CANADIAN GLOBAL ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

(Presented in Canadian Dollars)

.

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Canadian Global Energy Corp.

Opinion

We have audited the accompanying consolidated financial statements of Canadian Global Energy Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $328,542 during the year ended December 31, 2023 and, as at December 31, 2023, the Company had an accumulated deficit of $1,395,938 and had a working capital deficiency of $1,253,211. As stated in Note 1, these events and conditions 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

March 24, 2025

Canadian Global Energy Corp.

Consolidated Statements of Financial Position

(Presented in Canadian Dollars)

		December 31, 2023		December 31, 2022
ASSETS				
Current				
Cash	**$**	**6,515**	$	70,644
		6,515		70,644
Exploration and evaluation asset (Note 6)		**664,160**		-
	$	**670,675**	$	70,644
LIABILITIES				
Current				
Amounts payable and accrued liabilities	**$**	**295,717**	$	216,687
Due to related parties (Note 6)		**964,009**	$	114,466
		1,259,726		331,153
SHAREHOLDERS' DEFICIENCY				
Share capital (Note 5)		**2**		2
Shareholders' contributions		**806,885**		806,885
Deficit		**(1,395,938)**		(1,067,396)
		(589,051)		(260,509)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**$**	**670,675**	$	70,644

Nature of operations and going concern (Note 1)
Commitment (Note 7)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors:

/s/ James Deckerman Director

See accompanying notes to these consolidated financial statements.

Canadian Global Energy Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Presented in Canadian Dollars)

	Years ended December 31,	
	2023	2022
Expenses		
Consulting fees (Note 6)	**$ 214,240**	$ 337,648
Professional fees (Note 6)	**95,214**	38,980
Office and administration	**2,733**	11,925
Property investigation costs (Note 7)	**-**	479,643
Travel	**6,887**	13,916
Foreign exchange loss	**9,468**	10,603
Loss and compehensive loss	**$ (328,542)**	$ (892,715)
Basic and diluted loss per share	**$ (1,643)**	$ (4,960)
Weighted average number of common shares outstanding - basic and diluted	**200**	180

See accompanying notes to these consolidated financial statements.

Canadian Global Energy Corp.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Presented in Canadian Dollars)

	Common shares	Share capital	Shareholders' contributions	Deficit	Shareholders' equity (deficiency)
Balance, December 31, 2021	100	$ 1	$ 806,885	$ (174,681)	$ 632,205
Common shares issued	100	1	-	-	1
Loss and comprehensive loss	-	-	-	(892,715)	(892,715)
Balance, December 31, 2022	200	$ 2	$ 806,885	$ (1,067,396)	$ (260,509)
Balance, December 31, 2022	200	$ 2	$ 806,885	$ (1,067,396)	$ (260,509)
Loss and comprehensive loss	-	-	-	(328,542)	(328,542)
Balance, December 31, 2023	200	$ 2	$ 806,885	$ (1,395,938)	$ (589,051)

See accompanying notes to these consolidated financial statements.

Canadian Global Energy Corp.

Consolidated Statements of Cash Flows

(Presented in Canadian Dollars)

		Years ended December 31, **2023**		2022
Operating activities				
Loss for the year	**$**	**(328,542)**	$	(892,715)
Changes in non-cash working capital items:				
Amounts payable and accrued liabilities		**79,030**		43,921
Due to related parties		**849,543**		114,466
		600,031		(734,328)
Investing activities				
Exploration and evaluation asset		**(664,160)**		-
		(664,160)		-
Change in cash		**(64,129)**		(734,328)
Cash, beginning		**70,644**		804,972
Cash, ending	**$**	**6,515**	$	70,644

There were no non-cash investing and financing activities for the periods presented.

See accompanying notes to these consolidated financial statements.

1. Nature of Operations and Going Concern

Canadian Global Energy Corp. (the "Company") is a private Canadian oil and gas exploration company that holds a 100% interest in the Harper Basin Reconnaissance License in Liberia, Africa (Note 4). The Company's head office is located at Suite 3123 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1.

The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the year ended December 31, 2023, the Company reported a loss of $328,542 (December 31, 2022 - $892,715) and had an accumulated deficit of $1,395,938 as of that date (December 31, 2022 - $1,067,396). The Company had a working capital deficiency of $1,253,211 as of December 31, 2023 (December 31, 2022 – working capital of $260,509). These events and conditions indicate that a material uncertainty exits that may cast significant doubt on the Company's ability to continue as a going concern.

Continuing operations as a going concern are dependent upon management's ability to raise adequate financing in the capital markets and to ultimately achieve profitable operations in the future. Although management has been successful in the past; there is no assurance that these initiatives will be successful in the future.

The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Basis of Preparation

The consolidated financial statements of the Company, including comparatives, have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

The Board of Directors approved the consolidated financial statements on March 24, 2025.

a) Significant Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. Basis of Preparation (continued)

a) Significant Estimates and Judgments (continued)

The most significant estimates and judgment in applying the Company's accounting policies include:

Impairment of exploration and evaluation asset

Management evaluates its exploration and evaluation assets for indicators of impairment taking into account the period for which the Company has the right to explore, results from exploration activities to date, planned or budgeted expenditures, and the Company's ability to complete the planned or budgeted expenditures, among other factors.

b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Canadian Global Energy (Liberia) Corp., incorporated in Liberia on September 8, 2023.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

3. Material Accounting Policy Information

a) Exploration and Evaluation Assets

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized on a property-by-property basis. The Company capitalizes the costs of acquiring, maintaining its interest in, exploring and evaluating oil and gas and mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The technical feasibility and commercial viability of retrieving petroleum resources is assessed on the existence of economically recoverable reserves for the project. In the situation that the asset is deemed not to be technically feasible or commercially viable the accumulated E&E costs associated with the exploration project are charged to E&E expense in the period, the determination is made. The recoverable amount is the higher of fair value less costs to sell and value in use. 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.

The exploration and evaluation phase of a particular project is completed when both the technical feasibility and commercial viability of extracting oil or gas are demonstrable for the project or there is no prospect of a positive outcome for the project. Exploration and evaluation assets with commercial reserves will be reclassified to development and production assets and the carrying amounts will be assessed for impairment and adjusted (if appropriate) to their estimated recoverable amounts. If commercial reserves are not discovered or the project is abandoned, the exploration and evaluation asset is written off in the consolidated statements of loss and comprehensive loss.

3. Material Accounting Policy Information (continued)

b) Impairment of Long-Lived Assets

Long-lived assets are reviewed for potential impairment annually or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. If such indication exists, the recoverable amount of the identified 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 it is possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation properties is considered to be a cash-generating unit for which impairment testing is performed.

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 reporting periods. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Financial Instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Material Accounting Policy Information (continued)

c) Financial Instruments (continued)

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	**IFRS 9 Classification**
Cash	Amortized cost
Due to related parties	Amortized cost

<u>Subsequent measurement</u>

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

3. Material Accounting Policy Information (continued)

c) Financial Instruments (continued)

Subsequent measurement (continued)

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

d) Decommissioning Liabilities

The Company recognizes a decommissioning liability, with a corresponding increase to the carrying amount of the related exploration and evaluation assets, in the period in which a reasonable estimate of the fair value can be made of the statutory, contractual, constructive or legal liabilities associated with the retirement and reclamation of the Company's oil and gas properties, facilities and pipelines. The amount recognized is the estimated cost of decommissioning, discounted to its present value using the credit-adjusted discount rate. The estimates are reviewed periodically. Changes in the provision as a result of changes to the timing of expenditures, costs or risk-free rates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to property, plant and equipment or exploration and evaluation assets. The unwinding of the discount on the decommissioning provision is charged to the consolidated statements of (income) loss and comprehensive (income) loss. Actual costs incurred upon settlement of the obligations are charged against the provision to the extent of the liability recorded and the remaining balance of the actual costs is recorded in the consolidated statements of loss and comprehensive loss.

e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

3. Material Accounting Policy Information (continued)

f) Income Taxes

Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the 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 provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 financial position reporting date applicable to the period of expected realization or settlement. 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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Share Capital

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the date of share issuance. Costs incurred to issue common shares are deducted from share capital.

Contributions received from shareholder are recorded within shareholders' equity as shareholders' contributions.

h) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

i) Related Party Transactions

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

j) Recent Accounting Standards

The following new accounting standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2023:

(Presented in Canadian Dollars)

3. Material Accounting Policy Information (continued)

j) Recent Accounting Standards (continued)

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’.

The Company is currently assessing the impact the new standard will have on its consolidated financial statements.

4. Exploration and Evaluation Asset

	Harper Basin Reconnaissance License
	$
Acquisition Costs:	
Balance, December 31, 2021 and 2022	-
Additions	664,160
Balance, December 31, 2023	664,160

Harper Basin Reconnaissance License

The Company holds a 100% interest in the Reconnaissance License No. LPRA-002 (the “RL”), Harper basin, offshore Liberia, consisting of three blocks. The RL was issued by the Liberia Petroleum Regulatory Authority in September 2023, and expires on March 5, 2026.

There is a minimum work expenditure of US$1,600,000 during the term of the license.

During the year ended December 31, 2023, the Company paid an original application fee of US$50,000 ($66,965 paid) and was required to pay a license fee of US$150,000 for each block (total of US$450,000) on or before October 3, 2023 ($597,195 paid).

The Company has the option to extend the license by an additional one year. If the term of license is extended, the Company shall pay US$50,000 for each block that is renewed.

5. Share Capital

a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Shares Issued

There were no shares issued during the year ended December 31, 2023.

During the year ended December 31, 2022, the Company issued 100 shares with a value of $1.

6. Related Party Transactions

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended December 31, 2023, a director and officer of the Company advanced $Nil (2022: $114,466) to the Company. The advances are non-interest bearing and due on demand.

As of December 31, 2023, there is $964,009 (December 31, 2022 - $114,466) owing to an officer and 1391423 BC Ltd., a company controlled by an officer of the Company.

7. Commitment

On September 22, 2021 and amended on February 6, 2025, the Company entered into a joint development agreement (“JDA”) to collaborate on a project to identify resource exploration opportunities for a five year term. In consideration of the services and activities under taken for the first year of the agreement, the Company shall pay total of US$500,000, paid in three equal installments every 4 months. Of the total, US$333,333 ($419,339) was paid during the year ended December 31, 2022 and the remaining US$166,667 ($216,867) was accrued as at December 31, 2022 and as at December 31, 2023 (paid subsequently).

(Presented in Canadian Dollars)

7. Commitments (continued)

Additionally, the Company shall pay the vendor according to the following milestones, paid within 30 days of each milestone achievement ("Milestone Considerations"):

Milestone	Consideration
Equity investment acquired by the Company as a sole operator or as part of an exploration group over any block regardless of size	US$500,000
Capital raise (See Note 11)	10% of capital raised, maximum of US$1,000,000
Commencement of physical operation of drilling a well in which the land surface is penetrated by a drill bit ("Spud Well")	US$1,000,000
Executing an agreement with a third party to acquire an equity investment through an exploration group	10% of value of investment, maximum of US$2,000,000
Board of directors approving to undertake the project	US$2,500,000
First commercial oil production	US$1,000,000
Net profit interest	2% on a quarterly basis
Disposal of interest	2% of net proceeds

8. Financial Instruments and Risk Management

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 Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) *Credit risk*

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on its cash. The Company reduces credit risk on its cash by maintaining its bank account with a large international financial institution. Accordingly, the Company does not believe it is subject to significant credit risk. The carrying value of this financial asset represents the maximum credit exposure.

b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has liquidity risk as it has historically relied upon related parties to satisfy its capital requirements. Due to related parties are due within one year.

8. Financial Instruments and Risk Management (continued)

c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

d) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

e) *Commodity price risk*

Oil and natural gas prices have been and are expected to remain volatile due to market uncertainties over the supply and demand of these commodities due to various factors including OPEC actions, the current state of world economies and ongoing credit and liquidity concerns. Depressed commodity prices have had and will continue to have a significant impact on the Company's ability to raise future capital to fund operations. Therefore, management regularly monitors natural resource commodity prices to determine the appropriate course of action to be taken by the Company.

9. Capital Risk Management

The Company defines its capital as all components of shareholders' deficiency. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company was dependent on advances from related parties and shareholder contributions. Subsequent to December 31, 2023, the Company raised $3,652,736 of funds through equity financing. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

There were no changes to the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements. In the future, the Company will raise funds through equity funding by way of share issuances.

(Presented in Canadian Dollars)

10. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		December 31, 2023		December 31, 2022
Loss before income taxes	$	(328,542)	$	(892,715)
Expected income tax (recovery)		(89,000)		(241,000)
Change in unrecognized deductible temporary differences		89,000		241,000
Income tax expense (recovery)	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2023		2022
Deferred tax assets (liabilities)				
Non-capital losses	$	377,000	$	288,000
		377,000		288,000
Unrecognized deferred tax assets		(377,000)		(288,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

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

		2023	Expiry Date Range		2022	Expiry Date Range
Temporary Differences						
Non-capital losses	$	1,396,000	2041 to 2043	$	1,067,000	2041 to 2042

11. Subsequent Events

Amalgamation

On June 11, 2024, the Company entered into an amalgamation agreement (the "Agreement") with 1391423 BC Ltd., forming a new company under the name of Canadian Global Energy Corp. ("CGEC"), following completion of the amalgamation.

Under the terms of the Agreement, 15,000 common shares of 1391423 BC Ltd. were exchanged for a total of 14,800 common shares of CGEC and the 200 outstanding common shares of the Company were exchanged for a total of 200 common shares of CGEC. The amalgamation was completed on June 27, 2024.

Pursuant to the amalgamation, CGEC issued an additional 1,667 common shares for US$130 ($178) per share.

11. Subsequent Events (continued)

Financing

In October 2024, December 2024, and February 2025, CGEC completed a non-brokered private placement through the issuance of 11,186 common shares at a price of $300 per share for gross proceeds of $3,355,800.

Shares for Debt

In December 2024, CGEC issued 969 common shares to settle $290,705 of debt, of which $66,130 was included in accounts payable and accrued liabilities as at December 31, 2023.

Reverse Takeover

On December 20, 2024, CGEC entered into a definitive amalgamation agreement with Acme Gold Limited ("Acme") whereby Acme's newly formed subsidiary ("Newco"), will acquire all the issued and outstanding shares of CGEC (the "Transaction"). This constitutes as an arm's length reverse take-over of Acme by CGEC under the policies of TSX Venture Exchange ("TSXV"). Pursuant to the agreement, Acme intends to de-list from the Canadian Securities Exchange and will apply for listing on the TSXV and changes its name to "BluEnergies Ltd." (the "Resulting Issuer") or such other name agreed upon.

Pursuant to the amalgamation agreement, the parties will complete a three-cornered amalgamation whereby Newco will amalgamate with CGEC, such that upon completion of the Transaction, the Resulting Issuer will hold all of the outstanding common shares in the capital of the corporation that results from the amalgamation. All of the outstanding common shares of CGEC will be exchanged for common shares of the Resulting Issuer on a 1,600 for one basis, post-consolidation. As part of the Transaction, Acme will complete a consolidation of its outstanding common shares on a 2:1 basis and the parties will complete a concurrent financing with a minimum price of $0.40 per share. As part of the JDA (Note 7), 10% of the concurrent financing will be payable to a maximum of USD $1,000,000.