Eco (Atlantic) Oil & Gas Ltd.

Consolidated Financial Statements
(in US Dollars)
Years Ended March 31, 2025 and 2024

Eco (Atlantic) Oil & Gas Ltd.
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Independent Auditor's Report

To the Shareholders of Eco (Atlantic) Oil & Gas Ltd.:

Opinion

We have audited the consolidated financial statements of Eco (Atlantic) Oil & Gas Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and March 31, 2024, and the consolidated statements of operations and comprehensive loss, changes in equity, and 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 March 31, 2025 and March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 audits 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 had an accumulated deficit at March 31, 2025 and the ability of the Company to continue as a going concern depends upon the discovery of economically recoverable petroleum and natural gas, the ability of the Company to obtain financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition. 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 our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

1% Farmout with Africa Oil

Key Audit Matter Description

On January 10, 2025, Africa Oil surrendered 54,941,744 common shares and 4,864,865 warrants to the Company for cancellation in exchange for a 1% interest in the Block 3B/4B project. Accounting for this transaction under IFRS required increased judgement in relation to measurement and the accounting treatment. As a result, we considered this to be a key audit matter.

Refer to Note 7 Petroleum and Natural Gas Licenses, Note 9 Share Capital, and Note 11 Warrants.

Audit Response

We responded to this matter by performing audit procedures in relation to the measurement and accounting for this transaction. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained management's assessment of the measurment of the exchanged amount and accounting treatment of the transaction.
- Evaluated the reasonability of management's accounting treatment and measurement of the transaction.
- Recalculated the fair value of the transaction.
- Assessed the appropriateness of the related disclosures.

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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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 Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario

Chartered Professional Accountants

July 28, 2025

Licensed Public Accountants

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Financial Position
As at March 31, 2025 and 2024
(Expressed in US Dollars)

	March 31, 2025	2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 4,726,152**	$ 2,967,005
Short-term investments *(Note 4)*	**69,676**	13,107
Government receivable	**58,933**	26,970
Amounts owing by license partners	**206,818**	49,578
Accounts receivable and prepaid expenses *(Note 5)*	**54,550**	38,539
Total Current Assets	**5,116,129**	3,095,199
Non- Current Assets		
Petroleum and natural gas licenses *(Note 7)*	**16,447,274**	28,168,439
Total Non-Current Assets	**16,447,274**	28,168,439
Total Assets	**21,563,403**	31,263,638
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities *(Note 8)*	**1,178,785**	1,163,546
Advances from and amounts owing to license partners	**-**	81,952
Total Current Liabilities	**1,178,785**	1,245,498
Total Liabilities	**1,178,785**	1,245,498
Equity		
Share capital *(Note 9)*	**107,129,936**	122,088,498
Restricted Share Units reserve *(Note 10)*	**1,038,722**	920,653
Warrants *(Note 11)*	**10,600,927**	14,778,272
Stock options *(Note 12)*	**3,209,329**	2,900,501
Foreign currency translation reserve	**(1,527,171)**	(1,568,469)
Accumulated deficit	**(100,067,125)**	(109,101,315)
Total Equity	**20,384,618**	30,018,140
Total Liabilities and Equity	**$ 21,563,403**	$ 31,263,638

Going Concern (note 1)

Basis of Preparation *(Note 2)*

Commitments *(Notes 16)*

Events After the Reporting Period *(Note 20)*

Approved by the Board of Directors of the Company ("Board")

"Gil Holzman"
Director

"Gadi Levin"
Director

The accompanying notes are an integral part of these consolidated financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Operations and Comprehensive Loss
For the years ended March 31, 2025 and 2024
(Expressed in US Dollars)

	Year ended March 31,	
	2025	**2024**
Operating expenses (gains):		
Compensation costs	**$ 1,230,813**	$ 851,068
Professional fees	**540,221**	589,810
Operating costs, net *(Note 17)*	**2,816,892**	2,662,347
Gain on farm-out	**(3,395,582)**	-
General and administrative costs *(Note 18)*	**708,805**	658,443
Share-based compensation *(Notes 10, 12)*	**426,897**	95,695
Interest income	**(92,074)**	(1,708)
Foreign exchange loss (gain)	**41,577**	(14,354)
Operating loss	**(2,277,549)**	(4,841,301)
Other Non-Operating Charges and Write-downs		
Gain on settlement of liability	**-**	299,360
Fair value change in warrant liability	**-**	261,720
Write down of investment in associate	**-**	(8,612,267)
Write down of license	**-**	(8,782,105)
Net loss for the year, before taxes	**$ (2,277,549)**	$ (21,674,593)
Tax recovery	**-**	536,694
Net loss for the year, after taxes	**$ (2,277,549)**	$ (21,137,899)
Foreign currency translation adjustment	**41,298**	(109,760)
Comprehensive loss for the year	**$ (2,236,251)**	$ (21,247,659)
Basic and diluted net loss per share:	**$ (0.006)**	$ (0.059)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	**358,131,654**	369,287,447

The accompanying notes are an integral part of these consolidated financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Changes in Equity
For the years ended March 31, 2025 and 2024
(Expressed in US Dollars)

	Number of Shares	Capital	Restricted Share Units	Warrant Reserve	Stock Options	Deficit	Foreign Currency Translation Reserve	Total Equity
Balance, March 31, 2023	**367,348,680**	**$ 121,570,983**	**$ 920,653**	**$ 14,778,272**	**$ 2,804,806**	**$ (87,963,416)**	**$ (1,458,709)**	**$ 50,652,589**
Issuance of shares for settlement of liability	1,200,000	200,640	-	-	-	-	-	200,640
Issuance of shares in respect of farm-out agreement	1,625,000	316,875	-	-	-	-	-	316,875
Share based compensation	-	-	-	-	95,695	-	-	95,695
Foreign currency translation adjustment	-	-	-	-	-	-	(109,760)	(109,760)
Net loss for the year	-	-	-	-	-	(21,137,899)	-	(21,137,899)
Balance, March 31, 2024	**370,173,680**	**$ 122,088,498**	**$ 920,653**	**$ 14,778,272**	**$ 2,900,501**	**$ (109,101,315)**	**$ (1,568,469)**	**$ 30,018,140**
Cancelation of shares and warrants	(54,941,744)	(18,120,562)	-	(1,015,345)	-	11,311,739	-	(7,824,168)
Expiration of warrants (note 11a)		3,162,000	-	(3,162,000)	-	-	-	-
Share-based compensation (Notes 10 and 12)	-	-	118,069	-	308,828	-	-	426,897
Foreign currency translation adjustment	-	-	-	-	-	-	41,298	41,298
Net loss for the year	-	-	-	-	-	(2,277,549)	-	(2,277,549)
Balance, March 31, 2025	**315,231,936**	**$ 107,129,936**	**$ 1,038,722**	**$ 10,600,927**	**$ 3,209,329**	**$ (100,067,125)**	**$ (1,527,171)**	**$ 20,384,618**

The accompanying notes are an integral part of these consolidated financial statements.

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Cash Flows
For the years ended March 31, 2025 and 2024
(Expressed in US Dollars)

	Year ended March 31,	
	2025	**2024**
Cash flow from operating activities		
Net loss from operations	**$ (2,277,549)**	$ (21,137,899)
Items not affecting cash:		
Share-based compensation	**426,897**	95,695
Fair value change in warrant liability	**-**	(261,720)
Write down of equity investment	**-**	8,612,267
Write down of license	**-**	8,782,105
Gain on farm-out	**(3,395,582)**	-
Changes in non-cash working capital:		
Government receivable	**(31,963)**	(4,476)
Accounts payable and accrued liabilities	**15,239**	(3,134,252)
Accounts receivable and prepaid expenses	**(16,011)**	1,490,912
Advance from and amounts owing to license partners	**(239,192)**	223,399
Cash flow from operating activities	**(5,518,161)**	(5,333,969)
Cash flow from investing activities		
Short-term investments	**(56,569)**	-
Acquisition of interest in property	**(150,000)**	-
Acquisition of Orinduik BV (*)	**-**	(700,000)
Proceeds from Block 3B/4B farm-out	**7,442,579**	5,000,000
Cash flow from investing activities	**7,236,010**	4,300,000
Increase (decrease) in cash and cash equivalents	**1,717,849**	(1,033,969)
Foreign exchange differences	**41,298**	(109,760)
Cash and cash equivalents, beginning of year	**2,967,005**	4,110,734
Cash and cash equivalents, end of year	**$ 4,726,152**	$ 2,967,005
Supplementary disclosure of cash flow information:		
Significant non-cash transactions		
Issuance of shares for settlement of liability	**$ -**	$ 200,640
Issuance of shares in respect of farmout agreement	**-**	316,875
Fair value of shares cancelled (Note 7(b)(ii)(c))	7,824,168	-
Acquisition of Orinduik BV		
Petroleum and natural gas license	**-**	781,649
Working capital - liabilities	**-**	(81,649)
(*) Total cash and cash equivalents paid	**$ -**	$ 700,000

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

a) Eco (Atlantic) Oil & Gas Ltd. ("Eco Atlantic" or the "Company") operates a business focused on high growth, high impact energy projects - primarily through identifying, acquiring, and exploring oil and gas assets. The Company's key oil and gas assets include Block 1 (see note 7(b)(i)) and Block 3B/4B offshore the Republic of South Africa ("South Africa"), four licenses offshore the Republic of Namibia ("Namibia), and an interest in the Orinduik License offshore the Co-Operative Republic of Guyana ("Guyana"). The head office of the Company is located at 7 Coulson Avenue, Toronto, ON, Canada, M4V 143.

The Company is listed on the TSX Venture Exchange ("TSXV") and trades under the symbol "EOG.V" and on the AIM Market ("AIM") of the London Stock Exchange and trades under the symbol "ECO.L".

These consolidated financial statements were approved by the Board of Directors of the Company on July 28 2025.

b) Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.

The Company has accumulated a deficit of $100,067,125 since its inception and expects to incur further losses in the development of its business.

The ability of the Company to continue as a going concern depends upon a combination of the discovery of economically recoverable petroleum and natural gas licenses, completion of existing farm-out agreements, including the receipt of $11.5m payables from its JV partners in accordance with a farm out agreement signed in March 2024 (see note 7(b)(ii)(b)), the ability of the Company to obtain financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition. These matters raise some doubt about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts recorded on its consolidated statements of financial position.

These consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

2. Basis of Preparation

The consolidated financial statements of the Company have been prepared on a historical cost basis with the exception of certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. Summary of Material Accounting Policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS® Interpretations Committee. The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of April 1, 2024.

The material accounting policies followed by the Company are summarized as follows:

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries. The Company's material subsidiaries are as follows:

	Proportionate Ownership	
	March 31, 2025	**March 31, 2024**
Eco (Atlantic) Guyana Inc. ("Eco Guyana")	100%	100%
Eco Oil and Gas (Namibia) (Pty) Ltd.	100%	100%
Eco Oil and Gas Services (Pty) Ltd.	100%	100%
Pan African Oil Namibia Holdings (Pty) Ltd.	100%	100%
Pan African Oil Namibia (Pty) Ltd.	100%	100%
Azinam Group Limited (Bermuda)	100%	100%
Azinam Limited (Bermuda)	100%	100%
Azinam South Africa Limited (UK) ("Azinam South Africa")	100%	100%
Eco Orinduik BV	100%	100%

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Investment in associate

Investments in associates are accounted for using the equity method. Investments of this nature are recorded at original cost. The investment is adjusted at each reporting date for the Company's share of the profit or loss of the investment after the date of acquisition. The Company reviews its investment in associate at the end of every financial reporting period to determine if events or changes in circumstances have transpired which indicate that its carrying value may not be recoverable. It is possible that conditions in the near-term could change the Company's assessment of the carrying value. When an investment is considered to no longer have commercially viable prospects for the Company, investment in associate are assessed as impaired and written off to the consolidated statement of operations and comprehensive loss.

3. Summary of Material Accounting Policies (continued)

Joint Operations

A portion of the Company's petroleum and natural gas exploration activities are conducted jointly with others; these consolidated financial statements reflect only the Company's proportionate interest in such activities.

Foreign currencies

These consolidated financial statements are presented in US dollars.

The functional currency of the Company and its subsidiaries is the US dollar.

Translation gains or losses resulting from the translation of the financial statements from the functional currency to the presentation currency are recorded as a foreign currency translation reserve in the consolidated statement of changes in equity. Statement of financial position accounts are translated to the presentation currency from the functional currency at the end of each reporting period at the period-end exchange rate. Statement of operations and comprehensive loss accounts are translated at the end of each reporting period at the average exchange rate for the period. Within each entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the end of each reporting period at the period-end exchange rate. Exchange gains and losses on the settlement of transactions and the translation of monetary assets and liabilities to the functional currency are recorded in consolidated statement of operations and comprehensive loss.

Share-based compensation

Where equity settled share options are awarded to employees and employee-like service providers, the fair value of the options is determined using the Black-Scholes pricing model and is charged to the consolidated statements of operations and comprehensive loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense charged is not adjusted for failure to achieve a market vesting condition.

Restricted Share Units

The Company has a restricted share unit plan (the "RSU Plan") for its employees, officers, directors and consultants. The RSU Plan allows employees, directors, officers and consultants to participate in the growth and development of the Company.

All restricted share units ("RSUs") granted are settled with common shares of the Company. The expense and corresponding increase in restricted share units reserve in shareholders' equity are determined based on the grant date fair value of the award, which is based on the market price of the Company's common shares and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the conversion of RSUs to common shares at the end of restricted period, the amount attributable to the RSUs that was previously recognized in restricted share units reserve is recorded as an increase to share capital.

3. Summary of Material Accounting Policies (continued)

Financial instruments

Classification

The following table shows the classification of financial instruments under IFRS 9:

Financial asset/liability	Classification
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Amounts owing by license partners	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Amounts owing to license partners	Amortized cost
Warrant liability	FVTPL

The Company determines the classification of financial instruments at initial recognition. The classification of its financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as fair value through profit and loss ("FVTPL"). For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at fair value through other comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives), or the Company has opted to measure them at FVTPL.

Financial assets and liabilities:

i) Financial instruments carried at fair value are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial instruments held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise. FVTOCI are included in other comprehensive income. Where the Company has opted to recognize a financial instrument at FVTPL, any changes associated with the Company's own credit risk will be recognized in loss and other comprehensive (loss).

ii) Financial instruments carried at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. Summary of Material Accounting Policies (continued)

Financial instruments (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes an impairment loss for the amount of expected credit losses.

Exploration and evaluation assets and expenditures – Petroleum and natural gas licenses

i) Expenditures

For oil and gas prospects not commercially viable and technically feasible, the Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include technical studies and exploratory drilling. The cost of acquiring an exploration property are capitalized. Exploration and evaluation expenditures are expensed.

Once the technical feasibility and commercial viability of extracting a mineral resource has been determined, the property is considered to be in the development stage and are reclassified to property plant and equipment as development properties. Exploration properties and exploration assets are tested for impairment before being transferred to development properties.

iii) Farm-out arrangements

The Company, as farmor, accounts for the farm-out arrangements as follows; the farmor does not record any expenditure made by the farmee on its behalf and recognizes expenditures which the Company incurs under farm-out arrangements in respect of its own interest when such costs are incurred. Any cash consideration received as reimbursements of expenditures incurred in prior years is credited to any costs capitalized with any excess recorded as income from farm-out agreements in profit or loss. Any cash consideration received as reimbursements of expenditures incurred in the current year is offset against related expenditures in operating costs and general and administrative costs in profit or loss. Any cash consideration received in advance of underlying expenditures is capitalized to advance from license partners until the applicable expenditures have been incurred, at which point the recovery is transferred to income from farm-out agreements in profit or loss. Any cash received without an underlying commitment to incur expenditures is recorded as income from farm-out agreements in profit or loss.

3. Summary of Material Accounting Policies (continued)

Exploration and evaluation assets and expenditures – Petroleum and natural gas licenses (continued)

iv) Impairment

The Company reviews its exploration assets at the end of every financial reporting period to determine if events or changes in circumstances have transpired which indicate that its carrying value may not be recoverable. The recoverability of costs incurred on the exploration asserts is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is possible that conditions in the near-term could change the Company's assessment of the carrying value. When a project is considered to no longer have commercially viable prospects for the Company, exploration properties and exploration assets in respect of that property are assessed to determine the recoverable amount. An impairment loss is recorded to the consolidated statement of operations and comprehensive loss if the recoverable amount is lower than the carrying value.

Loss per share

Basic loss per share is computed based on the weighted average number of common shares outstanding during the year. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the year. Stock options, warrants, and restricted share units are excluded from the loss per share calculation if their impact is anti-dilutive.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they related to items recognized in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

3. Summary of Material Accounting Policies (continued)

Significant accounting judgements and estimates

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, the reported amounts of revenues and expenses and to exercise judgment in the process of applying the accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties, considered by management.

Judgements

i) Impairment of petroleum and natural gas licenses

When there is objective evidence that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell.

ii) Investment in associates

The Company has determined it holds significant influence over JHI due to its ability to appoint a director to the JHI Board (see note 6). Accordingly, the Company accounts for its investment using the equity method of accounting in accordance with IAS 28 investment in associates and joint ventures. Management applies its judgements as to whether the Company has significant influence over JHI and if the Company did not have significant influence, it would account for the investment as a financial instrument carried at FVTPL. During the year, the Company identified objective evidence of impairment relating to the Company's investment in JHI and consequently revalued this investment (see note 6).

Estimates

i) Stock Based Compensation

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield, risk free rate, estimated forfeitures and expected term.

4. Short-term investments

As of March 31, 2025, the Company's short-term investments comprise interest bearing deposits with its primary bank of $69,676 (March 31, 2024 - $13,107).

5. Accounts receivable and prepaid expenses

As of March 31, 2025, the Company's accounts receivable and prepaid expenses comprise $54,550 (2024 - $38,539) of prepaid expenses.

6. Investment in associate

During the year ended March 31, 2022, the Company acquired a 7.35% interest in JHI, a private company incorporated in Ontario and headquartered in Toronto, Canada, including the right to appoint a non-executive director to the board of JHI. The Company's interest has since been diluted to 6.4% at March 31, 2025.

As of March 31, 2024, the Company, determined that there is objective evidence of impairment in the value of the JHI investment, primarily due to the in-activity on its core asset in Guyana. Following this impairment indication, management assessed the fair value of JHI and has estimated the fair value to be $nil.

The following table summarizes the equity method accounting for the investment:

March 31, 2023	$	8,612,267
Write-down of JHI investment		(8,612,267)
March 31, 2024 and 2025	$	-

7. Petroleum and Natural Gas Licenses

	Licenses
Balance - March 31, 2023	**$ 40,852,020**
Block 3B/4B farm-out	(5,000,000)
Azinam acquisition	316,875
Orinduik block farm-in	781,649
Block 3B/4B	(8,782,105)
Balance – March 31, 2024	**$ 28,168,439**
Acquisition of Block 1 (Note 7b(i))	150,000
Block 3B/4B farm-out (Note 7b(ii) a))	(4,000,000)
Block 3B/4B farm-out (Note 7b(ii) b))	(3,442,579)
Block 3B/4B farm-out (Note 7b(ii) c))	(4,428,586)
Balance - March 31, 2025	**$ 16,447,274**

7. Petroleum and Natural Gas Licenses (continued)

The petroleum and natural gas licenses of the Company are located offshore in Guyana, South Africa, and Namibia.

a) Guyana

The Orinduik block is situated in shallow to deep water (70m – 1,400m), 170 kilometers offshore Guyana in the Suriname Guyana basin ("Orinduik Block").

Eco was awarded the Orinduik Petroleum License in 2016, alongside JV Partner and Operator, Tullow Oil Plc ("Tullow").

During 2019, the Company completed two exploration wells, including two discoveries, and on February 3, 2020, the Company announced the filing of a National Instrument 51-101 compliant resource report on the Orinduik Block.

On August 10, 2023, the Company acquired an additional 60% operating interest in Orinduik Block, offshore Guyana, through the acquisition of Tullow Guyana B.V. ("TGBV"), a wholly owned subsidiary of Tullow. The transaction closed on November 15, 2023, TGBV was renamed Eco Orinduik B.V. ("Eco Orinduik") and as such Eco holds an aggregate 100% Participating Interest via Eco Orinduik (60% and operator of the block) and Eco (Atlantic) Guyana Inc. (40%).

b) South Africa

Offshore South Africa in the Orange Basin, Eco holds a 5.25% Working Interest ("WI") in the 17,581 km^2 Block 3B/4B ("Block 3B/4B") and on June 5, 2024, Eco announced the acquisition of Block 1 ("Block 1") pending government title award, which was granted on June 3, 2025 (see note (i) below).

(i) Block 1

On June 4, 2024, the Company announced the farm-in into Block 1 Offshore South Africa Orange Basin. Through Azinam South Africa, the Company will farm-in and acquire a 75% WI from Tosaco Energy (Proprietary) Limited ("Tosaco") and upon title award by the Government of Republic of South Africa will become operator of a new exploration right (the "Farm-In").

The terms of the 75% WI Farm-In are as follows: $150,000 payable upon signing (Paid on June 6, 2024), $225,000 payable upon issuance of Section 11 (Government title transfer) and $375,000 payable upon a TSX-V/AIM compliant Resource Report to be commissioned by Eco. The Company will carry the remaining 25% WI through the budget and work program for the first three years up to an agreed sum of $2.3 million of a total work program. Subsequent to the balance sheet date, on June 4, 2025 the Azinam South Africa received the Section 11 approval and paid the $225,000 to Tosaco.

7. Petroleum and Natural Gas Licenses (continued)

(ii) Block 3B/4B

Block 3B/4B, located between 120-250kms offshore western South Africa, covers an area of 17,581km² and lies in water depths ranging from 300-2500m.

a. **6.25% Farmout**

On July 11, 2023, the Company signed a legally binding Letter of Intent (the "Agreement") pursuant to which its wholly owned subsidiary, Azinam Limited ("Azinam"), will farm out a 6.25% participating interest in Block 3B/4B, to Africa Oil SA Corp (the "Acquisition"). Pursuant to the terms of the Agreement, the completion of the farm-out is subject to the satisfaction of customary conditions precedent including, but not limited to, the receipt of requisite regulatory approvals from the government of South Africa and the TSXV.

The consideration for the farm-out is up to $10.5 million in cash, payable conditional on certain milestones as set out below, of which $9 million has been received to date:

- $2.5 million within 30 days of signing of the Agreement (received on July 25, 2023);
- $2.5 million upon government approval for the transfer of the 6.25% interest in Block 3B/4B to Africa Oil (received on January 16, 2024);
- $4 million upon the completion of a targeted farm-out to a third party (received on September 10, 2024); and
- $1.5 million upon spud of the first exploration well in Block 3B/4B.

b. **13.75% Farmout**

On March 5, 2024, the Company signed a farm-out agreement ("FOA") pursuant to which Azinam South Africa will farm-out a 13.75% Participating Interest in Block 3B/4B as part of an aggregate 57% farm down transaction along with its joint venture ("JV") partners Africa Oil SA Corp. and Ricocure (Proprietary) Limited (“Ricocure”) to TotalEnergies EP South Africa B.V., who will become operator ("TotalEnergies") and QatarEnergy International E&P LLC ("QatarEnergy").

On August 28, 2024, the Company announced completion of the FOA after receipt of the requisite regulatory approvals (Section 11) from the government of South Africa (“Completion”).

7. Petroleum and Natural Gas Licenses (continued)

b) South Africa (continued)

(ii) Block 3B/4B (continued)

b. 13.75% Farmout (continued)

The consideration for the FOA was as follows:

- TotalEnergies and QatarEnergy paid Eco a total of $2.5 million (plus VAT) and Ricocure paid Eco $1.6 million. In addition, as noted in note 7b(ii)(a), the Company also received $4 million from Africa Oil.
- Eco will also receive a full carry of its 6.25% retained share of all JV costs, up to a limit of $13.5 million, repayable to TotalEnergies and QatarEnergy from production, which is expected to be adequate to fund the Company's share of drilling for up to two wells on the licence. This represents a total block carry of $212 million.
- Further payments, amounting to $11.5 million will be payable to Eco from TotalEnergies, QatarEnergy and Africa Oil on achieving an environmental permit milestone and spudding of the first exploration well.

Following Completion, TotalEnergies, the Operator of the Block, held a 33% Participating Interest; QatarEnergy International E&P LLC, held a 24% Participating Interest; Africa Oil SA Corp, a wholly owned subsidiary of Africa Oil Corp., retained a 17% Participating Interest; Azinam Limited, a wholly owned subsidiary of Eco Atlantic, retained a Participating Interest of 6.25% (see note c below); and Ricocure retained a 19.75% Participating Interest.

c. 1% Farmout

On July 29, 2024, the Company announced the signing of an agreement with Africa Oil ("AO Agreement") to sell a 1% participating interest in Block 3B/4B South Africa in exchange for cancellation of all of Africa Oil's interest in the Company (the "Cancelled Equity") comprising 54,941,744 common shares and 4,864,865 warrants. The AO Agreement closed on January 10, 2025 ("Closing Date") and the 54,941,744 common shares and 4,864,865 warrants were cancelled and Africa Oil is no longer a shareholder in the Company and no longer has the right to appoint a director to Eco's Board. Eco's interest in Block 3B/4B was reduced to a fully carried 5.25%.

The fair value of the Cancelled Equity at the Closing Date was determined to be $7,824,168 (based on the closing price of the Company's Common Shares on the Closing date for the cancelled Common Shares, and the Black-Scholes option pricing model for the cancelled warrants with the following assumptions: share price - $0.148; exercise price - $0.41; expected life – 0.92 years; annualized volatility - 66.39%; dividend yield - 0%; risk free rate - 3.69%.

The carrying value of Block 3B/4B at the Closing date was $4,428,586, which was reduced to nil, and the balance, $3,395,582 was recorded as a Gain on Farm Out in the Consolidated Statement of Operations and Comprehensive Loss.

7. Petroleum and Natural Gas Licenses (continued)

c) Namibia

The Company holds four offshore petroleum licenses in the Republic of Namibia ("Namibia") being petroleum exploration license number 097 (the "Cooper License"), petroleum exploration license number 098 (the "Sharon License"), petroleum exploration license number 099 (the "Guy License") and petroleum exploration license number 100 (the "Tamar License"), (together the ""Namibia Licenses").

On February 3, 2021, a new ten year life cycle for the Namibia Licenses received final governmental approval and on March 15, 2025, all the Namibia Licenses received a formal 12-month extension.

(i) The Cooper License

The Cooper License covers approximately 5,788kms and is located in license area 2012A offshore in the economical waters of Namibia (the "Cooper Block"). The Company holds, through its subsidiaries, a 85% WI in the Cooper License, the National Petroleum Corporation of Namibia ("NAMCOR") holds a 10% WI and Tangi Trading Enterprise cc holds a 5% WI ("Tangi"). The Company is responsible for all exploration costs during the exploration period.

(ii) The Sharon License

The Sharon License covers approximately 5,700kms and is located in license area 2213 offshore in the economical waters of Namibia (the "Sharon Block"). The Company holds, through its subsidiaries, a 85% WI in the Sharon License, NAMCOR holds a 10% WI, and Titan Oil and Gas (Pty) Ltd holds a 5% WI ("Titan"). The Company is responsible for all exploration costs during the exploration period.

(iii) The Guy License

The Guy License covers 11,457kms and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the "Guy Block"). The Company holds, through its subsidiaries, a 85% WI in the Guy License, NAMCOR holds a 10% WI, and Lotus Explorations (Pty) Ltd holds a 5% WI ("Lotus"). The Company is responsible for all exploration costs during the exploration period.

(iv) The Tamar License

The Tamar License covers approximately 5,649kms and is located in license areas 2211B and 2311A offshore in the economical waters of Namibia (the "Tamar Block"). The Company holds, through its subsidiaries, an 85% WI in the Tamar Block, NAMCOR holds a 10% WI and Moonshade Investment (Pty) Ltd holds a 5% WI ("Moonshade"). The Company is responsible for all exploration costs during the exploration period.

In August 2024, the Company purchased the license to 1,324 km of existing 2D seismic survey in the Tamar Block.

8. Accounts Payable and Accrued Liabilities

	As of March 31,	
	2025	**2024**
Accounts payable and accrued liabilities	**$ 1,030,284**	$ 1,044,617
Related parties (a)	**148,501**	118,929
	$ 1,178,785	$ 1,163,546

(a) The following are the expenses incurred with related parties for the years ended March 31, 2025 and 2024 and the balances owing as of March 31, 2025 and 2024:

March 31, 2025:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at March 31, 2025
Executive Directors						
Gil Holzman - CEO	$ -	$ 488,168	$ 38,293	$ 66,059	$ 592,520	$ 25,240
Colin Kinley - COO	-	395,000	38,293	66,059	499,352	32,917
Gadi Levin - Financial Director	-	133,800	15,955	27,525	177,280	12,000
Alice Carroll	-	161,098	15,955	27,525	204,578	16,362
Non Executive Directors						
Keith Hill	21,888	-	-	16,515	38,403	5,330
Peter Nicol	34,972	-	-	27,525	62,497	8,809
Alan Friedman	36,585		-	16,515	53,100	4,803
Selma Usiku	-	17,859	-	16,515	34,374	1,085
Emily Ferguson	12,000	-	9,573	16,515	38,088	12,000
Officers						
Alan Rootenberg - CFO	-	11,400	-	-	11,400	2,147
Kinley Exploration LLC, a company controlled by the COO	-	397,996	-	-	397,996	27,808
Total	**$ 105,445**	**$ 1,605,321**	**$ 118,069**	**$ 280,753**	**$ 2,109,588**	**$ 148,501**

March 31, 2024:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at March 31, 2024
Executive Directors						
Gil Holzman - CEO	$ -	$ 477,139	$ -	$ 23,726	$ 500,865	$ -
Colin Kinley - COO	-	360,000	-	23,726	383,726	30,000
Gadi Levin - Financial Director	-	115,700	-	6,327	122,027	10,300
Alice Carroll (*)	-	46,337	-	4,745	51,082	15,405
Non Executive Directors						
Keith Hill	22,866	-	-	11,863	34,729	7,650
Peter Nicol	34,131	-	-	6,327	40,458	6,800
Alan Friedman	-	37,788	-	3,163	40,951	4,803
Selma Usiku (*)		2,450	-	-	2,450	1,085
Helmut Angula (**)	19,055	-	-	3,163	22,218	4,705
Officers						
Alan Rootenberg - CFO	-	23,953	-	-	23,953	1,074
Kinley Exploration LLC, a company controlled by the COO	-	293,186	-	-	293,186	37,107
Total	**$ 76,052**	**$ 1,356,553**	**$ -**	**$ 83,040**	**$ 1,515,645**	**$ 118,929**

(*) Appointed as a director on October 9, 2023.

(**) Ceased to be a director on December 29, 2023.

9. Share Capital

Authorized Share Capital

The authorized share capital consists of an unlimited number of common shares with no par value.

Issued Share Capital

a) Share transactions during the year ended March 31, 2025:

On January 10, 2025, the AO Agreement closed (see note 7(b)(ii)(c)) and as a result 54,941,744 Common Shares and 4,864,865 warrants were cancelled and Africa Oil is no longer a Shareholder in the Company and no longer has the right to appoint a Director to Eco's Board.

The Company recorded a net deduction is equity of $7,824,168, being the fair value of the Canceled Equity at the Closing Date. The Company reduced its share capital by 14.8% $18,120,562, representing 14.8% of the Common Shares outstanding at the time on the cancellation) and reduced the warrant reserve by $1,015,345, being the fair value of the cancelled warrants at their date of issuance, with a corresponding charge to accumulated deficit of $11,311,739.

b) Share transactions during the year ended March 31, 2024:

(i) On July 17, 2023, the Company issued 1,200,000 common shares to settle a $500,000 debt. The fair value of the 1,200,000 common shares at the date of issue was $200,640 resulting in a gain on the settlement of liability in the amount of $299,360.

(ii) On August 2, 2023, the Company issued 1,625,000 common shares as required under the terms of the acquisition. The fair value of the 1,625,000 common shares at the date of issue was $316,875 (note 7).

10. Restricted Share Units

a) Since December 29, 2017, the Company maintains an Omnibus Incentive Plan (the “Plan”) for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of RSU’s and options issuable under the Plan shall be equal to ten percent (10%) of the outstanding Common Shares of the Company less the aggregate number of Common Shares reserved for issuance or issuable under any other security-based compensation arrangement of the Company.

b) On January 10, 2025, the Company issued 3,700,000 RSUs to certain Executive and Non-Executive Directors, pursuant to the Plan. The RSUs will vest one year after the date of grant and convert into 3,700,000 Common Shares. The fair value of the RSUs was determined to be $552,009 based on the closing price of the Company’s common shares on the date of issuance. During the year ended March 31, 2025, the Company charged $118,069 (2024 - $nil) to share-based compensation in relation to these RSUs.

c) As at March 31, 2025, there are 5,468,000 RSU issued and 1,768,000 vested RSU.

11. Warrants

a) A summary of warrants activity for the years ended March 31, 2025 and 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 31, 2023	**88,352,444**	**0.63**
Expired	(14,945,913)	0.35
Balance, March 31, 2024	**73,406,531**	**0.69**
Expired	(20,000,000)	0.73
Cancelled (note 9(a))	(4,864,865)	0.41
Balance, March 31, 2025	**48,541,666**	**0.67**

b) As at March 31, 2025, outstanding warrants were as follows:

Number of warrants		Exercise Price	Exercise Price (USD)	Expiry Date
20,000,000	(*)	C$1.5	$1.04	11/05/2025
28,541,666		$0.41	$0.41	30/06/2025
48,541,666				

(*) Exercisable only in the case of a producible commercial discovery on Block 2B or Block 3B/4B.

See note 20(a) for details of warrant expirations subsequent to the balance sheet date.

12. Stock Options

The Company maintains a stock option plan (the "Plan") for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of options issuable under the Plan shall be equal to ten percent (10%) of the outstanding common shares of the Company less the aggregate number of common shares reserved for issuance or issuable under any other security-based compensation arrangement of the Company.

A summary of the status of the Plan as at March 31, 2025 and changes during the year is as follows:

	Number of Stock options	Weighted average exercise price (US$)	Remaining contractual life - years
Balance, March 31, 2023	**8,050,000**	**$ 0.456**	**3.75**
Expired	(2,000,000)	0.666	-
Balance, March 31, 2024	**6,050,000**	**$ 0.387**	**3.05**
Expired	(200,000)	0.834	-
Granted (a)	5,610,000	0.208	4.79
Balance, March 31, 2025	**11,460,000**	**$ 0.279**	**2.99**

a) On January 10, 2025, the Company granted, to certain directors, officers and consultants of the Company, stock options to subscribe for 5,610,000 Common Shares at an exercise price of $CAD0.30 (£0.17) per Common Share (the "Options"). The Options vest in two equal tranches on the date of grant, and first anniversary from the date of grant. The Options are exercisable, at the recipient's discretion and expire five years from the date of grant.

The total fair value of the Options is $508,824, was determined using the Black-Scholes option pricing model with the following assumptions: share price - $0.15; exercise price - $0.21; expected life - five years; annualized volatility - 81.79%; dividend yield - 0%; risk free rate - 3.24%.

b) Stock-based compensation expense is recognized over the vesting period of options. During the year ended March 31, 2025, stock-based compensation in respect of stock option grants amounted to $308,828 (year ended March 31, 2024 – $95,695).

c) As at March 31, 2025, outstanding options were as follows:

Number of Options Outstanding	Numnber of Options Exercisable	Exercise Price	Exercise Price (US$)	Expiry Date
200,000	200,000	C$1.20	$0.89	January 10, 2025
5,850,000	5,850,000	C$0.50	$0.37	May 16, 2027
6,050,000	**6,050,000**			

13. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 - 26.5%) to the effective tax rate is as follows:

	March 31, 2025 $	March 31, 2024 $
Net loss from continuing operations before recovery of income taxes	**(2,277,549)**	**(21,674,593)**
Expected income tax recovery	(603,550)	(5,743,800)
Differences in subsidiary tax rates changes and other adjustments	(926,720)	335,000
Stock based compensation and other non-deductible expenses	113,750	16,700
Share issuance costs booked to equity	-	-
Fair value adjustment in JHI	-	1,141,000
Change in tax benefits not recognized	1,416,520	3,714,406
Income tax recovery	**-**	**(536,694)**

13. Income Taxes (continued)

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	March 31, 2025 $	March 31, 2024 $
Deferred Tax Assets		
Operating tax losses carried forward - Canada	**23,701,810**	21,244,170
Tax attributes – Foreign countries	**13,459,500**	13,459,500
Property plant and equipment	**33,040**	33,040
Investment in associates	**10,432,000**	10,432,000
Share issue costs	**774,660**	1,164,380
Capital losses carried forward - Canada	**576,670**	576,670
Resource pools	**59,130**	59,130

The Canadian non-capital losses expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefit therefrom. The Company's Canadian non-capital loss expire as follows (presented in USD):

2033	1,105,740
2034	951,000
2037	1,315,080
2038	1,718,920
2039	2,017,050
2040	2,415,940
2041	2,348,560
2042	2,489,560
2043	3,678,600
2044	2,495,910
2045	2,457,640
	22,994,000

14. Asset Retirement Obligations ("ARO")

The Company is legally required to restore its properties to their original condition. Estimated future site restoration costs will be based upon engineering estimates of the anticipated method and the extent of site restoration required in accordance with current legislation and industry practices in the various locations in which the Company has properties.

During the year ended March 31, 2023, one well was drilled, plugged, and abandoned as the operator in accordance with international and the requirements of the Government of the Republic of South Africa, so there is no further liability after the drilling program was completed.

During the years ended March 31, 2024 and 2025, no additional wells were drilled.

15. Capital and Risk Management

Capital Management

The Company considers its capital structure to consist of share capital, deficit and reserves. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of its licenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is an exploration stage entity; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 year ended March 31, 2025. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Risk Management

a) Credit risk

The Company's credit risk is primarily attributable to short-term investments, government receivable, amounts receivable and amounts owing by license partners. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of deposits with Schedule 1 banks, from which management believes the risk of loss to be remote. Amounts receivable consist of advances to suppliers and harmonized sales tax due from the Federal Government of Canada, and VAT due from the South African Government. Government receivable and amounts owing by license partners have been collected subsequent to year end. Management believes that the credit risk concentration with respect to amounts receivable and amounts owing by license partners is remote and has a history of collecting all such receivables.

15. Capital and Risk Management (continued)

Risk Management (continued)

b) Interest rate risk

The Company has cash balances, cash on deposit, and no interest-bearing debt. It does not have a material exposure to this risk.

c) Liquidity risk

The Company is dependent on obtaining financing to complete its exploration programs and development thereon where applicable, and ultimately, achieving future profitable operations from the licenses or profitable proceeds from their disposition.

The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As of March 31, 2025, the Company had working capital of $3,937,345 (March 31, 2024 – working capital of $1,849,701). The table below presents the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows	Within 1 year
Accounts payable and accrued liabilities	$ 1,178,783	$ 1,178,783	$ 1,178,783
Advances from and amounts owing to license partners	-	-	-
	$ 1,178,783	**$ 1,178,783**	**$ 1,178,783**

The Company utilizes authorization for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources. Accounts payable and accrued liabilities at March 31, 2025 all have contractual maturities of less than 90 days and are subject to normal trade terms.

The Company is dependent on obtaining financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition.

d) Foreign currency risk

Most of the Company's operations are in US dollars and most of the cash and cash equivalent are also held in US dollars; therefore, the Company's foreign exchange risk is low. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

Sensitivity to a plus or minus 10% change in currency exchange rates would not have a significant effect on the net income (loss) of the Company.

16. Commitments

The Company is committed to meeting all of the conditions of its licenses including annual lease renewals, regulatory payments and social responsibility initiatives or extension fees as needed, which the Company estimates to be approximately $650,000 per year.

The Company, together with its partners on each license, submit annual work plans for the development of each license which are approved by the relevant regulator.

17. Operating Costs, net

Operating costs consist of the following:

	Year ended March 31,	
	2025	**2024**
Drilling costs, data acquisition and interpretation and technical consulting, gross	**$ 2,106,820**	$ 2,024,877
Exploration license fees	**568,138**	410,422
Travel	**201,714**	272,404
Social corporate responsibility	**165,363**	142,271
Recoveries from exploration partners	**(225,143)**	(187,627)
	$ 2,816,892	$ 2,662,347

18. General and Administrative Costs

General and administrative costs consist of the following:

	Year ended March 31,	
	2025	**2024**
Occupancy and office expenses	**$ 47,383**	$ 20,271
Travel expenses	**165,416**	128,948
Public company costs	**437,859**	429,266
Insurance	**47,848**	66,837
Financial services	**10,299**	13,121
	$ 708,805	$ 658,443

19. Segment Information

An operating segment is a component of the Company that meets the following three criteria:

i) Is engaged in business activities from which it may earn revenues and incur expenses;

ii) Whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about allocated resources to the segment and assess its performance; and

iii) For which separate financial information is available.

Segment revenue and segment costs include items that are attributable to the relevant segments and items that can be allocated to segments.

As at March 31, 2025, the Company has one operating segment, oil and gas exploration. The corporate office does not represent an operating segment and is included for informational purposes only. Corporate office expenses consist of public company costs, office, and administrative costs, as well as salaries, share-based compensation and other expenses pertaining to corporate activities.

The Company's non-current assets by geographical locations are as follows:

March 31, 2025	Guyana	Namibia	South Africa	Total
Petroleum and natural gas licenses	$ 781,649	$ 15,515,625	$ 150,000	$ 16,447,274
	$ 781,649	$ 15,515,625	$ 150,000	$ 16,447,274

March 31, 2024	Guyana	Namibia	South Africa	Total
Petroleum and natural gas licenses	$ 781,649	$ 15,515,625	$ 11,871,165	$ 28,168,439
	$ 781,649	$ 15,515,625	$ 11,871,165	$ 28,168,439

20. Events After the Reporting Period

a. On May 11, 2025, 20,000,000 warrants with an exercise price of C$1.50 expired and on June 30, 28,541,666 warrants with an exercise price of $0.41 expired.

b. Subsequent to the balance sheet date, on June 4, 2025 the Azinam South Africa received the Section 11 approval on Block 1 and paid the $225,000 to Tosaco.