COBRA VENTURE CORPORATION

Financial Statements

For the years ended November 30, 2025 and 2024
(Expressed in Canadian Dollars)

Contact Information:

Cobra Venture Corporation
2489 Bellevue Avenue
West Vancouver, BC
V7V 1E1
Phone: (604) 922-2030
Fax: (604) 922-2037

Crowe MacKay LLP
1400 - 1185 West Georgia Street
Vancouver, BC V6E 4E6
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Cobra Venture Corporation

Opinion

We have audited the financial statements of Cobra Venture Corporation (the "Company"), which comprise the statements of financial position as at November 30, 2025 and November 30, 2024 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2025 and November 30, 2024, and its financial performance and its 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 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 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended November 30, 2025. We have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of private investment

We draw your attention to Notes 2c), 2n) and 5 to the financial statements. The Company's private investment is level 3 within the fair value hierarchy. The investment is measured at fair value using valuation models requiring the use of assumptions, including significant unobservable inputs that could materially impact the determination of value. Management applied significant judgment in determining these significant unobservable inputs, which include the selection of comparable entities, market multiples, normalized sustaining cash flow determined based on historical financial information, and capitalization rate.

Why the matter was determined to be a key audit matter

The valuation of the private investment is inherently subjective, and involves the use of significant management judgment and unobservable market inputs. As a result, the procedures related to the valuation methodologies and unobservable market inputs required a high degree of auditor judgment and increased audit effort, including the use of fair value specialists.

How the matter was addressed in our audit

We responded to this matter by performing procedures in relation to the valuation of private investment. Our audit work in relation to this included, but was not restricted to, the following:

- Obtaining an understanding of and assessing management's process to develop the estimates;
- Obtaining independent verification of the Company's investment holding at year-end;
- Engaging valuation specialists to evaluate the appropriateness of management's valuation methodologies, reasonableness and mathematical accuracy;
- Testing the underlying input data to the valuation;
- Assessing the reasonableness of the key assumptions by comparing to market metrics, publicly traded company multiples and market rates; and
- Assessing the related disclosures in the financial statements.

Assessment of the recoverable amount of cash generating unit

We draw attention to Notes 2c), 2g) and 6 to the financial statements. The Company assesses at each reporting date whether there is an indication that oil and gas properties within the cash generating unit ("CGU") may be impaired or that historical impairment may be reversed. If any such indication exists, then the asset's or CGU's recoverable amount is estimated. For the year ended November 30, 2025, the Company determined that the estimated recoverable amounts of the Gull Lake CGU exceeds the carrying value and therefore no impairment was recorded. As there was no further historical impairment that may be reversed, no impairment reversal was recorded.

The estimated recoverable amount of the CGU involves significant estimates, including:

- The estimate of cash flows associated with the proved and probable oil and gas reserves; and
- The discount rates.

The estimate of cash flows associated with the proved and probable oil and gas reserves includes significant assumptions related to:

- Forecasted oil and gas commodity prices;
- Forecasted production;
- Forecasted operating costs;
- Forecasted royalty costs;
- Forecasted future development costs; and
- Discount rates.

The Company engages independent third party reserve evaluators to estimate the cash flows associated with the proved and probable oil and gas reserves as at November 30, 2025.

Why the matter was determined to be a key audit matter

We identified the assessment of the recoverable amount of the CGU as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures with respect to the estimate of cash flows associated with the proved and probable oil and gas reserves and the discount rates.

How the matter was addressed in our audit

The following are the primary procedures we performed to address this key audit matter:

With respect to the estimate of cash flows associated with the proved and probable oil and gas reserves as at November 30, 2025:

- We evaluated the competence, capabilities and objectivity of the independent third party reserve evaluators engaged by the Company;
- We compared forecasted oil and gas commodity prices to those published by other independent third party reserve evaluators;
- We compared the 2025 actual production, operating costs, royalty costs and development costs to prior year's estimate of future cash flows associated with the proved oil and gas reserves to assess the Company's ability to accurately forecast;
- We evaluated the appropriateness of forecasted production and forecasted operating costs, royalty costs and future development cost assumptions by comparing to 2025 historical results. We took into account changes in conditions and events affecting the Company to assess the adjustments or lack of adjustments made by the Company in arriving at the assumptions; and
- We benchmarked the discount rates used against comparable industry data and peer groups and assessed the appropriateness of these rates.

Provision for decommissioning liabilities

We draw attention to Notes 2c), 2h) and 8 to the financial statements. The Company makes a provision for the future cost of decommissioning oil and gas wells and production facilities discounted back to present value. The calculation and recognition of the provision in the financial statements requires a number of significant assumptions, including the selection of an appropriate discount rate and estimation of the costs and timing of decommissioning oil and gas wells and facilities.

Why the matter was determined to be a key audit matter

We identified provisions for the future cost of decommissioning oil and gas wells and facilities as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures with respect to the estimate of the cost and timing associated with the decommissioning of oil and gas wells and facilities and the discount rates used in the calculation.

How the matter was addressed in our audit

In responding to the key audit matter, we performed the following audit procedures:

- Identifying the key assumptions and inputs used within management's calculation of decommissioning liabilities and assessing the key assumptions against local market and industry trends and published industry and economic data in order to determine whether the assumptions used are reasonable and can be sufficiently supported;
- Assessing the appropriateness of the model used to calculate the provisions; and
- Benchmarking the discount rate used in the calculation of decommissioning liabilities against comparable market data and assessing the appropriateness of the use of the discount rate.

Other Information

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

- Management's Discussion and Analysis

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 Diana Huang.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
March 30, 2026

COBRA VENTURE CORPORATION
Statements of Financial Position
As at November 30, 2025 and 2024
(Expressed in Canadian Dollars)

		2025		2024
ASSETS				
Current assets				
Cash and cash equivalents	$	2,239,212	$	2,190,386
Receivables (Note 3)		163,678		187,611
Marketable securities (Note 4)		7,720		14,252
Prepaid expenses		944		32,598
Total current assets		2,411,554		2,424,847
Non-current assets				
Investment (Note 5)		150,000		150,000
Property and equipment (Note 6)		282,650		408,306
Total non-current assets		432,650		558,306
Total Assets	$	2,844,204	$	2,983,153
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Notes 7 and 11)	$	77,902	$	70,912
Non-current liabilities				
Decommissioning liabilities (Note 8)		76,559		76,135
Total liabilities		154,461		147,047
Shareholders’ equity				
Capital stock (Note 9)		2,947,738		2,947,738
Reserves (Note 10)		174,161		174,161
Retained earnings (deficit)		(432,156)		(285,793)
Total shareholders’ equity		2,689,743		2,836,106
Total Liabilities and Shareholder’s Equity	$	2,844,204	$	2,983,153

Subsequent event – Note 16

Approved on March 30, 2026 on behalf of the Board:

“Daniel B. Evans”		*“Cyrus Driver”*	
Daniel B. Evans	Director	Cyrus Driver	Director

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

COBRA VENTURE CORPORATION

Statements of Loss and Comprehensive Loss

For the years ended November 30, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
OIL AND GAS REVENUES		
Production revenue (Note 6)	$ 1,095,645	$ 1,285,991
DIRECT COSTS		
Production and operation costs	446,246	578,960
Depletion (Note 6)	142,016	181,911
Accretion (Note 8)	1,080	1,815
Total direct costs	(589,342)	(762,686)
Gross profit	506,303	523,305
EXPENSES		
Consulting fees (Note 11)	105,648	95,386
Management fees (Note 11)	270,000	300,000
Office and miscellaneous	89,245	78,467
Professional fees	202,795	100,531
Share-based payments (Notes 10 and 11)	-	110,891
Transfer agent and filing fees	19,959	19,193
Total expenses	(687,647)	(704,468)
Loss before other items	(181,344)	(181,163)
OTHER ITEMS		
Interest income	41,513	85,707
Change in fair value of investment (Note 5)	-	(200,000)
Change in fair value of marketable securities	(6,532)	9,501
Total other items	34,981	(104,792)
Net loss and comprehensive loss for the year	$ (146,363)	$ (285,955)
Basic loss per common share	$ (0.01)	$ (0.02)
Diluted loss per common share	$ (0.01)	$ (0.02)
Weighted average shares outstanding - basic	16,533,748	16,533,748
Weighted average shares outstanding - diluted	16,533,748	16,533,748

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

COBRA VENTURE CORPORATION
Statements of Cash Flows
For the years ended November 30, 2025 and 2024
(Expressed in Canadian Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (146,363)	$ (285,955)
Items not affecting cash:		
Accretion (Note 8)	1,080	1,815
Change in estimates of decommissioning liabilities	(554)	(189)
Depletion (Note 6)	142,016	181,911
Share-based payments (Notes 10 and 11)	-	110,891
Change in fair value of investment (Note 5)	-	200,000
Change in fair value of marketable securities	6,532	(9,501)
Interest income	(41,513)	(85,707)
Changes in non-cash working capital items:		
Increase in receivables	(18,708)	(1,332)
Decrease (increase) in prepaid expenses	31,654	(1,630)
Increase in accounts payable and accrued liabilities	6,990	509
Net cash provided by (used in) operating activities	(18,866)	110,812
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	84,154	85,707
Property and equipment additions	(16,462)	(20,158)
Net cash provided by investing activities	67,692	65,549
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(446,951)
Net cash used in financing activities	-	(446,951)
Change in cash and cash equivalents during the year	48,826	(270,590)
Cash and cash equivalents, beginning of year	2,190,386	2,460,976
Cash and cash equivalents, end of year	$ 2,239,212	$ 2,190,386
Cash paid for interest	$ -	$ -
Cash paid for tax	$ -	$ -
Cash and cash equivalents consists of:		
Cash	$ 439,312	$ 390,386
Cashable term deposit	1,800,000	1,800,000
	$ 2,239,312	$ 2,190,386

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

COBRA VENTURE CORPORATION
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital stock				
	Number	Amount	Reserves	Retained earnings (deficit)	Total equity
Balance at November 30, 2023	**16,553,748**	**$ 2,947,738**	**$ 63,270**	**$ 447,113**	**$ 3,458,121**
Share-based payments (Note 10)	-	-	110,891	-	110,891
Net loss for the year	-	-	-	(285,955)	(285,955)
Dividends paid (1)	-	-	-	(446,951)	(446,951)
Balance at November 30, 2024	**16,553,748**	**2,947,738**	**174,161**	**(285,793)**	**2,836,106**
Net loss for the year	-	-	-	(146,363)	(146,363)
Balance at November 30, 2025	**16,553,748**	**$ 2,947,738**	**$ 174,161**	**$ (432,156)**	**$ 2,689,743**

(1) The Company's board of directors has approved a special, one-time cash dividend of $0.027 per common share. The special dividend was paid on May 2, 2024, to shareholders of record as of the close of business on April 16, 2024. The aggregate amount of the payment in connection with this special dividend was $446,951.

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

1. NATURE OF OPERATIONS

Cobra Venture Corporation ("the Company" or "Cobra") was incorporated under the Business Corporation Act (Alberta) on August 18, 1998 and, effective July 25, 2014, continued into the Province of British Columbia under the provisions of the Business Corporations Act (British Columbia). The Company's principal business activity is the exploration and development of petroleum and natural gas interests, and its common shares are listed on the TSX Venture Exchange ("the Exchange") under the symbol "CBV". The Company's head office is located at 2489 Bellevue Avenue, West Vancouver, BC V7V 1E1. The Company's registered and records office is located at 15th floor, 1111 West Hastings Street, Vancouver, BC, V6E 2J3.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or continue to generate operating profitability and positive cash flow.

	2025	2024
Working capital	$ 2,333,652	$ 2,353,935
Deficit	$ (432,156)	$ (285,793)

The Company's business may be affected by changes in political and market conditions, such as interest rates, tariffs, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent regional conflicts and potential global economic challenges such as the risk of higher inflation and energy crises, may have negative impact on the Company's business.

2. MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared on the basis of IFRS standards that are effective for the Company's reporting year ended November 30, 2025.

The Board of Directors approved the financial statements for issue on March 30, 2026.

b) Basis of presentation

The financial statements have been prepared on historical cost basis, except for certain financial instruments which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2. MATERIAL ACCOUNTING POLICIES (continued)

c) Significant accounting judgments and critical accounting estimates

The preparation of these financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these financial statements.

Significant accounting judgments

There are no significant accounting judgments that management has made in the process of applying accounting policies and that have significant effect on the amounts recognized in the financial statements.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Fair value of private investment – The Company's investment in private company was determined using a combination of income approach and market approach. The significant inputs to the management valuation models, which cannot be observed from market data, include market multiples derived from a selection of comparable entities, normalized sustaining cash flow determined based on historical financial information, and a capitalization rate of 10.3% (November 30, 2024 - 13.2%). Significant estimates are required to establish fair value.

Reserves base – The estimate of petroleum and natural gas reserves is integral to the calculation of the amount of depletion recognized and is also a key determinant in assessing whether the carrying values of the Company's oil and gas properties have been impaired. Changes in reported proved plus probable reserves can impact asset carrying values and the decommissioning provision due to changes in expected future cash flows. The Company's reserves are evaluated and reported on by independent reserve engineers at least annually in accordance with Canadian Securities Administrators' National Instrument 51-101. Reserve estimation is based on a variety of factors including engineering data, geological and geophysical data, projected future rates of production, commodity pricing and timing of future expenditures, all of which are subject to significant judgment and interpretation. Future development costs are estimated using assumptions as to the number of wells required to produce the reserves, the cost of such wells and associated production facilities and other related capital costs. Given the degree and complexity of estimation required, changes in the inputs and assumptions may have a material impact on the financial statements in future periods.

Depletion of oil and gas assets – Oil and gas properties are depleted using the unit-of production ("UOP") method for proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production based on proved plus probable reserves. Accordingly, the impact to the financial statements in future periods could be material.

Impairment indicators and calculation of impairment – At each reporting date, the Company assesses whether or not there are circumstances that indicate a possibility that the carrying value of property and equipment is not recoverable, or impaired. Such circumstances include incidents of physical damage, deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved plus probable reserves. Accordingly, the impact to the financial statements in future periods could be material.

2. MATERIAL ACCOUNTING POLICIES (continued)

c) Significant accounting judgments and critical accounting estimates (continued)

Critical accounting estimates (continued)

Impairment indicators and calculation of impairment (continued)

When management determines that circumstances indicate potential impairment, property and equipment is tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions, that are subject to change as new information becomes available including information on future commodity prices, expected production volumes, quantities of reserves, discount rates, future development costs and operating costs.

Decommissioning liabilities – The calculation of decommissioning liabilities includes estimates of the future costs to settle the liability, the timing of the cash flows, the discount rate, and future inflation rates. The estimates are based on internal and third-party information and calculations and are subject to change over time. The impact of changes in any of the key inputs and assumptions, including changes in environmental laws and regulations, may have a material impact on the financial statements of future periods.

d) Cash and cash equivalents

Cash and cash equivalents include cash on deposit and highly liquid investments that are readily convertible to cash and subject to an insignificant risk of change in value.

e) Property and equipment and exploration and evaluation assets

i) Recognition and measurement

a) Exploration and evaluation costs

Pre-license costs are recognized in profit or loss as incurred.

All exploratory costs incurred subsequent to acquiring the right to explore for natural resources and before technical feasibility and commercial viability of the area have been established are capitalized. Such costs can typically include costs to acquire land rights, geological and geophysical costs, decommissioning costs, and exploration well costs.

Exploration and evaluation costs are not depreciated and are accumulated in cost centers by well, field or exploration area and carried forward pending determination of technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting reserves from exploration and evaluation assets is considered to be generally determinable when proved and probable reserves are determined to exist. Upon determination of proved plus probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to development and production assets, net of any impairment loss.

Management reviews and assesses exploration and evaluation assets to determine if technical feasibility and commercial viability exist. If management decides not to continue the exploration and evaluation activity, the unrecoverable costs are charged to profit or loss in the period in which the determination occurs.

2. MATERIAL ACCOUNTING POLICIES (continued)

e) Property and equipment and exploration and evaluation assets (continued)

i) Recognition and measurement (continued)

b) Development and production costs

Items of property and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion and accumulated impairment losses. Costs include lease acquisition, drilling and completion, production facilities, decommissioning costs, geological and geophysical costs and directly attributable general and administrative costs related to development and production activities, net of any government incentive programs.

When significant parts of an item of property and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

ii) Subsequent costs

Costs incurred subsequent to development and production that are significant are recognized as oil and gas property only when they increase the future economic benefits embodied in the specific asset to which they relate.

iii) Amortization and depletion

The net carrying value of oil and gas properties is amortized using the unit-of-production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually.

f) Share issuance costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are no longer probable of being issued. Share issuance costs consist primarily of corporate finance fees, filing fees and legal fees.

2. MATERIAL ACCOUNTING POLICIES (continued)

g) Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

h) Decommissioning liabilities

The Company recognizes a provision for decommissioning liabilities in the period in which a well is drilled or acquired and a reasonable estimate of the future costs associated with removal, site restoration and asset retirement can be made. The estimated decommissioning liability is recorded with a corresponding increase in the carrying amount of the related asset.

The provision for decommissioning liabilities is measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the provision is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion expense whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of decommissioning liabilities are charged against the provision to the extent a liability was established.

i) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

2. MATERIAL ACCOUNTING POLICIES (continued)

j) Revenue recognition

The Company recognized revenue from customers applying the five-step model framework in IFRS 15, as follows:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize the revenue when the entity has satisfied the performance obligation(s).

The Company earns revenue from extracting oil and natural gas from wells, which is transferred through pipelines to the customer. Revenue represents the fair value of consideration received or receivable from customers for the transfer of control of the commodities by the Company to the customer. Control is achieved when the products are delivered to the customer, the Company has a present right to payment for the service, significant risks and rewards of ownership have transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from oil and natural gas sales is recognized in the period in which the customer receives and takes control of the product, at a point in time.

Interest income is recognized as it is earned.

k) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based payments reserve is transferred to retained earnings. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period using the Black-Scholes option pricing model.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to capital stock, adjusted for any consideration paid.

2. MATERIAL ACCOUNTING POLICIES (continued)

l) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss). Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the differed tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; (ii) at the time of the transaction, affects neither accounting profit nor taxable profit, and does not give rise to equal taxable and deductible temporary differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year-end date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

m) Interests in joint arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which the Company has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Company has rights to only the net assets of the arrangement.

Joint operations are accounted for by recognizing the Company's share of the assets, liabilities, revenue, expenses and cash flows of the joint operation.

The Company does not have any joint ventures.

n) Financial instruments

Classification

The following table shows the classification of the Company's financial instruments:

Financial assets/liabilities	Classification
Cash and cash equivalents	Fair value through profit and loss ("FVTPL")
Trade receivables	Amortized cost
Marketable securities	FVTPL
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost

2. MATERIAL ACCOUNTING POLICIES (continued)

n) Financial instruments (continued)

Investments in private companies

Private investments that do not have a quoted market price in an active market are evaluated and measured at fair value using various techniques including comparative recent financing and other market-based information. These are included in level 2 or 3 of the fair value hierarchy. The determinations of fair value of the Company's privately-held investments are subject to certain limitations.

At the end of each financial reporting period, management evaluates the fair value and potential fair value change based on the criteria below and records such fair value change in the financial statements directly in profit or loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

The application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment, and any fair value estimated from these techniques may not be realized.

The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to the Company.

Impairment of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

o) Accounting standards and amendments adopted

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

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

The adoption of these amendments had no significant impact on the financial statements.

p) Accounting standards and amendments not yet effective

Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact on the future financial statements.

3. RECEIVABLES

The Company's receivables are as follows:

	2025	2024
Trade receivables	$ 152,724	$ 178,720
GST receivable	10,954	8,891
	$ 163,678	$ 187,611

4. MARKETABLE SECURITIES

Marketable securities comprise 59,384 (November 30, 2024 – 59,384) common shares in Magnum Goldcorp Inc., a publicly traded company. The Company and Magnum Goldcorp Inc. have certain directors in common (see Note 11). On May 20, 2025, Magnum Goldcorp Inc, consolidated its shares on a 2 old for 1 new share, basis.

(Expressed in Canadian Dollars)

5. INVESTMENT

At November 30, 2025, the Company held 350,000 shares (November 30, 2024 - 350,000) of Star Valley Drilling Ltd, a privately-owned company, measured at FVTPL at $150,000 (November 30, 2024 - $150,000). As there is no quoted market price in an active market, the Company used both income approach and market approach to measure the fair value.

During the year ended November 30, 2024, the change in fair value from $350,000 to $150,000 caused a loss as a result of the change in the amount of $200,000 which was recorded in profit or loss for the year ended November 30, 2024. There was no further change in fair value as of November 30, 2025.

The nature of the significant inputs used in the capitalized cash flow method which is an income approach and in the guideline public company method which is a market approach to determine the fair value of the level 3 fair value hierarchy include normalized sustaining cash flow determined based on historical financial information, capitalization rate of 10.3% (November 30, 2024 - 13.2%), and various market multiples derived from a selection of comparable entities. A 1% change in the capitalization rate would result in a change in the fair value of the investment of approximately $18,000 (November 30, 2024 - $15,000).

6. PROPERTY AND EQUIPMENT

		Oil and Gas Properties		Computer Equipment		Total Property and Equipment
Cost						
Balance, November 30, 2023	$	3,706,666	$	21,512	$	3,728,178
Change in provisions of decommissioning liabilities		(637)		-		(637)
Additions		20,158		-		20,158
Balance, November 30, 2024		3,726,187		21,512		3,747,699
Change in provisions of decommissioning liabilities		(102)		-		(102)
Additions		16,462		-		16,462
Balance, November 30, 2025	$	3,742,547	$	21,512	$	3,764,059
Accumulated amortization, depletion, and impairment loss						
Balance, November 30, 2023	$	3,135,970	$	21,512	$	3,157,482
Amortization and depletion		181,911		-		181,911
Balance, November 30, 2024		3,317,881		21,512		3,339,393
Amortization and depletion		142,016		-		142,016
Balance, November 30, 2025	$	3,459,897	$	21,512	$	3,481,409
Carrying amounts						
As at November 30, 2024	$	408,306	$	-	$	408,306
As at November 30, 2025	$	282,650	$	-	$	282,650

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT (continued)

Oil and gas properties

Gull Lake, Saskatchewan

During the year ended November 30, 2013, the Company entered into a Participation Agreement whereby the Company (and two other arm's length companies) was granted the right to equally participate to drill and complete up to 4 initial test wells (each "Test Well") located in Gull Lake, Saskatchewan. Under the agreement, the Company had to pay 29.33% of the drilling costs of each Test Well to earn a net working interest of 14.665% in each well. The Company currently maintains a 14.665% interest in the Gull Lake project area. As at November 30, 2025, the Company participated in 13 wells (November 30, 2024 – 13 wells).

The Corporation determined the recoverable amounts for its CGU based on fair value less costs to dispose using discounted future cash flows prepared by independent reserve engineers. In determining the recoverable amount, the Corporation considered long-term views of commodity prices, externally evaluated reserve volumes, and discount rates specific to the CGU. The calculation of the recoverable amount is sensitive to the assumptions regarding production volumes, discount rates, operating cost structures and commodity prices. The fair value less costs to dispose estimates are categorized as Level 3 according to the IFRS 13 fair value hierarchy. In computing the November 30, 2025 recoverable amounts, future cash flows were adjusted for risks specific to the CGU and discounted at a rate of 10% (2024 – 10%). A 5% increase in the discount rate would have a $Nil impact on the impairment assessment.

The following table provides the forecast benchmark commodity prices used in the November 30, 2025 reserve calculations:

Year	WCS CDN$/BBL	Natural Gas CDN$/MCF
2026	$70.46	$2.55
2027	$73.46	$2.98
2028	$75.00	$3.03
2029	$76.57	$3.10
Escalation rate	2% + per year	2% + per year

During the year ended November 30, 2025, the Company recorded $1,095,645 (November 30, 2024 - $1,285,991) in production revenue, which is comprised primarily (95% or greater) of oil revenues.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	2025	2024
Trade payables	$ 17,402	$ 912
Accrued liabilities	60,500	70,000
Total	$ 77,902	$ 70,912

(Expressed in Canadian Dollars)

8. DECOMMISSIONING LIABILITIES

	2025	2024
Beginning Balance	$ 76,135	$ 75,146
Change in estimates	(656)	(826)
Accretion	1,080	1,815
Ending Balance	$ 76,559	$ 76,135

The total provision was estimated by management based on the Company's interests in all wells, estimated costs to reclaim and abandon wells, and the estimated timing of costs to be incurred in future periods. The undiscounted amount of the estimated cash flows required to settle the obligation is approximately $81,000 (2024 - $81,000). The estimated cash flow has been adjusted using an inflation rate of 2.00% (2024 - 2.00%) and discounted using a risk-free rate of 2.40% - 3.14 (2024 - 2.97% - 3.14%). The estimated settlement ranges from three years to a maximum of fifteen years.

9. CAPITAL STOCK

Authorized:

Unlimited number of common voting shares, with no par value.

During the year ended November 30, 2025, the Company did not have any share transactions.

During the year ended November 30, 2024, the Company did not have any share transactions.

10. RESERVES

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option is as determined by the Board at the time of grant, subject to the requirements of the Exchange. Options vest as determined by the Board of Directors. The options can be granted for a maximum term of 10 years.

Share purchase options outstanding as at November 30, 2025 is as follows:

Expiry Date	Exercise Price	November 30, 2024	Granted	Expired/ cancelled	Exercised	November 30, 2025	Exercisable
May 13, 2026	$ 0.135	740,000	-	-	-	740,000	740,000
January 23, 2029	$ 0.135	915,000	-	-	-	915,000	915,000
Total		1,655,000	-	-	-	1,655,000	1,655,000
Weighted average exercise price		$ 0.135	-	$ -	$ -	$ 0.135	$ 0.135
Weighted average remaining contractual life						1.94 years	

(Expressed in Canadian Dollars)

10. RESERVES (continued)

Stock options (continued)

Share purchase options outstanding as at November 30, 2024 is as follows:

Expiry Date	Exercise Price	November 30, 2023	Granted	Expired/ cancelled	Exercised	November 30, 2024	Exercisable
May 13, 2026	$ 0.135	740,000	-	-	-	740,000	740,000
January 23, 2029	$ 0.135	-	915,000	-	-	915,000	915,000
Total		740,000	915,000	-	-	1,655,000	1,655,000
Weighted average exercise price		$ 0.135	$ 0.135	$ -	$ -	$ 0.135	$ 0.135
Weighted average remaining contractual life						2.94 years	

Share-based payments

During the year ended November 30, 2025, the Company granted Nil (November 30, 2024 – 915,000) stock options with an estimated weighted average fair value of $Nil (November 30, 2024 - $0.12) per share calculated using the Black-Scholes option pricing model. During the year ended November 30, 2024, the weighted average input variables used were: share price of $0.165, term of 5 years, annualized volatility of 88.33% based on the Company's historical share prices, dividend rate of 0% and risk free rate of 3.53%. The fair value of stock options vested during the year ended November 30, 2024 and recognized as share-based payments expense was $110,891.

11. RELATED PARTY TRANSACTIONS

Key management compensation is as follows:

Paid or accrued to:	Nature of transactions	2025	2024
Directors	Management (i)	$ 20,000	$ 20,000
Companies controlled by Directors and/or Officers	Management (i)	250,000	280,000
A company controlled by an Officer	Consulting (i)	46,000	45,500
Companies controlled by Officers (CEO and CFO)	Vehicle allowance	20,400	18,700
Directors and officers	Share-based payments	-	101,801
		$ 336,400	$ 466,001

i) There were no post-employment benefits, termination benefits, or other long-term employment benefits paid to key management in the year ended November 30, 2025 and the year ended November 30, 2024.

Amounts due to related parties included in accounts payable and accrued liabilities are as follows:

	2025	2024
A company controlled by a Director and Officer	$ -	$ 30,000
	$ -	$ 30,000

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (continued)

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly including any director (whether executive or otherwise) of the Company. The Company's key management personnel include the Chief Executive Officer, Chief Financial Officer and Directors.

During the year ended November 30, 2025, the Company granted Nil (2024 – 840,000) stock options to its officers and directors valued at $Nil (November 30, 2024 – $101,801).

The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

12. INCOME TAXES

A reconciliation of income taxes for the year ended November 30, 2025, at statutory rates with reported taxes, is as follows:

		2025		2024
Net (loss) earnings before income taxes	$	(146,363)	$	(285,955)
Combined federal and provincial tax rate		27%		27%
Income tax (recovery) expense at statutory rates	$	(40,000)	$	(77,000)
Permanent differences		2,000		56,000
Change in unrecognized deductible temporary differences		38,000		21,000
	$	-	$	-
Current income tax expense (recovery)	$	-	$	-
Deferred tax expense (recovery)	$	-	$	-

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

		Year ended November 30, 2025	Expiry		Year ended November 30, 2024	Expiry
Property and equipment and exploration and evaluation assets	$	1,187,000	None	$	1,061,000	None
Marketable securities and investment		221,000	None		214,000	None
Decommissioning liabilities		77,000	None		76,000	None
Others		24,000	None		11,000	None
Total	$	1,509,000		$	1,362,000	

Future tax benefits that may arise as a result of applying the potential deductions have not been recognized in these financial statements.

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK

Fair value

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

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

The fair value of the Company's trade receivables and accounts payable and accrued liabilities approximate their carrying values, due to their short-term maturity or capacity of prompt liquidation.

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As at November 30, 2025				
Cash and cash equivalents	$ 2,239,212	$ 2,239,212	$ -	$ -
Marketable securities	7,720	7,720	-	-
Investment	150,000	-	-	150,000
As at November 30, 2024				
Cash and cash equivalents	$ 2,190,386	$ 2,190,386	$ -	$ -
Marketable securities	14,252	14,252	-	-
Investment	150,000	-	-	150,000

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to trade receivables and cash and cash equivalents. Trade receivables were mostly collected within 30 days subsequent to November 30, 2025. The Company maintains its cash and cash equivalents accounts with highly rated financial institutions. Management believes that the credit risk with respect to trade receivables and cash and cash equivalents is low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2025, the Company had a cash and cash equivalents balance of $2,239,212 (November 30, 2024 - $2,190,386) to settle current liabilities of $77,902 (November 30, 2024 - $70,912). All the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

13. FINANCIAL INSTRUMENTS AND RISK (continued)

Financial risk factors (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) *Interest rate risk*

The Company's cash equivalents consist of a term deposit of $1,800,000 (November 30, 2024 - $1,800,000) at an interest rate of 2.65% (November 30, 2024 – 4.70%). Since the term deposit is cashable anytime, the Company believes it is not exposed to significant interest rate risk. The interest rate risk on the Company's obligations is not considered significant.

b) *Foreign currency risk*

The Company conducts its activities in Canada with Canadian dollars. Therefore, the Company believes it is not exposed to foreign currency risk.

c) *Price risk*

The Company has exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company has certain marketable securities and the investment is in a privately-owned company. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world and continental/regional economic and other events that dictate the level of supply and demand. The Company has no commodity hedges in place as at November 30, 2025 and November 30, 2024.

14. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and development of oil and gas interests, in Canada.

15. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves, and retained earnings).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended November 30, 2025.

16. SUBSEQUENT EVENT

On March 17, 2026, the Company ("Cobra") and Robinson Energy Limited ("Robinson") entered into a definitive agreement (the "Agreement"), with respect to the previously announced reverse takeover transaction (the "Transaction"). Pursuant to the Agreement, Robinson and a wholly-owned subsidiary of Cobra ("Cobra Subco") will amalgamate to become a wholly-owned subsidiary of Cobra, and former shareholders of Robinson will receive common shares in the capital of Cobra (the "Cobra Shares"), resulting in a change of control of Cobra. Immediately prior to the amalgamation, Cobra will change its name to "Robinson Energy Limited" (the "Resulting Issuer"). Immediately after closing of the Transaction, the Resulting Issuer will dispose of the existing oil & gas assets of Cobra in accordance with the terms of the Agreement, and after the amalgamation will continue the business of Robinson. The Transaction is subject to the receipt of all necessary regulatory approvals and shareholder approvals required by applicable corporate law, including the approval of the shareholders of Cobra and Robinson, as well as the satisfaction of the conditions as set out in the Agreement.

It is intended that the transaction will be an arm's-length reverse takeover of the Company, as such term is defined by the exchange Policy 5.2, Changes of Business and Reverse Takeovers.

About the Parties
Cobra is a junior oil and gas company that is focused on the exploration and development of petroleum and natural gas interest in Canada. Cobra is continued under the laws of the Province of British Columbia and is a reporting issuer in British Columbia and Alberta.

Robinson is a private company incorporated under the laws of the Province of Alberta on March 4, 2022. Robinson was established to acquire and develop strategic Petroleum Licenses in the Western Province of Papua New Guinea. Robinson has been granted its first Petroleum License, PRL 62. Robinson has 6,927,439 Class A Common Shares, 151,515 Preferred Shares Series 3, and 1,165,814 Preferred Shares Series 4 (collectively, the "**Robinson Shares**") issued and outstanding.

Transaction Details
Pursuant to the Agreement, immediately prior to closing the Transaction, Cobra will consolidate the Cobra Shares on the basis of 1 post-consolidation Cobra Share for each 10 Cobra Shares held and will change its name to "Robinson Energy Limited". Cobra shall also take all necessary action to accelerate the vesting and expiry of all issued Cobra share purchase options ("**Cobra Options**"), such that all issued and outstanding Cobra Options will be exercised or shall terminate upon closing of the Transaction. Assuming the completion of the consolidation and the exercise of all issued and outstanding Cobra Options prior to completion of the Transaction, immediately prior to closing, Cobra is expected to have approximately 1,820,875 Cobra Shares issued and outstanding.

At the time of closing, Cobra Subco and Robinson will amalgamate to form "Robinson Energy Canada Ltd." and each holder of Robinson Shares ("**Robinson Shareholders**"), other than Robinson Shareholders who validly exercise rights of dissent in accordance with the provisions of the *Business Corporations Act* (Alberta), will be entitled to receive 1.7947 common shares of the Resulting Issuer ("**Resulting Issuer Shares**") per Robinson Share held, at a deemed price of $2.00 per Resulting Issuer Share.

Pursuant to the Agreement, it is expected that approximately 14,796,885 Resulting Issuer Shares will be issued to former holders of Robinson Shares, representing approximately 89% of the total Resulting Issuer Shares after completion of the Transaction on a non-diluted basis. As a result, the Transaction will constitute a reverse takeover transaction in accordance with the policies of the TSX Venture Exchange (the "**TSXV**"), and the Resulting Issuer is expected to be listed as a Tier 2 oil & gas issuer focused on unlocking stranded gas resources in Papua New Guinea.

16. SUBSEQUENT EVENT (continued)

At closing, it is expected that the Resulting Issuer will have approximately 16,617,760 Resulting Issuer Shares issued and outstanding on a non-diluted basis, with former holders of Cobra Shares holding approximately 1,820,875, or 11% on a non-diluted basis. Immediately after closing, the Resulting Issuer intends to issue up to 1,130,301 share purchase options to certain officers, directors, employees and consultants. Following the issuance of these options, there will be on a fully diluted basis, 17,748,061 Resulting Issuer Shares issued and outstanding.

Cobra and Robinson intend to hold their respective shareholder meetings on May 7, 2026 to approve certain matters relating to the Transaction. The completion of the Transaction is conditional upon receiving such shareholder approvals, and a number of other conditions typical for transactions of this nature, which are included in the Agreement which will be filed on Cobra's SEDAR+ profile at www.sedarplus.ca.

Bridge Loan
In accordance with the terms of the Agreement, Cobra shall apply to the TSXV for the purposes of advancing a bridge loan to Robinson in the amount of $500,000 at an interest rate of 7% per annum (the "**Bridge Loan**"). The Bridge Loan would be secured by all of the assets of Robinson. The Bridge Loan would be due and payable on the earlier of: (i) one year from the date the Bridge Loan is advanced; and (ii) 5 days following the termination of the Agreement. Advancement of the Bridge Loan is subject to approval by the TSXV.

Sponsorship
The TSXV may require sponsorship of the Transaction in accordance with its policies. The Parties have applied for an exemption from the sponsorship requirements pursuant to the policies of the TSXV. There is no guarantee that a sponsorship exemption will be granted or that the Transaction will be exempt from sponsorship requirements.

Trading Halt
Trading in the Cobra Shares is presently halted and is not expected to resume trading until completion of the Transaction or until the TSXV receives the requisite documentation