPANY'S PERFORMANCE

The Company currently has some revenues, but they are not sufficient to sustain operations. Its ability to continue functioning depends on securing necessary financing to complete the exploration and development of oil and gas concessions, as well as the completion of its Berbice Deep Water Port project.

Year Ended December 31, 2024

The Company recorded a net loss of $2,582,139 or $(0.01) a share for the year ended December 31, 2024 compared with a net loss of $3,193,577 or $(0.01) a share for the same period in 2023. The variances in the period are as follows:

Management and consulting costs decreased by $1,317,447 to $1,529,596 in the year ended December 31, 2024 from $2,847,043 for the same period in 2023. The decrease was mainly due to reduction of headcount, and the C$1,181,000 ($894,000) incentive remuneration recorded in the same period in 2023.

General and administrative costs decreased by $408,489 to $517,026 in the year ended December 31, 2024 from $925,515 for the same period in 2023. This decrease was primarily due to the Company's continuous efforts to reduce administrative expenses, which included relinquishing offices, and renegotiating services contracts.

Professional fees decreased by $724,282 to $135,897 in the year ended December 31, 2024 from $860,179 for the same period. The decrease was mainly due to lower legal and consulting fees.

The Company incurred share based expenses during the year ended December 31, 2024 of $61,400 compared to $122,000 for the same period in 2023. Stock-based compensation expenses are recorded based on the valuation of options using the Black-Scholes model. The expense varies based on the

number of options issued and/or vested in the period and the underlying assumptions used in the model.

CGX incurred a foreign exchange gain of $62,123 for the year ended December 31, 2024, compared to a loss of $64,350 for the same period in 2023.

The Company earned indirect charges from its Joint Operation partner during the year ended December 31, 2024 of $145,000 (minimum annual fee), compared to $2,333,280 (based on capital expenditures execution) for the same period in 2023. As Operator of the Corentyne License, the Company charges the Joint Account to reimburse its indirect costs representing the cost of general assistance and support services provided by the Operator and its Affiliates. The charges are based on total expenditures under the JOA, with a minimum annual of $200,000 (net to CGX of $145,000).

Selected Consolidated Annual Financial Information

The information below should be read in conjunction with the financial statements for the years ended December 31, 2023, 2022 and 2021 and related notes and other financial information.

Year ended December 31,		2024		2023		2022
Net Loss	$	(2,582,139)	$	(3,193,577)	$	(10,018,221)
Basic and Diluted Loss Per Share	$	(0.01)	$	(0.01)	$	(0.03)
Total Assets	$	79,303,621	$	84,881,480	$	93,007,898
Liabilities	$	18,263,636	$	21,177,756	$	27,665,449

2024 Quarterly Reports		Q4		Q3		Q2		Q1
Net Loss	$	(433,112)	$	(670,853)	$	(832,831)	$	(645,343)
Basic and Diluted Loss Per Share		$(0.00)		$(0.00)		$(0.00)		$(0.00)

2023 Quarterly Reports		Q4		Q3		Q2		Q1
Net Loss	$	(858,458)	$	(459,766)	$	(1,627,128)	$	(248,225)
Basic and Diluted Loss Per Share		$(0.00)		$(0.00)		$(0.00)		$(0.00)

10. CONTRACTUAL OBLIGATIONS, AND COMMITMENTS, AND CONTINGENCIES

Commitments

In the normal course of business, the Company and its subsidiaries enter into arrangements and incurred obligations that will affect the Company's future operations and liquidity.

As of December 31, 2024, the Company has no contractual commitments.

Contingencies

Demerara Seismic agreement - Prospector

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

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

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

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

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

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

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

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

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 collects attempts in Alberta.

As at December 31, 2024, the Company has a provision of approximately $16.4 million for all the amounts claimed by Prospector above plus accrued interest and legal costs and expenses recorded as trade and other payables (December 31, 2023: $15.2 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).

11. DISCLOSURE OF OUTSTANDING SHARE DATA

The following table sets forth information concerning the outstanding securities of the Company as at March 10, 2025:

Share Capital	Number
Shares	338,549,000
Options	800,000
Warrants	1,173,774

See Notes 12 and 13 of the Consolidated Financial Statements for the years ended December 31, 2024, and 2023 for more detailed disclosure of outstanding share data.

12. RELATED PARTY TRANSACTIONS

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”.

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 Joint Operation partner to pay for future licence expenditures. As at December 31, 2024, the Company has a balance of $105,397 receivable (December 31, 2023: $884,409 payable) from Frontera Guyana related to capital expenditures on the Corentyne licence.

In addition, as operator of the Corentyne licence, the Company receives a fee from its Joint Operation 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 recognized fees from its Joint Operation partner in the amount of $145,000 (year ended December 31, 2023: $2,333,280).

As of December 31, 2024, the Company has accounts receivable from its Joint Operation partner of $5,800 related to its portion of the University program funding, and other operational costs (December 31, 2023: $Nil).

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. 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: $1,171,887). As of December 31, 2024, the Company has a payable balance of $Nil (December 31, 2023: $133,130) to Gaico.

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.

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:

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

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 (December 31, 2023: C$364,000). 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.

Key Management Agreements

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

13. ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Assets information as at December 31,		2024		2023
Exploration and evaluation assets	$	56,204,110	$	56,277,570
Deep water port facility and logistic yard	$	20,421,107	$	19,758,632
Total Assets	$	79,303,621	$	93,007,898

Addition for the years ended December 31,		2024		2023
Land and lease cost	$	53,312	$	129,283
Exploration: Intangible and drilling		—		22,135,500
Geophysical and administrative		122,928		32,000
Exploration and evaluation expenditures net additions of the year	**$**	**176,240**	**$**	**22,296,783**

Statement of Loss for the years ended December 31,		2024		2023
Port revenue	$	53,145	$	—
General and administrative		(517,026)		(925,515)
Management and consulting		(1,529,596)		(2,847,043)
Professional fees		(135,897)		(860,179)
Interest expense		(568,896)		(567,341)
Share based payments		(61,400)		(122,000)
Shareholder information		(29,592)		(140,429)
Foreign exchange loss		62,123		(64,350)
	$	**(2,727,139)**	**$**	**(5,526,857)**
Indirect revenue from farm in partner		145,000		2,333,280
	$	**(2,582,139)**	**$**	**(3,193,577)**

14. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and judgments are based on historical experience, current conditions, and reasonable expectations of future events. Actual results may differ from these estimates. Significant areas requiring estimates include impairment assessments, decommissioning liabilities, fair value measurements, provisions, and revenue recognition. For a detailed discussion, refer to 2.3 Use of management estimates, judgments, and measurement uncertainty of the Consolidated Financial Statements.

15. RISK AND UNCERTAINTIES

This section discusses risk and uncertainties of CGX, the parent company and all its subsidiaries. "CGX" and "the Company" in this section is therefore used in the context to the overall operations of the Parent and all subsidiaries.

Overview

The business of the Company consists of oil and gas exploration in Guyana, South America and the construction of the Berbice Port. There are a number of inherent risks associated with oil and gas exploration and development, as well as local, national and international economic and political conditions that may affect the success of CGX which are beyond CGX's control, particularly since its operations are located in a foreign country. Many of these factors involve a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome.

CGX has prioritized these risk factors. Readers are cautioned that this categorization is a subjective view of the Company and the categorization of these risk factors could change because of future events.

If any of the following risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware, or which it considers not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Nature of Business and Stage of Development

An investment in CGX is subject to certain risks related to the nature of CGX's business and its early stage of development. There are numerous factors which may affect the success of CGX's business which are beyond CGX's control including local, national and international economic and political conditions. CGX's business involves a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not overcome. CGX's operations in Guyana have exposed CGX to risks that may not exist in domestic operations such as political, regulatory, contractual and currency risks. CGX has a limited history of operations and there can be no assurance that CGX's business will be successful or profitable or that commercial quantities of oil and/or natural gas will be discovered by CGX.

Expiry and/or Termination of Petroleum Agreements and Licenses

CGX's interest is held by way of participating interests in PPL governed by PA. If CGX, or its joint licensees under an applicable PA or PPL, fail to meet the specific requirement(s) of a particular PA or PPL its interest may terminate or expire. There can be no assurance that any of the obligations required to maintain the Corporation's interests will be met or that CGX will not lose any of its participating interests in such petroleum agreements and licenses. While CGX believes it has reviewed and evaluated it license in a manner consistent with industry practices of foreign subsidiaries, such reviews and evaluations may not necessarily reveal all existing potential liabilities beforehand, causing CGX to incur losses.

Corentyne License

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 for the Corentyne block. 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 Corentyne block PPL to make all reasonable efforts to amicably resolve all disputes via negotiation, as provided for in the Corentyne block PPL, which 60-day period expired on February 10, 2025. 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, but that the Government invites the Joint Venture to submit representations for the Government to consider in making its final decision as to whether or not to cancel the PPL. On February 24, 2025, the Company announced that the Joint Venture had provided a response in which the Joint Venture advised the Government that, among other things, despite the Government's contradictory positions, the PPL remains valid and in force and that the Joint Venture has contested the Government's purported termination of the PPL. The Joint Venture remains firmly of the view that its interest in, and the PPL for, the Corentyne block remain in place and in good standing.

Going Concern

Given the uncertainty associated with the nature of offshore drilling activities, the cost associated with such activities and the Company's ability to obtain financing, the Company may not have sufficient cash flow to meet its operating requirements for a minimum of one year. The ability of the Company to continue as a going concern is dependent on securing additional financing, either through issuing additional equity and/or payments associated with a joint venture farm-out in the near future. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. The audited consolidated financial statements of CGX for the year ended December 31, 2024, have been prepared by management on a going concern basis in accordance with IFRS as issued by the IASB. The going concern basis of presentation assumes that CGX will continue in operation for the foreseeable future and be able to realize its assets and discharge its obligations in the normal course of business. Should CGX be unable to continue as a going concern, realization of assets and settlement of liabilities other than in the normal course of business may be at amounts significantly different from those in the financial statements and could cause the Company to reduce or terminate its proposed operations and cause the loss of some or all of the value of an investment in the Common Shares. While the Company believes in the viability of its strategy and, in its ability to raise additional funds, there can be no assurances to that effect.

Financing

The Company's future capital requirements on its existing assets exceed existing cash resources, which will require CGX to raise additional financing. The ability of CGX to arrange financing in the future will depend in part upon the prevailing capital market conditions, risks associated with international operations, as well as the business performance of CGX. This in turn could limit growth prospects in the short term or may require CGX to dedicate cash flow, dispose of properties or raise new equity to continue operations under circumstances of declining energy prices, poor drilling results, or economic or political dislocation in foreign countries. There can be no assurance that CGX will be successful in its efforts to arrange additional financing on terms satisfactory to CGX. This may be further complicated by the limited market liquidity for shares of smaller

companies, such as CGX, which restricts access to investments by some institutional investors. If additional financing is raised by the issuance of shares from the treasury of CGX, control of CGX may change or be consolidated and/or shareholders may suffer additional dilution.

From time to time, CGX may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may temporarily increase CGX's debt levels above industry standards.

Exploration Risk

An investment in CGX is subject to certain risks related to the nature of CGX's business as an oil and gas exploration company. Petroleum exploration involves a high degree of risk and there is no assurance that expenditures made on exploration activities by CGX will result in the discoveries that are commercially or economically feasible or ultimately in production of hydrocarbons.

There is also no assurance that the Company will discover commercial quantities of oil and natural gas. Oil and natural gas exploration may involve unsuccessful efforts from dry wells or wells that are not economic for development and production. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs. The Company is exposed to a high level of exploration risk. The business of exploring for, developing or acquiring reserves is capital-intensive and is subject to numerous estimates and interpretations of geological and geophysical data. There can be no assurance the Company's exploration will result in proved reserves.

Drilling Risks and Other Operating Risks

CGX's operations are subject to all the operational risks inherent to offshore exploration and development of hydrocarbons and the drilling of wells, including, unsatisfactory performance of service providers engaged to carry out operations required for the drilling and analysis of wells, natural disasters, encountering unexpected formations or pressures, premature declines of reservoirs, invasion of water into producing formations, formations with abnormal pressures, mechanical problems with equipment, potential for substantial environmental damage, blow-outs, cratering, fires and spills, all of which could result in personal injuries, loss of life and damage to the property of CGX and others. In accordance with industry practice, CGX has normal and customary insurance coverage to address certain of these risks; however, the nature of these risks is such that liabilities could exceed policy limits, in which event the Corporation may incur significant costs. Additionally, such insurance may not be available in the future, may be price-prohibitive or contain limitations on liability that may not be sufficient to cover the full extent of such liabilities. There can be no assurance that CGX will be able to obtain the insurance coverage that it believes is appropriate. In addition, the risks to which CGX's operations are subject may not in all circumstances be insurable or, in certain circumstances, CGX may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to CGX for other purposes. CGX obtains insurance for its operations that it believes are appropriate for each specific activity, however, there can be no assurance that proceeds from such insurance will be sufficient to cover CGX's related losses.

The occurrence of a significant event that CGX is not fully insured against, or the non-payment by the insurer in connection with such event, could have a material adverse effect on CGX's financial position and/or its results of operations.

Offshore Operations

CGX is actively exploring for hydrocarbons off the coast of Guyana. Offshore operations involve a higher degree of risk than onshore operations due to the remoteness. Oil and natural gas exploration involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Fires and explosions on drilling rigs and other offshore platforms are more likely to result in personal injury, loss of life and damage to property due to the remote locations and time required for rescue personnel to get to the location. Blow-outs and spills are more likely to result in significant environmental damage to the marine environment and can be difficult to contain and difficult and expensive to remediate. There can be no assurance that these risks can be avoided. The occurrence of any of these events may have a materially adverse effect on the Corporation.

Seismic Data and Resource Estimates

There are numerous uncertainties inherent in estimating quantities of resources, including many factors beyond the control of the Company. When properly used and interpreted, seismic data and visualization techniques are important tools used to assist geoscientists in identifying sub-surface structures and indicators of hydrocarbons; however, these data do not allow the Corporation to know whether the hydrocarbons are present in the structures. Estimates of resources depend largely upon the reliability of available geological and engineering data and require certain assumptions to be made in order to assign resource volumes. Geological and engineering data is used to determine the probability that a reservoir of oil and/or natural gas exists at a particular location, and whether, and to what extent, such hydrocarbons are recoverable from the reservoir. Accordingly, the ultimate resources discovered by the Company may be significantly less than its estimates.

There is also no guarantee that the Prospective Resources attributed to each of the Company’s PPLs will be discovered or become commercially viable. The Corporation's drilling activities may not be successful or may not be economically viable which may have a material adverse effect on the price of the Company's securities.

Reserves and Prospective Resources involve different risks associated with achieving commerciality. To be classified as reserves, estimated recoverable quantities must be associated with a project that has demonstrated commercial viability. In estimating reserves, proved reserves can be estimated with a high degree of certainty to be recoverable, while Prospective Resources are only potentially recoverable. For Prospective Resources, the chance of commerciality will be the product of the chance that a project will result in the discovery of petroleum multiplied by the chance that an accumulation will be commercially developed. By definition, reserves are commercially (and hence economically) recoverable. There is no guarantee that the Prospective Resources attributed to each of the Company’s PPLs will be discovered, converted into reserves or become commercially viable.

Significant Capital Investments and Expenses

The oil and gas exploration and production industry is capital intensive and as accordingly the Corporation expects to have substantial expenditures as it continues to fulfill its commitments and explore for petroleum reserves. CGX has financed its prior exploration activities with funds obtained from offerings of securities, as well as loans and farm-outs. CGX continues to explore financing mechanisms to allow the Corporation to meet future work commitments and to allow it to fully explore its existing petroleum prospecting licenses.

CGX's future cash flow for operations and financing is subject to a number of variables, including among others:

(i) the Corporation's ability to locate or acquire reserves; (ii) the Corporation's ability to extract oil from such reserves; (iii) the ability to secure additional joint venture partners (iv) current financial market conditions and available liquidity in markets in which Common Shares are traded (see the "Financing" risk factor above); and (v) the prices for which any produced oil is sold.

Regulatory

Petroleum operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time such as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of petroleum and many other aspects of the petroleum business. CGX's operations may require licences and permits from various governmental authorities. There can be no assurance CGX will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its projects. It is not expected that any of these controls or regulations will affect the operations of CGX in a manner materially different than they would affect other petroleum companies of similar size.

Environmental Regulation and Risks

Extensive national, state and local environmental laws and regulations in foreign jurisdictions affect nearly all of the operations of CGX. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. There can be no assurance that CGX will not incur substantial financial obligations in connection with environmental compliance and that the cost of such compliance will not have a material adverse effect on CGX.

Significant liability could be imposed on CGX for damages, cleanup costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties purchased by CGX or non-compliance with environmental laws or regulations. Such liability could have a material adverse effect on CGX. Moreover, CGX cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by CGX for the installation and operation of systems and equipment for remedial measures, any or all of which may have a material adverse effect on CGX.

Environmental Protection

All phases of CGX's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

In particular, CGX is subject to the Environmental Protection Act (Guyana) which provides for the management, conservation, protection and improvement of the environment, the prevention/control of pollution, the assessment of the impact of economic development on the environment and the sustainable use of natural resources and the matters incidental thereto or connected therewith. This legislation also mandates the creation of the Guyana Environmental Protection Agency (the "**EPA**") to implement compliance with the Environmental Protection Act (Guyana).

The Environmental Protection Act (Guyana) establishes a wide range of sanctions and penalties, both criminal and civil, for violations of the provisions of the Environmental Protection Act (Guyana). These sanctions and penalties include, but are not limited to:

- varying monetary fines or imprisonment depending on the gravity of the offence (if the offender has been convicted of an offence under the Environmental Protection Act (Guyana) and has benefited monetarily from the violation, a court may order a fine in an amount equal to the court's estimation of the amount of monetary benefits notwithstanding the maximum fine that may be imposed. To expedite settlement, authorized officers of the EPA, may by notice, offer the option of discharging liabilities in consideration of the offender making immediate payment to the EPA equal to two-thirds of the minimum penalty prescribed within 28 days of the date of the notice sent by the officer);
- suspension, cancellation or revocation of a permit or authorization;
- order to cease (or make no changes to) construction, operation, or other activities;
- prohibition notices (similar to an injunction);
- enforcement notices;
- mandating actions to prevent, ameliorate, correct, mitigate, restore or otherwise address environmental harm within a specified time;
- community service;
- order compensation to aggrieved persons; and
- injunctions (upon application to the High Court of Guyana).

To date, applicable environmental legislation has had no material financial or operational effects upon the operations of CGX.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased cost at some of CGX's operations. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur.

Contingencies

Contingent liabilities are possible 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 outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed and described in the notes to the 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.

Litigation

In the normal course of the Corporation operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and, as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse affect on the Company's financial condition.

Availability of Equipment

Petroleum exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for a rig suitable for the contemplated drilling activities of the Company or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Industry Conditions

The marketability and price of oil and natural gas which may be acquired or discovered by CGX will be affected by numerous factors beyond the control of CGX. The ability of CGX to market any oil or natural gas discovered by it may depend upon its ability to access third party transportation, processing facilities and acquiring space on pipelines which deliver oil and natural gas to commercial markets. CGX is also subject to market fluctuations in the prices of petroleum, uncertainties related to the delivery and proximity of its reserves to pipelines and processing facilities, operational problems with such pipelines and facilities and extensive government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of petroleum and many other aspects of the petroleum business.

The petroleum industry is subject to varying environmental regulations in each of the jurisdictions in which CGX may operate. Environmental regulations place restrictions and prohibitions on emissions of various substances produced concurrently with petroleum and can impact on the selection of drilling sites and facility locations, potentially resulting in increased capital expenditures.

CGX may be responsible for costs associated with abandoning and reclaiming wells, facilities and pipelines which are used for production of oil and gas reserves. Abandonment and reclamation of these facilities and the costs associated therewith if often referred to as “decommissioning.” If decommissioning is required before economic depletion of the properties or if the estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time to cover such decommissioning costs, CGX may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could impair the ability to focus capital investment in other areas of the business.

Common Share Price Volatility

Many factors influence the volatility in the trading price of the common shares, including changes in the economy or in the financial markets, industry related developments, and the impact of changes in CGX’s daily operations. Changes in each of these factors could lead to increased volatility in the market price of the common shares. In addition, variations in earnings estimates by securities

analysts and the market prices of the securities of CGX's competitors may also lead to fluctuations in the trading price of the common shares.

To the extent that any issued and outstanding common shares are sold into the market, there may be an oversupply of shares and an undersupply or purchasers. If this occurs, the market price for the common shares may decline significantly and investors may be unable to sell their share as a profit, or at all.

Fluctuations in Foreign Currency Exchange Rates

All of CGX's operations are located in foreign jurisdictions. Fluctuations in the United States dollar and the Guyanese dollar exchange rates may cause a negative impact on revenue and costs and could have a material adverse impact on CGX's operations.

Political Risks

The majority of CGX's current operations are presently conducted in Guyana, South America and as such, CGX's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest; border disputes between countries; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect CGX. Changes, if any, in petroleum or investment policies or shifts in political attitude in the country of Guyana and border disputes affecting CGX's rights to explore and develop for oil and gas may adversely affect CGX's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people and water use. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws or regulations relating to the petroleum regime could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on CGX's consolidated business, results of operations and financial condition.

Further risks include, but are not limited to, changes in oil and gas or investment policies, corruption, hostage takings, opposition to oil and gas exploration and production from environmental or other non-governmental organizations or shifts in political attitude that may adversely affect the business. While CGX works to mitigate its exposure to potential country risk events, the impact of any such event is mostly not under CGX's control, is highly uncertain and unpredictable and will be based on specific facts and circumstances. As a result, CGX can give no assurance that it will not be subject to any political or country risk event, directly or indirectly, in the jurisdictions in which it operates.

Risks of Foreign Operations

CGX's material petroleum assets and operations are located in Guyana. As such, CGX is subject to political, economic, contractual, regulatory and social uncertainties or social instability, including, but not limited to, renegotiation or nullification of existing agreements and licenses, expropriation of property without fair compensation, changes in energy policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases, changes in taxation policies, economic sanctions, social instability and other risks arising out of foreign governmental sovereignty over the areas in which CGX's operations are conducted. These uncertainties, all of which are beyond CGX's control, could have a material adverse effect on CGX's business, prospects and results of operations.

Infrastructure development in Guyana where the Company operates is limited. If any infrastructure or systems failures occur or do not meet the requirements of CGX, CGX's operations may be significantly hampered which could result in delayed, postponed or cancelled petroleum operations, lower production and sales and/or higher costs. These factors may affect the Company's ability to explore and develop its properties in a timely manner and to store and transport its petroleum production if reserves are located.

Different Legal System and Litigation

CGX's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, investment, and taxation, including proposed amendments to the Income Tax Act (Canada) relating to the taxation of foreign affiliates announced on August 19, 2011.

CGX's exploration activities are located in countries with legal systems that in various degrees, differ from that of Canada. Rules, regulations and legal principles may differ both relating to matters of substantive law and in respect of such matters as court procedure and enforcement. This means that CGX's ability to exercise or enforce its rights and obligations may differ between countries and also from what would have been the case if such rights and obligations were subject to Canadian law and jurisdiction.

In the event of a dispute arising in connection with CGX's operations in Guyana, CGX may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. CGX may also be hindered or prevented from enforcing its rights with respect to a governmental entity because of the doctrine of sovereign immunity. Accordingly, CGX's exploration and development activities in Guyana could be substantially affected by factors beyond CGX's control, any of which could have a material adverse effect on CGX.

Cost Overruns

Projecting the costs of exploratory drilling programs is difficult due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions (such as over-pressured zones and tools lost in the hole), weather related factors and changes in drilling plans and locations as a result of prior exploratory wells or additional technical data and interpretations. Accordingly, there may be changes in estimated costs associated with drilling projects.

In addition, due to the stage of development of the oil and gas industry in Guyana, it is difficult to estimate costs, including infrastructure improvement costs, transportation costs (including truck,

river barge and helicopter costs) and production costs for CGX's exploration and development plans for some of its properties.

CGX's difficulty estimating these costs could affect the commerciality of the resources and reserves discovered on its properties or any other properties CGX may acquire from time to time, the economic viability of CGX's products and the ability of CGX to transport its products to market.

No Reserves

CGX does not know if any of its exploration prospects will contain petroleum in quantities or quality that are sufficient to recover the costs of drilling and exploration, or to be economically viable. Currently there are no reserves associated with CGX's petroleum licenses in Guyana. CGX has identified exploration prospects based on seismic and geological information that indicates the possible presence of petroleum. However, the areas in which CGX has decided to drill may not produce petroleum in commercial quantities or quality or may not contain petroleum at all. The future value of CGX is dependent on the success or otherwise of CGX's activities which are principally directed toward the further exploration, appraisal and development of its assets in Guyana. CGX has a right to explore and appraise such assets in Guyana but does not have a right to produce the same until such time as reserves discovered thereon are determined to be commercial. Exploration for and appraisal and development of petroleum reserves are speculative and involve a significant degree of risk. There is no guarantee that exploration or appraisal of the Guyana assets will lead to a commercial discovery or, if there is commercial discovery, that CGX will be able to realize such reserves as intended. Few properties that are explored are ultimately produced. If at any stage CGX is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, CGX's business, financial condition and/or results of operations and, accordingly, the trading price of the Common Shares, is likely to be materially adversely affected.

Future Drilling and Development

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

Development of any potential discovery may be affected by increased costs, the cost of capital and other political or environmental factors. For example, the unavailability or high cost of drilling rigs, or other essential equipment, material or personnel could have a negative impact on the ability of the Company to economically develop future reserves. Additionally, engineering complications, political events, social unrest or natural disasters could delay or prevent a development project. Additionally, the cost of budgeting for such projects may be difficult.

Negative Operating Cash Flow

The Corporation had negative operating cash flow for its financial years ended December 31, 2024 and 2023 and for all years since inception in 1998. Until such time as the Company is able to produce oil and gas from its interest in PPLs, the Company does not expect to have any positive cash flow. To the extent that the Company has negative cash flow in future periods, the Company will need to deploy a portion of its cash reserves to fund such negative cash flow.

Financial Markets

In the future, the Company may require further debt financing to grow its business. Distress in financial markets could diminish the amount of financing available to companies and could significantly increase the Company's costs associated with borrowing. The Company's liquidity and its ability to access the credit or capital markets may also be adversely affected by changes in the financial markets and the global economy and could make it more difficult for the Company to access capital, sell assets, refinance existing indebtedness, enter into agreements for new indebtedness or obtain funding through the issuance of securities.

Foreign Subsidiaries

CGX conducts operations through its Bahamian, Guyanese and Barbadian subsidiaries. Therefore, to the extent of operations conducted by such subsidiaries, CGX will be dependent on the cash flows of these subsidiaries to meet its obligations. The ability of its subsidiaries to make payments to CGX may be constrained by: (i) the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which the subsidiary operates and any changes in tax laws or treaties; and (ii) the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated.

Need to Discover or Acquire Reserves

CGX's ability to achieve commercial production, and therefore its cash flows and earnings, are highly dependent upon CGX discovering or acquiring reserves through acquisitions, joint ventures or investments. To the extent that cash flow from operations is insufficient and external sources of capital become limited or unavailable, CGX's ability to make the necessary capital investments to expand its petroleum reserves will be impaired. There can be no assurance that CGX will be able to find and develop or acquire reserves at commercially feasible costs. Even if such acquisitions, joint ventures or investments are consummated, CGX may not realize any anticipated benefits from them.

Future acquisitions, joint ventures and investments may result in the incurrence of additional debt, contingent liabilities and amortization expenses related to goodwill and other intangible assets and increased capital expenditures, interest and other costs, any of which could have a material adverse effect on CGX's financial condition and operating results by reducing its net profit, or increasing its total liabilities, or both. Any of these factors could adversely affect CGX's business, financial condition, results of operations or prospects.

Operational Dependence

Other companies in future may operate the PPL in which CGX has an interest in order to share risks associated with those operations. As a result, the Company may have limited ability to exercise influence over the operation of those activities or their associated costs, which could adversely affect the Company's financial performance. The Company's return on interests operated by others therefore depends upon a number of factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices. Additionally, fraud, misconduct, lack of compliance with applicable laws and regulations by or on behalf of one or more of our partners or co-working interest owners could potentially have a negative impact on CGX's business and reputation.

Tax Risks

CGX operates in several countries and is therefore subject to different forms of taxation in various jurisdictions throughout the world, including but not limited to, property tax, income tax, withholding tax, commodity tax, social security and other payroll related taxes, foreign currency and capital repatriation laws. An unfavorable interpretation of the current tax legislation could have a material adverse effect on the profitability of CGX or may lead to disagreements with tax authorities regarding the interpretation of tax law.

Tax law and administration is extremely complex and often requires CGX to make subjective determinations. CGX must make assumptions about, but not limited to, the tax rates in various jurisdictions, the effect of tax treaties between jurisdictions and taxable income projections due to tax law and its administration which are extremely complex. To the extent that such assumptions differ from actual results, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, CGX may have to record additional tax expenses and liabilities, including interest and penalties. Moreover, there is a risk in which the countries where CGX operates may change their current tax regime with little prior notice or that the tax authorities in these jurisdictions may attempt to claim tax on the global revenues of CGX.

Title to Properties and Assets

Title reviews have been conducted on CGX's existing properties and to the knowledge of CGX, CGX has good title to its existing properties and in accordance with industry standards, title reviews are conducted prior to the purchase of most petroleum producing properties or the commencement of drilling wells. Such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of CGX which could result in the loss of title and a reduction of the revenue received by CGX.

Third Party Credit Risk

CGX is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint operation partners, or other parties. In the event such entities fail to meet their contractual obligations to CGX, such failures could have a material adverse effect on CGX and its cash flow from operations.

Competition

Competition could adversely affect CGX's performance. The petroleum industry is characterized by intense competition and CGX competes directly with other companies that have greater technical and financial resources. Many of these competitors not only explore for and produce petroleum but also carry on refining operations and market petroleum and other products on an international basis. The industry also competes with other industries who supply non-petroleum energy products.

The oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company does. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete. In such case, the Company's business, financial condition and results of operations could

be materially adversely affected. If the Company is unable to utilize the most advanced commercially available technology, the Company's business, financial condition and results of operations could be materially adversely affected.

Potential Conflicts of Interest

There are potential conflicts of interest to which some of the directors and officers of CGX will be subject in connection with the operations of CGX. Some of the directors and officers are engaged and will continue to be engaged in the search of petroleum interests on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with CGX. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the Ontario Business Corporations Act ("OBCA") which requires a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person or company who is a party to a material contract or proposed material contract with CGX, to disclose his interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the OBCA.

Reliance on and Availability of Personnel

The Corporation is dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals.

The competition for qualified personnel in the petroleum industry is intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of CGX, as the case may be.

Ability to Sustain and Manage Growth

CGX's ability to grow depends on a number of factors, many of which are beyond CGX's control, such as commodity prices, the ability to raise financing and the demand for raw materials from large, emerging economies. CGX is also subject to a variety of business risks generally associated with growing companies. Future growth and expansion could place a strain on the management team and will likely require the recruitment of additional management resources.

There is no guarantee that CGX will be able to:

- manage expanding operations (including any acquisitions) effectively;
- sustain or accelerate growth or ensure that growth results in profitable operations;
- attract and retain sufficient management resources necessary for continued growth; or
- complete successful strategic investments and acquisitions.

The failure to accomplish any of these goals could have an adverse effect on our business and growth prospects.

Business Interruptions

Business interruptions may result from a variety of factors, including regulatory intervention, delays in necessary approvals and permits, health and safety issues, personnel issues or logistics issues. Any business interruptions could have an adverse impact on CGX's business.

Reputational Risk

Any negative publicity, whether true or not, would be a risk to our reputation, and could cause a decline in our customer base, with an adverse impact on our business. As every risk we face could have an impact on our reputation, reputational risk cannot be managed in isolation from other types of risk. It is vital that every employee and representative of CGX upholds our strong reputation by complying with all applicable policies, legislation and regulations as well as by creating positive experiences with our customers, stakeholders and the public.

Corruption, Bribery and Fraud

CGX is required to comply with applicable laws in other jurisdictions, which prohibit companies from engaging in bribery or other prohibited payments or gifts to foreign public officials for the purpose of retaining or obtaining business. CGX's policies mandate compliance with these laws. However, there can be no assurance that the policies and procedures and other safeguards that CGX has implemented in relation to its compliance with these laws will be effective or that CGX employees, agents, suppliers or other industry partners have not engaged or will not engage in such illegal conduct for which CGX may be held responsible. Violations of these laws could disrupt CGX's business and result in a material adverse effect on its business and operations.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, CGX may disclose confidential information relating to CGX's business, operations or affairs. Although confidentiality agreements are generally signed by third parties prior to the disclosure of confidential information, a breach could put CGX at competitive risk and may cause significant damage to CGX's business. The harm to CGX's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, CGX will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to CGX 's business that such a breach of confidentiality may cause.

Cyber-Security Risk

While information systems are integral to supporting CGX's business, due to the nature of CGX's services, it is not considered to be subject to the same level of cyber security risks as companies operating in sectors where sensitive information is at the core of their business. Nevertheless, CGX is potentially exposed to risks ranging from internal human error to uncoordinated individual attempts to gain unauthorized access to its information technology systems, to sophisticated and targeted measures directed at CGX and its systems, clients or service providers. Any such disruptions in CGX's systems or the failure of the systems to operate as expected could, depending on the magnitude of the problem, result in the loss of client information, a loss of current or future business, reputational harm and/or potential claims against CGX, all of which could have an adverse effect on CGX's business, financial condition and operating results. CGX continues to enhance its efforts to mitigate these risks.

Dilutive Effects on Holders of Common Shares

The Corporation expects to issue common shares and warrants that will entitle the holder thereof to purchase common shares pursuant to the subscription agreements referred to above. Accordingly, holders of common shares may suffer dilution.

Significant Shareholders

Frontera holds 257,475,469 common shares representing approximately 76.05% of the issued and outstanding common shares on an undiluted basis. Frontera has the voting power to influence the outcome of all corporate transactions or other matters requiring the approval of CGX's shareholders, including a merger, a business combination or the sale of all or substantially all of CGX's assets. This influence may limit the price that investors are willing to pay for common shares or discourage third parties from making a tender offer or takeover bid to acquire any or all of the outstanding common shares. In addition, there exists the potential that Frontera may sell its common shares in the public market (commonly referred to as "market overhang"), these shares as well as any actual sales of such common shares in the public market, could adversely affect the market price of the common shares.

Enforcement of Civil Liabilities

Substantially all of the assets of the Corporation are located outside of Canada and certain of the directors and officers of the Corporation are currently resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Corporation or the directors and officers of the Corporation residing outside of Canada.

No Record of Dividends

CGX has not paid dividends and it is unlikely to pay dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the Board and will depend upon, among other things, CGX's results of operations, financial condition, contractual restrictions, capital expenditure and working capital requirements, restrictions imposed by applicable law and other factors the Board deems relevant.

Geographic Concentration

CGX's assets are in the Guyana Suriname Basin in Guyana. As a result of this geographic concentration, CGX may be disproportionately exposed to the effect of regional supply and demand factors and delays or interruptions in exploration in this area caused by changes in governmental regulation, political or social conditions or weather or other localized events.

Alternatives to and Changing Demand for Hydrocarbon Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Forward-Looking Statements May Prove Inaccurate

Shareholders and investor are cautioned not to place undue reliance on forward-looking statements and other future looking financial information. By their nature, forward-looking statements and information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

The Russia-Ukraine War

The Company does not have sales, production, or operations within Russia or Ukraine, and is not expected that the war will directly impact its operations. Nevertheless, the ongoing war induces greater uncertainties in global financial markets and supply chain systems, which could lead to volatility in oil prices, inflation, interest rates, financing costs, and shortage or delays for certain goods or services. The Company continues assessing its exposure.

The future performance of the Company will depend on the exploration and development of its properties in Guyana. The Company may have difficulties raising equity for the purpose of carrying out exploration and development activities with respect to its Guyana properties, particularly without excessively diluting present shareholders of the Company.

16. OIL AND GAS INFORMATION ADVISORIES

Certain disclosures in this MD&A constitute “anticipated results” for the purposes of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) because the disclosure in question may, in the opinion of a reasonable person, indicate the potential value or quantities of resources in respect of the Joint Operation’s resources or a portion of its resources. Without limitation, the anticipated results disclosed in this MD&A include estimates of volume attributable to the resources of the Joint Operation. Such estimates of anticipated results have been prepared or reviewed by an independent qualified reserves evaluator or auditor. Such terms should not be interpreted to mean there is any level of certainty in regard to the hydrocarbons present, or that hydrocarbons may be produced profitably, in commercial quantities, or at all. Anticipated results are subject to certain risks and uncertainties, including those described herein and various geological, technical, operational, engineering, commercial, and technical risks. Such risks and uncertainties may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

Analogous Information:

Certain information in this MD&A may constitute “analogous information” as defined in NI 51-101. Such information includes reservoir information retrieved from government or other publicly available sources, regulatory agencies or other industry participants that are independent of Frontera and CGX. CGX believes the rock quality discovered in the Maastrichtian horizon in the Wei-1 well has a similar distribution of porosity and permeability as reported in the Liza Discovery on Stabroek block. Such information was released in the Investors Day 2018 presentation released by Hess Corporation in December 2018. The Company believes the information is relevant as it may help to define the reservoir characteristics of the Corentyne Block in which the Company holds an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and is unable to confirm that the analogous information was prepared in accordance with NI 51-101. Such information is not an estimate of the resources attributable to lands

held by the Company and there is no certainty that the resources data and commercial viability for the lands held by the Company will be similar to the information presented herein. The reader is cautioned that the data relied upon by the Company may be in error and/or may not be analogous to such lands held by the Company.

17. ABBREVIATIONS AND DEFINITIONS

The following abbreviations are frequently used in the Company's MD&A.

PPL	Petroleum Prospecting Licences	**PAs**	Petroleum Agreements
C$	Canadian dollars	**$**	U.S. dollars
Q	Quarter	**USD**	United States dollars

API

Means the American Petroleum Institute gravity, which is a measure of how heavy or light a petroleum liquid is compared to water. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids.

Boe Conversion

The term referred to herein in respect to barrels of oil equivalent ("**boe**") may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this MD&A we have expressed boe using the conversion standard of six thousand cubic feet ("**Mcf**") of gas to one barrel ("**Bbl**") of oil, 6.0 Mcf: 1 bbl.

March 10, 2025

"Suresh Narine"

Suresh Narine
Executive Chairman and Executive Director (Guyana)

"Daniel Sanchez"

Daniel Sanchez
Chief Financial Officer

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
Indicators of impairment of exploration and evaluation assets ("E&E")	
As at December 31, 2024, the carrying value of E&E assets was $56,204,110. Refer to Note 9 of the consolidated financial statements for the Company's E&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. 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.	To test the Company's assessment of indicators of impairment, we performed the following procedures, among others: • Read the Board of Director's meeting minutes and obtained evidence of continued efforts to secure a financial or farm-out partner. • 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. • Assessed the competence, capability, objectivity, and independence of the management experts engaged to evaluate resources in the specific areas, and the methodology they adopted. • 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. • Reviewed a formal legal opinion from management's external legal counsel regarding the Company's license and interest in the Corentyne Block. • 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.

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.

EY Signature

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Canada

March 10, 2025

CGX Energy Inc.

Consolidated Statements of Financial Position

(US$'s)

As at	**Notes**		**December 31, 2024**		December 31, 2023
Assets					
Current					
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**		—
Total current assets		**$**	**2,473,720**	$	8,629,661
Non-current					
Property, plant and equipment	8		**20,625,791**		19,974,249
Exploration and evaluation assets	9		**56,204,110**		56,277,570
Total non-current assets		**$**	**76,829,901**	$	76,251,819
Total assets		**$**	**79,303,621**	$	84,881,480
Liabilities					
Current					
Trade and other payables	11	**$**	**18,263,636**	$	20,293,347
Farm in partner payable	10		**—**		884,409
Total current liabilities		**$**	**18,263,636**	$	21,177,756
Non-current					
Other payables	10	**$**	**133,000**	$	276,000
Total non-current liabilities			**133,000**		276,000
Total liabilities		**$**	**18,396,636**	$	21,453,756
Shareholders' equity					
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)
Total shareholders' equity		**$**	**60,906,985**	$	63,427,724
Total liabilities and shareholders' equity		**$**	**79,303,621**	$	84,881,480

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)

For the year ended December 31,	**Notes**		**2024**		2023
Port Revenue		**$**	**53,145**	$	—
Operating expenses					
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)
Total operating expenses		**$**	**(2,780,284)**	$	(5,526,857)
Indirect revenue from farm in partner	10		**145,000**		2,333,280
Net loss and comprehensive loss		**$**	**(2,582,139)**	$	(3,193,577)
Loss per share					
Basic net loss per share			**(0.01)**		(0.01)
Diluted net loss per share			**(0.01)**		(0.01)
Weighted average number of shares					
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		
	Number of Shares	Amount	Share based payments	Accumulated Deficit	Total
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)
Balance at December 31, 2024	**338,549,000**	**$ 358,163,441**	**$ 29,088,201**	**$ (326,344,657)**	**$ 60,906,985**

	Number of Shares	Amount	Share based payments	Accumulated Deficit	Total
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)

For the year ended December 31,	**Notes**	**2024**	2023
Operating Activities			
Net loss for the year		**$ (2,582,139)**	$ (3,193,577)
Items not affecting cash:			
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
Net change in non-cash working capital items:			
Trade receivables and other assets		**(44,504)**	(1,203,332)
Trade and other payables		**(2,399,312)**	40,505
Net cash used in operating activities		**$ (4,327,531)**	$ (3,667,368)
Investing Activities			
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)
Net cash used in investing activities		**$ (41,820)**	$ (3,459,812)
Financing Activities			
Proceeds from share options exercises		—	1,156,852
Net cash provided from financing activities		**$ —**	$ 1,156,852
Net decrease in cash and cash equivalents		**(4,369,351)**	(5,970,328)
Effect of exchange rate changes		**28,522**	(5,272)
Cash and cash equivalents at beginning of year		**6,414,819**	12,390,419
Cash and cash equivalents at end of year		**$ 2,073,990**	$ 6,414,819

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

GENERAL

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

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

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

1. Owned 100% by GCIE Holding

1. Nature of Operations and Going Concern Uncertainty

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

The Company's Petroleum Production Licence ("**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

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

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

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.

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

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.

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.

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.

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.

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)

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 $	**86,000**	191,000
Trade and other payables	C $	**(193,000)**	(1,343,000)
Other payables	C $	**(180,000)**	(364,000)
		$ (287,000)	$ (1,454,000)

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

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:

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

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

As at,		**December 31, 2024**		December 31, 2023
1 -90 days	**$**	**96,730**	$	1,514,406
Total trade receivables	**$**	**96,730**	$	1,514,406

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.

8. Property, Plant and Equipment

	Port (staging facility) [1]	Logistics Yard [1]	Vehicles, office furniture and fixtures	Computer, software & equipment	Total
Cost					
As at December 31, 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
As at December 31, 2024	**$ 19,713,877**	**$ 707,230**	**$ 450,714**	**$ 542,464**	**$ 21,414,285**
Accumulated amortization					
As at December 31, 2022	$ –	$ –	$ 230,902	$ 539,637	$ 770,539
Amortization [2]	–	–	27,991	–	27,991
Disposal	**$** –	**$** –	(23,968)	**$** –	(23,968)
As at December 31, 2023	$ —	$ —	$ 234,925	$ 539,637	$ 774,562
Amortization [2]	—	—	13,776	156	13,932
As at December 31, 2024	**$ —**	**$ —**	**$ 248,701**	**$ 539,793**	**$ 788,494**
Net book value					
As at December 31, 2023	$ 19,051,402	$ 707,230	$ 215,617	$ —	$ 19,974,249
As at December 31, 2024	**$ 19,713,877**	**$ 707,230**	**$ 202,013**	**$ 2,671**	**$ 20,625,791**

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

	Corentyne
Balance, December 31, 2022	**$ 49,955,896**
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)
Balance, December 31, 2024	**$ 56,204,110**

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.

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.

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.

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:

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

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:

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

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

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:

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

(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:

Warrants	Exercise Price	Expiry Date
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.

For the period ended	December 31, 2024		December 31, 2023	
	Weighted Average Exercise Price ($)	No. of Options	Weighted Average Exercise Price ($)	No. of Options
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)
Outstanding at end of year	C$0.94	2,300,000	C$0.63	11,740,999
Exercisable at end of year	C$0.94	2,300,000	C$0.62	11,474,332

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

Exercise Price	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	No. of Options Exercisable	Weighted Average Exercise Price
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
C$ 0.71 - 1.36	**2,300,000**	**0.66**	**0.94**	**2,300,000**	**0.94**

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:

	Vesting of prior year issued options	Totals
Share based compensation	**$61,400**	**$61,400**

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:

	Vesting of prior year issued options	January 25, 2023	January 25, 2023 (*)	Totals
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	**$ (116,000)**	**$ 238,000**	**$ -**	**$ 122,000**

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

cgx energy inc

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:

As at,		**December 31, 2024**		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)
Balance at end of year	**$**	**29,088,201**	$	29,026,801

14. Income Tax

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

	2024	**2023**
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:

	2024	**2023**
Deferred income tax assets		
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	—	—

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:

December 31,	**C$ 2024**
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

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:

As at,		**December 31, 2024**		December 31, 2023
Non-Current Assets				
Guyana	**$**	**76,829,901**	$	76,251,819
Total Non-Current Assets	**$**	**76,829,901**	$	76,251,819

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

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 collects 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.