

# **Eco (Atlantic) Oil & Gas Ltd.**

**Consolidated Financial Statements**

**(in US Dollars)**

**Years Ended March 31, 2024 and 2023**

**Eco (Atlantic) Oil & Gas Ltd.**  
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**Years Ended March 31, 2024 and 2023**

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

### Opinion

We have audited the consolidated financial statements of Eco (Atlantic) Oil & Gas Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and March 31, 2023, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Going Concern**

### *Key Audit Matter Description*

The Company has incurred a net loss during the year ended March 31, 2024, has negative cash flows from operations, and is reliant on external financing to continue its exploration activity. These conditions could indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. In accordance with IAS 1 Presentation of Financial Statements, management has assessed the Company's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, the entity shall disclose those uncertainties. Management has determined that the Company will have sufficient cash to allow it to continue as a going concern for the period of at least, but not limited to, twelve months from the end of the reporting period and accordingly, assessed that there were no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

We identified the assessment of whether there was a material uncertainty that the Company would continue as a going concern as a key audit matter. There was a high degree of auditor judgment required to evaluate the significant assumptions used in management's assessment including, but not limited to, the Company's ability to raise additional funding, or, in the case where funding may not be readily obtained, the ability of the Company to manage its cash expenditures until such funding becomes available.

### *Audit Response*

We responded to this matter by performing audit procedures in relation to the assessment of whether there was a material uncertainty that the Company would continue as a going concern. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed management's significant assumptions against norms within the industry.
- Evaluated the significant assumptions used in management's assessment including:
  - Obtained an understanding from management about the Company's existing financial conditions in relation to the Company's ability to continue as a going concern;
  - Assessed the discretionary and non-discretionary spending;
- Evaluated the Company's ability to curtail its discretionary spending until sufficient financing has been obtained; and
- Testing of cash receipts subsequent to year-end.

## **Valuation of Investment in JHI Associates Inc. ("JHI")**

### *Key Audit Matter Description*

The Company has an investment in JHI that is accounted for under the equity method. As at March 31, 2024, there was objective evidence that the investment in JHI was impaired in accordance with IAS 28 Investment In Associates and Joint Ventures.

Due to JHI being a private company with a focus on exploration, there is increased judgment and complexity in determining its valuation. As a result, we considered this to be a key audit matter.

Refer to Note 3 Summary of Material Accounting Policies and Note 6 Investment In Associate.

### *Audit Response*

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

- Obtained management's assessment of the valuation of the investment in JHI.
- Evaluated the various methods available to value the investment including the appropriateness and reliability of the observable data used in the calculations.
- Recalculated the fair value of the investment in JHI and related impairment loss.
- Assessed the appropriateness of the related disclosures.

### **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

Mississauga, Ontario

July 29, 2024

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

**Eco (Atlantic) Oil & Gas Ltd.**  
**Consolidated Statements of Financial Position**  
**As at March 31, 2024 and 2023**  
**(Expressed in US Dollars)**

|                                                     | March 31,<br>2024    | March 31,<br>2023    |
|-----------------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                                       |                      |                      |
| <b>Current Assets</b>                               |                      |                      |
| Cash and cash equivalents                           | \$ 2,967,005         | \$ 4,110,734         |
| Short-term investments                              | 13,107               | 13,107               |
| Government receivable                               | 26,970               | 22,494               |
| Amounts owing by license partners                   | 49,578               | 477,578              |
| Accounts receivable and prepaid expenses            | 38,539               | 1,529,451            |
| <b>Total Current Assets</b>                         | <b>3,095,199</b>     | <b>6,153,364</b>     |
| <b>Non- Current Assets</b>                          |                      |                      |
| Investment in associate (Note 6)                    | -                    | 8,612,267            |
| Petroleum and natural gas licenses (Note 7)         | 28,168,439           | 40,852,020           |
| <b>Total Non-Current Assets</b>                     | <b>28,168,439</b>    | <b>49,464,287</b>    |
| <b>Total Assets</b>                                 | <b>31,263,638</b>    | <b>55,617,651</b>    |
| <b>Liabilities</b>                                  |                      |                      |
| <b>Current Liabilities</b>                          |                      |                      |
| Accounts payable and accrued liabilities (Note 9)   | 1,163,546            | 4,416,789            |
| Advances from and amounts owing to license partners | 81,952               | 286,553              |
| Warrant liability (Note 12)                         | -                    | 261,720              |
| <b>Total Current Liabilities</b>                    | <b>1,245,498</b>     | <b>4,965,062</b>     |
| <b>Total Liabilities</b>                            | <b>1,245,498</b>     | <b>4,965,062</b>     |
| <b>Equity</b>                                       |                      |                      |
| Share capital (Note 10)                             | 122,088,498          | 121,570,983          |
| Restricted Share Units reserve (Note 11)            | 920,653              | 920,653              |
| Warrants (Note 12)                                  | 14,778,272           | 14,778,272           |
| Stock options (Note 13)                             | 2,900,501            | 2,804,806            |
| Foreign currency translation reserve                | (1,568,469)          | (1,458,709)          |
| Accumulated deficit                                 | (109,101,315)        | (87,963,416)         |
| <b>Total Equity</b>                                 | <b>30,018,140</b>    | <b>50,652,589</b>    |
| <b>Total Liabilities and Equity</b>                 | <b>\$ 31,263,638</b> | <b>\$ 55,617,651</b> |

**Basis of Preparation (Note 2)**

**Commitments (Notes 17)**

**Events After the Reporting Period (Note 21)**

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

"Gil Holzman"  
Director

"Gadi Levin"  
Director

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

**Eco (Atlantic) Oil & Gas Ltd.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
**For the years ended March 31, 2024 and 2023**  
**(Expressed in US Dollars)**

|                                                                                                   | Year ended<br>March 31, |                        |
|---------------------------------------------------------------------------------------------------|-------------------------|------------------------|
|                                                                                                   | 2024                    | 2023                   |
| <b>Revenue</b>                                                                                    |                         |                        |
| Interest income                                                                                   | \$ 1,708                | \$ 66,571              |
|                                                                                                   | <u>1,708</u>            | <u>66,571</u>          |
| <b>Operating expenses:</b>                                                                        |                         |                        |
| Compensation costs                                                                                | 851,068                 | 905,974                |
| Professional fees                                                                                 | 589,810                 | 694,304                |
| Operating costs, net (Note 18)                                                                    | 2,662,347               | 33,039,264             |
| General and administrative costs (Note 19)                                                        | 658,443                 | 848,893                |
| Share-based compensation (Notes 11, 13)                                                           | 95,695                  | 2,968,294              |
| Foreign exchange loss (gain)                                                                      | (14,354)                | 559,947                |
| Total operating expenses                                                                          | <u>4,843,009</u>        | <u>39,016,676</u>      |
| <b>Operating loss</b>                                                                             | <b>(4,841,301)</b>      | <b>(38,950,105)</b>    |
| <b>Other Non-Operating Charges and Write-downs</b>                                                |                         |                        |
| Gain on settlement of liability (Note 10a(i))                                                     | 299,360                 | -                      |
| Fair value change in warrant liability (Note 12)                                                  | 261,720                 | 2,980,042              |
| Share of losses of associate (Note 6)                                                             | -                       | (664,895)              |
| Write down of investment in associate (Note 6)                                                    | (8,612,267)             | -                      |
| Write down of license (note 7)                                                                    | (8,782,105)             | -                      |
| <b>Net loss for the year from continuing operations, before taxes</b>                             | <b>\$ (21,674,593)</b>  | <b>\$ (36,634,958)</b> |
| Tax recovery (note 14)                                                                            | 536,694                 | -                      |
| <b>Net loss for the year from continuing operations, after taxes</b>                              | <b>\$ (21,137,899)</b>  | <b>\$ (36,634,958)</b> |
| Gain from discontinued operations, after-tax                                                      | -                       | 80,204                 |
| <b>Net loss for the year</b>                                                                      | <b>(21,137,899)</b>     | <b>(36,554,754)</b>    |
| Foreign currency translation adjustment                                                           | (109,760)               | (148,982)              |
| <b>Comprehensive loss for the year</b>                                                            | <b>\$ (21,247,659)</b>  | <b>\$ (36,703,736)</b> |
| <b>Basic and diluted net loss per share:</b>                                                      |                         |                        |
| From continuing operations                                                                        | \$ (0.059)              | \$ (0.105)             |
| From discontinued operations                                                                      | -                       | -                      |
| Weighted average number of ordinary shares used in computing basic and diluted net loss per share | <u>369,287,447</u>      | <u>349,622,239</u>     |

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

**Eco (Atlantic) Oil & Gas Ltd.**  
**Consolidated Statements of Changes in Equity**  
**For the years ended March 31, 2024 and 2023**  
**(Expressed in US Dollars)**

|                                                                    | Number of<br>Shares | Capital               | Shares to be<br>issued | Restricted<br>Share Units | Warrant<br>Reserve   | Stock Options       | Deficit                 | Foreign<br>Currency<br>Translation<br>Reserve | Total Equity         |
|--------------------------------------------------------------------|---------------------|-----------------------|------------------------|---------------------------|----------------------|---------------------|-------------------------|-----------------------------------------------|----------------------|
| <b>Balance, March 31, 2022</b>                                     | <b>202,693,635</b>  | <b>\$ 63,141,609</b>  | <b>\$ 20,766,996</b>   | <b>\$ 267,669</b>         | <b>\$ 7,806,000</b>  | <b>\$ 958,056</b>   | <b>\$ (51,408,662)</b>  | <b>\$ (1,309,727)</b>                         | <b>\$ 40,221,941</b> |
| Issuance of shares in a private placement                          | 64,885,496          | 23,908,649            | -                      | -                         | -                    | -                   | -                       | -                                             | 23,908,649           |
| Issuance of shares in respect of Azinam Acquisition                | 40,170,474          | 20,766,996            | (20,766,996)           | -                         | -                    | -                   | -                       | -                                             | -                    |
| Issuance of RSU's                                                  | -                   | -                     | -                      | 1,121,545                 | -                    | -                   | -                       | -                                             | 1,121,545            |
| Conversion of RSU's to shares                                      | 825,000             | 331,795               | -                      | (331,795)                 | -                    | -                   | -                       | -                                             | -                    |
| Issuance of shares in a private placement                          | 33,586,531          | 4,785,168             | -                      | -                         | 6,972,272            | -                   | -                       | -                                             | 11,757,440           |
| Cancellation of shares                                             | (841,824)           | -                     | -                      | -                         | -                    | -                   | -                       | -                                             | -                    |
| Issuance of shares in respect of farmout agreement                 | 25,429,368          | 8,500,000             | -                      | -                         | -                    | -                   | -                       | -                                             | 8,500,000            |
| Conversion of RSU's to shares                                      | 600,000             | 136,766               | -                      | (136,766)                 | -                    | -                   | -                       | -                                             | -                    |
| Share option expenses                                              | -                   | -                     | -                      | -                         | -                    | 1,846,750           | -                       | -                                             | 1,846,750            |
| Foreign currency translation adjustment                            | -                   | -                     | -                      | -                         | -                    | -                   | -                       | (148,982)                                     | (148,982)            |
| Net loss for the year from continuing operations                   | -                   | -                     | -                      | -                         | -                    | -                   | (36,634,958)            | -                                             | (36,634,958)         |
| Net loss for the year from discontinued operations                 | -                   | -                     | -                      | -                         | -                    | -                   | 80,204                  | -                                             | 80,204               |
| <b>Balance, March 31, 2023</b>                                     | <b>367,348,680</b>  | <b>\$ 121,570,983</b> | <b>\$ -</b>            | <b>\$ 920,653</b>         | <b>\$ 14,778,272</b> | <b>\$ 2,804,806</b> | <b>\$ (87,963,416)</b>  | <b>\$ (1,458,709)</b>                         | <b>\$ 50,652,589</b> |
| Issuance of shares for settlement of liability (Note 10a(i))       | 1,200,000           | 200,640               | -                      | -                         | -                    | -                   | -                       | -                                             | 200,640              |
| Issuance of shares in respect of farm-out agreement (Note 10a(ii)) | 1,625,000           | 316,875               | -                      | -                         | -                    | -                   | -                       | -                                             | 316,875              |
| Share option expenses (Note 13)                                    | -                   | -                     | -                      | -                         | -                    | 95,695              | -                       | -                                             | 95,695               |
| Foreign currency translation adjustment                            | -                   | -                     | -                      | -                         | -                    | -                   | -                       | (109,760)                                     | (109,760)            |
| Net loss for the year                                              | -                   | -                     | -                      | -                         | -                    | -                   | (21,137,899)            | -                                             | (21,137,899)         |
| <b>Balance, March 31, 2024</b>                                     | <b>370,173,680</b>  | <b>\$ 122,088,498</b> | <b>\$ -</b>            | <b>\$ 920,653</b>         | <b>\$ 14,778,272</b> | <b>\$ 2,900,501</b> | <b>\$ (109,101,315)</b> | <b>\$ (1,568,469)</b>                         | <b>\$ 30,018,140</b> |

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

**Eco (Atlantic) Oil & Gas Ltd.**  
**Consolidated Statements of Cash Flows**  
**For the years ended March 31, 2024 and 2023**  
**(Expressed in US Dollars)**

|                                                                      | Year ended<br>March 31, |                     |
|----------------------------------------------------------------------|-------------------------|---------------------|
|                                                                      | 2024                    | 2023                |
| <b>Cash flow from operating activities - continued operations</b>    |                         |                     |
| Net loss from continuing operations                                  | \$ (21,137,899)         | \$ (36,634,958)     |
| Items not affecting cash:                                            |                         |                     |
| Share-based compensation (Notes 11, 13)                              | 95,695                  | 2,968,295           |
| Fair value change in warrant liability (Note 12)                     | (261,720)               | (2,980,042)         |
| Share of losses of associate (Note 6)                                | -                       | 664,895             |
| Write down of equity investment (Note 6)                             | 8,612,267               | -                   |
| Write down of license (Note 7)                                       | 8,782,105               | -                   |
| Changes in non-cash working capital:                                 |                         |                     |
| Government receivable                                                | (4,476)                 | 4,993               |
| Accounts payable and accrued liabilities (Note 9)                    | (3,134,252)             | 2,484,966           |
| Accounts receivable and prepaid expenses                             | 1,490,912               | (1,271,540)         |
| Advance from and amounts owing to license partners                   | 223,399                 | (191,025)           |
| <b>Cash flow from operating activities - continued operations</b>    | <b>(5,333,969)</b>      | <b>(34,954,416)</b> |
| <b>Cash flow from operating activities - discontinued operations</b> | <b>-</b>                | <b>(839,029)</b>    |
| <b>Cash flow from investing activities</b>                           |                         |                     |
| Short-term investments                                               | -                       | 39,511              |
| Acquisition of interest in property                                  |                         | (1,598,986)         |
| Acquisition of Orinduik BV (*) (Note 7)                              | (700,000)               | -                   |
| Proceeds from Block 3B/4B farm-out (Note 7)                          | 5,000,000               | -                   |
| <b>Cash flow from investing activities - continued operations</b>    | <b>4,300,000</b>        | <b>(1,559,475)</b>  |
| <b>Cash flow from investing activities - discontinued operations</b> | <b>-</b>                | <b>2,507,713</b>    |
| <b>Cash flow from financing activities</b>                           |                         |                     |
| Proceeds from private placements, net                                | -                       | 35,666,089          |
| <b>Cash flow from financing activities</b>                           | <b>-</b>                | <b>35,666,089</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>              | <b>(1,033,969)</b>      | <b>820,882</b>      |
| Foreign exchange differences                                         | (109,760)               | (148,982)           |
| Cash and cash equivalents, beginning of year                         | 4,110,734               | 3,438,834           |
| <b>Cash and cash equivalents, end of year</b>                        | <b>\$ 2,967,005</b>     | <b>\$ 4,110,734</b> |
| <b>Supplementary disclosure of cash flow information:</b>            |                         |                     |
| <b>Significant non-cash transactions</b>                             |                         |                     |
| Issuance of shares for settlement of liability                       | \$ 200,640              | \$ -                |
| Issuance of shares in respect of farmout agreement                   | \$ 316,875              | \$ 8,500,000        |
| <u>Acquisition of Orinduik BV</u>                                    |                         |                     |
| Petroleum and natural gas license                                    | \$ 781,649              | \$ -                |
| Working capital - liabilities                                        | \$ (81,649)             | \$ -                |
| (*) Total cash and cash equivalents paid                             | \$ 700,000              | \$ -                |

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

**Eco (Atlantic) Oil & Gas Ltd.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2024 and 2023**  
**(Expressed in US Dollars)**

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**1. Nature of Operations**

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

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

These consolidated financial statements were approved by the Board of Directors of the Company on July 29, 2024.

**2. Basis of Preparation**

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

**3. Summary of Material Accounting Policies**

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**Statement of compliance**

The Company applies International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of April 1, 2023.

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

**Eco (Atlantic) Oil & Gas Ltd.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended March 31, 2024 and 2023**  
**(Expressed in US Dollars)**

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**3. Summary of Material Accounting Policies (continued)**

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**Basis of consolidation**

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

|                                                             | <b>Proportionate Ownership</b> |                       |
|-------------------------------------------------------------|--------------------------------|-----------------------|
|                                                             | <b>March 31, 2024</b>          | <b>March 31, 2023</b> |
| Eco (Atlantic) Guyana Inc. ("Eco Guyana")                   | 100%                           | 100%                  |
| Eco Oil and Gas (Namibia) (Pty) Ltd.                        | 100%                           | 100%                  |
| Eco Oil and Gas Services (Pty) Ltd.                         | 100%                           | 100%                  |
| Pan African Oil Namibia Holdings (Pty) Ltd.                 | 100%                           | 100%                  |
| Pan African Oil Namibia (Pty) Ltd.                          | 100%                           | 100%                  |
| Azinam Group Limited (Bermuda)                              | 100%                           | 100%                  |
| Azinam Limited (Bermuda)                                    | 100%                           | 100%                  |
| Azinam South Africa Limited (UK) ("Azinam South Africa")    | 100%                           | 100%                  |
| Solear Ltd. (formerly Eco (BVI) Oil and Gas Ltd) ("Solear") | 100%                           | 100%                  |
| AA Energy Factory Ltd                                       | 100%                           | 100%                  |
| Scrantix Ltd                                                | 100%                           | 100%                  |
| Eco Orinduik BV                                             | 100%                           | 0%                    |

**Cash and cash equivalents**

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

**Investment in associate**

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

**Joint Operations**

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

**Eco (Atlantic) Oil & Gas Ltd.**  
**Notes to the Consolidated Financial Statements**  
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**3. Summary of Material Accounting Policies (continued)**

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**Foreign currencies**

These consolidated financial statements are presented in US dollars.

The functional currency of the Company and its subsidiaries is the US dollar, except for Solear which has the European Euro as its functional currency.

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

**Share-based compensation**

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

**Restricted Share Units**

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

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

**Eco (Atlantic) Oil & Gas Ltd.**  
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**3. Summary of Material Accounting Policies (continued)**

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**Financial instruments**

*Classification*

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

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

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

Financial assets and liabilities:

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

**Eco (Atlantic) Oil & Gas Ltd.**  
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**3. Summary of Material Accounting Policies (continued)**

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**Financial instruments (continued)**

*Impairment of financial assets at amortized cost*

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

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

*i) Expenditures*

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

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

*iii) Farm-out arrangements*

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

**Eco (Atlantic) Oil & Gas Ltd.**  
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**3. Summary of Material Accounting Policies (continued)**

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

*iv) Impairment*

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

**Loss per share**

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

**Income taxes**

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

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

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

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

**Eco (Atlantic) Oil & Gas Ltd.**  
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**3. Summary of Material Accounting Policies (continued)**

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**Significant accounting judgements and estimates**

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

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

Judgements

*i) Impairment of petroleum and natural gas licenses*

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

*ii) Investment in associates*

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

Estimates

*i) Stock Based Compensation*

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

*ii) Impairment Calculation*

Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

**Eco (Atlantic) Oil & Gas Ltd.**  
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**4. Short-term investments**

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As of March 31, 2024, the Company's short-term investments comprise interest bearing deposits with its primary bank of \$13,107 (March 31, 2023 - \$13,107).

**5. Accounts receivable and prepaid expenses**

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As of March 31, 2024, the Company's accounts receivable and prepaid expenses comprise \$38,539 (2023 - \$nil) of prepaid expenses and \$nil (2023 - \$1,529,451) of VAT taxes receivable.

**6. Investment in associate**

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During the year ended March 31, 2022, the Company acquired a 7.35% interest in JHI JHI, a private company incorporated in Ontario and headquartered in Toronto, Canada, including the right to appoint a non-executive director to the board of JHI.

During the year ended March 31, 2024, the Company's interest in JHI was diluted to 6.4%.

As of March 31, 2024, the Company, determined that there are objective evidence of impairment in the value of the JHI investment, primarily due to the in-activity on its core asset in Guyana. Following this impairment indication, management assessed the fair value of JHI and has estimated the fair value to be nil. As a result, the Company recorded a write down of the investment in the amount of \$7,947,372, which was charged to the consolidated statement of operations and comprehensive loss.

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

|                                 |    |             |
|---------------------------------|----|-------------|
| March 31, 2022                  | \$ | 9,277,162   |
| Proportionate loss for the year |    | (664,895)   |
| March 31, 2023                  | \$ | 8,612,267   |
| Write-down of JHI investment    |    | (8,612,267) |
| March 31, 2024                  | \$ | -           |

**7. Petroleum and Natural Gas Licenses**

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|                                                 | <b>Licenses</b>      |
|-------------------------------------------------|----------------------|
| <b>Balance - March 31, 2022</b>                 | <b>\$ 30,753,034</b> |
| Block 3B/4B (Note 7(b(ii)))                     | 10,098,986           |
| <b>Balance – March 31, 2023</b>                 | <b>\$ 40,852,020</b> |
| Block 3B/4B farm-out (Note 7(b(ii)))            | (5,000,000)          |
| Azinam acquisition (Note 10a(ii))               | 316,875              |
| Orinduik block farm-in (Note 7(a))              | 781,649              |
| Write-down of Block 2B (Note 7(b)(i) and 21(b)) | (8,782,105)          |
| <b>Balance - March 31, 2024</b>                 | <b>28,168,439</b>    |

**Eco (Atlantic) Oil & Gas Ltd.**  
**Notes to the Consolidated Financial Statements**  
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**7. Petroleum and Natural Gas Licenses (continued)**

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

**a) Guyana**

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

On January 14, 2016, the Company and the Government of the Co-operative Republic of Guyana signed a petroleum agreement.

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

On August 10, 2023, the Company acquired an additional 60% operating interest in Orinduik Block, offshore Guyana, through the acquisition of Tullow Guyana B.V. ("TGBV"), a wholly owned subsidiary of Tullow Oil Plc. ("Tullow") (the "Transaction") in exchange for;

- \$700,000 cash payment upon transfer of TGBV's 60% participating interest and operatorship of the Orinduik licence to Eco Guyana, to be paid to Tullow on completion of the Transaction (the "Initial Consideration").
- Contingent consideration payable to TOHBV is linked to the success of a series of potential future milestones, as follows:
  - a. \$4 million in the event of a commercial discovery;
  - b. \$10 million payment upon the issuance of a production license from the Government of Guyana; and
  - c. Royalty payments on future production - 1.75% of the 60% Participating Interest entitlement revenue net of capital expenditure and lifting costs.

Following Government approval, on 15 November 2023, the Transaction closed and the Initial Consideration was paid on November 20, 2023. TGBV was renamed Eco Orinduik B.V. ("Eco Orinduik") and as such, the interests of the partners in the Orinduik License are as follows:

- Eco holds an aggregate 75% Participating Interest via Eco Orinduik (60% and operator of the block) and Eco (Atlantic) Guyana Inc. (15%); and
- TOQAP Guyana B.V holds a Participating Interest of 25% as of the date of these consolidated financial statements.

**Eco (Atlantic) Oil & Gas Ltd.**  
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**7. Petroleum and Natural Gas Licenses (continued)**

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**b) South Africa**

The Company holds two offshore petroleum licenses in South Africa being petroleum exploration license number 2B (the "2B Block"), petroleum exploration license number 3B/4B (the "3B/4B Block"), (together the "South African Licenses").

**i) Block 2B**

Block 2B was acquired in the year ended March 31, 2022, was fully impaired in the year ended March 31, 2024 and is currently in the process of being relinquished to the South African government.

**ii) Block 3B/4B**

Block 3B/4B, located between 120-250kms offshore western South Africa, covers an area of 17,581km<sup>2</sup> and lies in water depths ranging from 300-2500m.

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

The consideration for the farm-out is up to \$10.5 million in cash, payable conditional on certain milestones as set out below:

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

On closing of the Agreement, which is subject, amongst other things, to Section 11 approval for the transfer from the government of South Africa, TSXV approval and customary pre-emption provisions, the Block 3B/4B interests of the JV partners in Block 3B/4B will be as follows:

- Africa Oil SA CorpA holding a 26.25% Participating Interest;
- Azinam holding a Participating Interest of 20%; and
- Ricocure (Proprietary) Limited, holding the remaining 53.75% Participating Interest.

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

**Eco (Atlantic) Oil & Gas Ltd.**  
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**7. Petroleum and Natural Gas Licenses (continued)**

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**b) South Africa (continued)**

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

Upon completion of the FOA, Eco will retain a 6.25% interest in Block 3B/4B.

The consideration for the FOA is as follows:

- TotalEnergies and QatarEnergy transaction will deliver, subject to achieving certain milestones, staged cash payments, comprising a total cash payment of \$11.92m of which \$1.92m is payable at completion and the remaining balance in two equal successive payments, conditional upon receipt of customary regulatory approvals and the balance on spudding of a first exploration well.
- Up to a limit of approximately \$13.5 million, Eco's 6.25% share of exploration costs will be covered by the JV partners.

**c) Namibia**

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

**The Cooper License**

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

On February 3, 2021, a new ten (10) year life cycle for the Cooper License received final governmental approval.

**The Sharon License**

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

On February 3, 2021, a new ten (10) year life cycle for the Sharon License received final governmental approval.

**Eco (Atlantic) Oil & Gas Ltd.**  
**Notes to the Consolidated Financial Statements**  
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**7. Petroleum and Natural Gas Licenses (continued)**

**c) Namibia (continued)**

**The Guy License**

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

On February 3, 2021, a new ten (10) year life cycle for the Sharon License received final governmental approval.

**The Tamar License**

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

On February 3, 2021, a new ten (10) year life cycle for the Sharon License received final governmental approval.

**8. Discontinued Operations - Kozani Project**

- a. On January 29, 2022, the Company approved to sell the Kozani project and discontinue the renewable energy operations. As such, all the assets and liabilities relating to the Kozani project have been reclassified to assets and liabilities held for sale and the operations and cash flows have been presented discontinued operations.

On November 25, 2022, the Company completed the sale of its 100% interest in the Kozani project to a third party purchaser for total proceeds of €2.3 million (US\$2.4 million).

- b. The Company’s operating results from discontinued operations included in the consolidated statements of operations and comprehensive loss are summarized as follows:

|                                                                    | Year ended<br>March 31, |             |
|--------------------------------------------------------------------|-------------------------|-------------|
|                                                                    | 2024                    | 2023        |
| <b>Operating expenses:</b>                                         |                         |             |
| Compensation costs                                                 | \$ -                    | \$ 8,922    |
| Professional fees                                                  | -                       | 286,480     |
| Operating costs                                                    | -                       | 744,057     |
| General and administrative costs                                   | -                       | 78,527      |
| Interest expense                                                   | -                       | 3,825       |
| Foreign exchange loss                                              | -                       | 17,392      |
| Pre-tax operating loss from discontinued operations                | -                       | (1,139,203) |
| Gain on sale of operations                                         | -                       | (1,219,407) |
| Gain, net of tax for the year from sale of discontinued operations | -                       | 80,204      |

**Eco (Atlantic) Oil & Gas Ltd.**  
**Notes to the Consolidated Financial Statements**  
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**9. Accounts Payable and Accrued Liabilities**

|                                          | As of March 31      |                     |
|------------------------------------------|---------------------|---------------------|
|                                          | 2024                | 2023                |
| Accounts payable and accrued liabilities | \$ 1,044,617        | \$ 4,267,209        |
| Related parties (a)                      | 118,929             | 149,580             |
|                                          | <b>\$ 1,163,546</b> | <b>\$ 4,416,789</b> |

(a) The following are the expenses incurred with related parties for the years ended March 31, 2024 and 2023 and the balances owing as of March 31, 2024 and 2023:

March 31, 2024:

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

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

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

March 31, 2023:

|                                                         | Directors<br>Fees | Consulting<br>Fees  | Stock<br>based<br>awards | Option<br>based<br>awards | Total               | Amounts<br>owing at March<br>31, 2023 |
|---------------------------------------------------------|-------------------|---------------------|--------------------------|---------------------------|---------------------|---------------------------------------|
| <b>Executive Directors</b>                              |                   |                     |                          |                           |                     |                                       |
| Gil Holzman - CEO                                       | \$ -              | \$ 474,696          | \$ 273,000               | \$ 392,925                | \$ 1,140,621        | \$ 29,956                             |
| Colin Kinley - COO                                      | -                 | 360,000             | 273,000                  | 392,925                   | 1,025,925           | -                                     |
| Alan Friedman - Executive Vice President                | -                 | 38,807              | -                        | 52,390                    | 91,197              | 3,234                                 |
| Gadi Levin - Financial Director                         | -                 | 120,734             | 68,250                   | 104,780                   | 293,764             | -                                     |
| <b>Non Executive Directors</b>                          |                   |                     |                          |                           |                     |                                       |
| Moshe Peterburg (*)                                     | 96,000            | -                   | 97,500                   | 261,950                   | 455,450             | 24,000                                |
| Keith Hill                                              | 22,752            | -                   | 97,500                   | 196,463                   | 316,715             | 7,650                                 |
| Peter Nicol                                             | 33,224            | -                   | -                        | 104,780                   | 138,004             | 6,800                                 |
| Helmut Angula                                           | 19,019            | -                   | -                        | 52,390                    | 71,409              | 4,710                                 |
| <b>Officers</b>                                         |                   |                     |                          |                           |                     |                                       |
| Alan Rootenberg - CFO                                   | -                 | 21,308              | -                        | -                         | 21,308              | 1,776                                 |
| Kinley Exploration LLC, a company controlled by the COO | -                 | 607,674             | -                        | -                         | 607,674             | 71,454                                |
| <b>Total</b>                                            | <b>\$ 170,995</b> | <b>\$ 1,623,219</b> | <b>\$ 809,250</b>        | <b>\$ 1,558,603</b>       | <b>\$ 4,162,067</b> | <b>\$ 149,580</b>                     |

(\*) Mr. Peterburg resigned from the board of directors effective November 28, 2022.

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**10. Share Capital**

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**Authorized Share Capital**

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

**Issued Share Capital**

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

- (i) On July 17, 2023, the Company issued 1,200,000 common shares to settle a \$500,000 debt. The fair value of the 1,200,000 common shares at the date of issue was \$200,640 resulting in a gain on the settlement of liability in the amount of \$299,360.
- (ii) On August 2, 2023, the Company issued 1,625,000 common shares as required under the terms of the acquisition. The fair value of the 1,625,000 common shares at the date of issue was \$316,875 (note 7).

b) Share transactions during the year ended March 31, 2023:

- i) On April 5, 2022, the Company completed a private placement for gross proceeds of approximately \$25.3 million and issued 64,885,496 common shares at a price of £0.30 (\$0.39) per common share. In connection with the financing, the Company incurred issuance costs of \$1,396,694.
- ii) Between April and May 2022, the Company issued 40,170,474 common shares previously recognized as shares to be issued.
- iii) On May 31, 2022, 350,000 RSUs were exercised into 350,000 common shares.
- iv) On June 7, 2022, 475,000 RSUs were exercised into 475,000 common shares.
- v) On June 30, 2022, the Company completed a private placement financing of 33,406,531 units ("June 2022 Units") at a price of £0.30 (\$0.37) per June 2022 Unit, for gross proceeds of \$12.3 million. Each June 2022 Unit consists of one common share and one share purchase warrant ("June 2022 Warrants"). Each June 2022 Warrant is exercisable at \$0.40625 for a period of three years.

The total fair value of the June 2022 Warrants is \$6,972,272 and was determined using the Black-Scholes option pricing model with the following assumptions: share price - \$0.35; exercise price - \$0.41; expected life - three years; annualized volatility - 98.38%; dividend yield - 0%; risk free rate - 3.12%.

In connection with the private placement the Company incurred cash issuance costs (including finders fees) of \$528,020. In addition, 180,000 common shares were issued to certain advisers in lieu of cash fees, on July 1, 2022 ("Finder's Shares"). The total fair value of the Finder's Shares was \$74,412 and were based on the closing price of the Company's common shares on the date of the issuance.

On July 11, 2022, the Company cancelled 841,824 common shares in connection with the transaction with the former shareholders of Pan Africa Oil Ltd ("PAO") who were required to surrender for cancellation the certificates representing their shares in PAO (the "Certificates") in order to obtain common shares. Former Shareholders of PAO had until January 28, 2021 to surrender their Certificates, failing which their common shares would be cancelled.

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**10. Share Capital (continued)**

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**Issued Share Capital (continued)**

b) Share transactions during the year ended March 31, 2023 (continued):

- vi) On December 19, 2022 and February 28, 2023, the Company issued 22,726,666 common shares in respect of the Farm-In to license Block 3b/4b.
- vii) On December 28, 2022, 600,000 RSUs were exercised into 600,000 common shares.

**11. Restricted Share Units**

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- a) On December 11, 2013, the Company approved the RSU Plan, which was amended December 29, 2017. The RSU Plan is designed to provide certain directors, officers, employees, and consultants of the Company with the opportunity to acquire RSUs of the Company. Each unit is equivalent in value to a common share and that upon vesting results in the holder thereof being issued, at the discretion of the Board of Directors, one common share.
- b) On May 16, 2022, the Company granted 2,850,000 RSUs to directors, officers and advisers of the Company, which fully vested before March 31, 2024. The fair value of the RSUs was \$1,121,545, based on the closing price of the Company's common shares on the date of issuance. The Company charged \$1,121,545 to share-based compensation being the fair value of the 2,850,000 RSUs that vested during the year ended March 31, 2023.
- c) As at March 31, 2024, there are 1,768,000 RSU issued and vested. 4,154,933 RSUs are available for further issuance by the Company.

**12. Warrants**

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A summary of warrants activity for the years ended March 31, 2024 and 2023 is as follows:

|                                | Number of<br>Warrants | Weighted<br>Average<br>Exercise<br>Price<br>(\$) |
|--------------------------------|-----------------------|--------------------------------------------------|
| <b>Balance, March 31, 2022</b> | <b>14,945,913</b>     | <b>0.35</b>                                      |
| Issued (note 10b(ii))          | 40,000,000            | 0.92                                             |
| Issued (note 10b(v))           | 33,406,531            | 0.41                                             |
| <b>Balance, March 31, 2023</b> | <b>88,352,444</b>     | <b>0.63</b>                                      |
| Expired                        | (14,945,913)          | 0.35                                             |
| <b>Balance, March 31, 2024</b> | <b>73,406,531</b>     | <b>0.69</b>                                      |

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**12. Warrants (continued)**

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- a) On July 19, 2021, the Company issued 14,945,913 warrants in connection with the private placement financing. The warrants have an exercise price denominated in a different currency (Canadian dollars) than the functional currency of the Company. At the time of the grant, these warrants were recorded at their fair value as a derivative liability and are revalued at the end of each reporting period. During the year ended March 31, 2024, the Company recorded a gain on the revaluation of the total warrant liability of \$261,720 (2023 - \$2,980,042) in the consolidated statements of operations and comprehensive loss.

The Black-Scholes option pricing model was used to measure the derivative warrant liability with the following assumptions:

|                                 | <b>Issuance<br/>date</b> | <b>Reporting period</b> |
|---------------------------------|--------------------------|-------------------------|
|                                 | <b>July 19, 2021</b>     | <b>March 31, 2023</b>   |
| Share price                     | CAD\$0.45                | CAD\$0.35               |
| Exercise price                  | CAD\$0.47                | CAD\$0.47               |
| Expected life                   | 2 years                  | 0.29 years              |
| Risk-free interest rate         | 0.48%                    | 3.8%                    |
| Dividend yield                  | 0.00%                    | 0.00%                   |
| Foreign exchange rate (CAD/USD) | 1.2477                   | 1.3533                  |
| Expected volatility             | 106%                     | 76.46%                  |
| Fair value of warrants          | \$2,978,626              | \$261,720               |

- b) As at March 31, 2024, outstanding warrants were as follows:

| <b>Number of<br/>warrants</b> | <b>Exercise Price</b> | <b>Exercise<br/>Price (USD)</b> | <b>Expiry Date</b> |
|-------------------------------|-----------------------|---------------------------------|--------------------|
| 20,000,000 (*) (**)           | C\$1.                 | \$0.74                          | 11/05/2024         |
| 20,000,000 (*)                | C\$1.5                | \$1.11                          | 11/05/2025         |
| 33,406,531                    | \$0.41                | \$0.41                          | 30/06/2025         |
| <b>73,406,531</b>             |                       |                                 |                    |

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

(\*\*) Expired subsequent to year end.

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**13. Stock Options**

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

A summary of the status of the Plan as at March 31, 2024 and changes during the year is as follows:

|                                | <b>Number of Stock<br/>options</b> | <b>Weighted<br/>average<br/>exercise price<br/>(US\$)</b> | <b>Remaining<br/>contractual<br/>life - years</b> |
|--------------------------------|------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| <b>Balance, March 31, 2022</b> | <b>2,070,000</b>                   | <b>\$ 0.760</b>                                           | <b>1.34</b>                                       |
| Granted (note (a))             | 7,050,000                          | 0.370                                                     | -                                                 |
| Expired                        | (1,070,000)                        | 0.365                                                     | -                                                 |
| <b>Balance, March 31, 2023</b> | <b>8,050,000</b>                   | <b>\$ 0.456</b>                                           | <b>3.75</b>                                       |
| Expired                        | (2,000,000)                        | 0.666                                                     | -                                                 |
| <b>Balance, March 31, 2024</b> | <b>6,050,000</b>                   | <b>\$ 0.387</b>                                           | <b>3.05</b>                                       |

- a) On May 16, 2022, the Company granted 7,050,000 stock options to directors, officers, and advisers of the Company (the “Options”). 5,950,000 of the Options were issued to directors of the Company. The Options are exercisable at CAD\$0.50 per common share (\$0.39). 50% of the Options vest after six months and the remaining 50% after one year. The Options are exercisable for a period of five years from the date of grant.

The total fair value of the Options is \$1,958,261, was determined using the Black-Scholes option pricing model with the following assumptions: share price - \$0.40; exercise price - \$0.39; expected life - five years; annualized volatility - 86.57%; dividend yield - 0%; risk free rate - 2.58%.

- b) Stock-based compensation expense is recognized over the vesting period of options. During the year ended March 31, 2024, stock-based compensation in respect of stock option grants amounted to \$95,695 (year ended March 31, 2023 – \$1,846,750).
- c) As at March 31, 2024, outstanding options were as follows:

| <b>Number of<br/>Options<br/>Outstanding</b> | <b>Number of<br/>Options<br/>Exercisable</b> | <b>Exercise<br/>Price</b> | <b>Exercise<br/>Price<br/>(US\$)</b> | <b>Expiry Date</b> |
|----------------------------------------------|----------------------------------------------|---------------------------|--------------------------------------|--------------------|
| 200,000                                      | 200,000                                      | C\$1.20                   | \$0.89                               | January 10, 2025   |
| 5,850,000                                    | 5,850,000                                    | C\$0.50                   | \$0.37                               | May 16, 2027       |
| <b>6,050,000</b>                             | <b>6,050,000</b>                             |                           |                                      |                    |

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**14. Income Taxes**

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rate is as follows:

|                                                                     | March 31, 2024      | March 31, 2023      |
|---------------------------------------------------------------------|---------------------|---------------------|
|                                                                     | \$                  | \$                  |
| Net loss from continuing operations before recovery of income taxes | <b>(21,674,593)</b> | <b>(36,554,754)</b> |
| Expected income tax recovery                                        | (5,743,800)         | (9,724,130)         |
| Differences in subsidiary tax rates changes and other adjustments   | 335,000             | 1,906,930           |
| Stock based compensation and other non-deductible expenses          | 16,700              | 1,233,620           |
| Share issuance costs booked to equity                               | -                   | (510,050)           |
| Fair value adjustment in JHI                                        | 1,141,000           |                     |
| Change in tax benefits not recognized                               | 3,714,406           | 7,093,630           |
| Income tax recovery                                                 | <b>(536,694)</b>    | -                   |

**Deferred Tax**

The following table summarizes the components of deferred tax:

|                                   | March 31, 2024 | March 31, 2023 |
|-----------------------------------|----------------|----------------|
|                                   | \$             | \$             |
| <b>Deferred Tax Assets</b>        |                |                |
| Operating tax losses              | -              | 720,000        |
| <b>Deferred Tax Liabilities</b>   |                |                |
| Warrant liability                 | -              | (720,000)      |
| <b>Net deferred tax liability</b> | -              | -              |

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

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**14. Income Taxes (continued)**

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**Unrecognized Deferred Tax Assets**

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

|                                               | <b>March 31, 2024</b> | <b>March 31, 2023</b> |
|-----------------------------------------------|-----------------------|-----------------------|
|                                               | <b>\$</b>             | <b>\$</b>             |
| <b>Deferred Tax Assets</b>                    |                       |                       |
| Operating tax losses carried forward - Canada | <b>21,244,170</b>     | 15,981,690            |
| Tax attributes – Foreign countries            | <b>13,459,500</b>     | 13,459,500            |
| Property plant and equipment                  | <b>33,040</b>         | 33,040                |
| Investment in associates                      | <b>10,432,000</b>     | 1,819,630             |
| Share issue costs                             | <b>1,164,380</b>      | 1,755,080             |
| Capital losses carried forward - Canada       | <b>576,670</b>        | 576,670               |
| Resource pools                                | <b>59,130</b>         | 59,130                |

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

|      |                   |
|------|-------------------|
| 2031 | 72,650            |
| 2032 | 635,160           |
| 2033 | 1,105,740         |
| 2034 | 951,000           |
| 2037 | 1,315,080         |
| 2038 | 1,718,920         |
| 2039 | 2,017,050         |
| 2040 | 2,415,940         |
| 2041 | 2,348,560         |
| 2042 | 2,489,560         |
| 2043 | 3,678,600         |
| 2044 | 2,495,910         |
|      | <b>21,244,170</b> |

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**15. Asset Retirement Obligations (“ARO”)**

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

Prior to April 1, 2022, two wells were drilled, plugged, and abandoned by the operator in accordance with international standards and the Government of the Co-operative Republic of Guyana, so there is no further liability after the drilling program was completed.

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

During the year ended March 31, 2024, no additional wells were drilled.

**16. Capital and Risk Management**

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**Capital Management**

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

The Company is an exploration stage entity; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company’s approach to capital management during the year ended March 31, 2024. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

**Risk Management**

*a) Credit risk*

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

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**16. Capital and Risk Management (continued)**

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**Risk Management (continued)**

*b) Interest rate risk*

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

*c) Liquidity risk*

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

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

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As of March 31, 2024, the Company has working capital balance of \$1,849,701 (March 31, 2023 – working capital of \$1,188,302). All of the Company's financial liabilities are due within one year.

The Company utilizes authorization for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources. Accounts payable and accrued liabilities at March 31, 2024 all have contractual maturities of less than 90 days and are subject to normal trade terms.

*d) Foreign currency risk*

The Company is not materially exposed to foreign exchange risk because the Company transacts primarily in US Dollars, which is the Company's functional currency. At March 31, 2024, approximately 23% (2023 – 57%) of the Company's cash is denominated in other currencies.

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

**17. Commitments**

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**Licenses**

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

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

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**18. Operating Costs**

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Operating costs consist of the following:

|                                                                                     | Year ended<br>March 31, |                      |
|-------------------------------------------------------------------------------------|-------------------------|----------------------|
|                                                                                     | 2024                    | 2023                 |
| Drilling costs, data acquisition and interpretation and technical consulting, gross | \$ 2,024,877            | \$ 51,273,002        |
| Exploration license fees                                                            | 410,422                 | 653,618              |
| Travel                                                                              | 272,404                 | 265,258              |
| Social corporate responsibility                                                     | 142,271                 | 123,740              |
| Recoveries from exploration partners                                                | (187,627)               | (19,276,354)         |
|                                                                                     | <u>\$ 2,662,347</u>     | <u>\$ 33,039,264</u> |

**19. General and Administrative Costs**

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General and administrative costs consist of the following:

|                               | Year ended<br>March 31, |                   |
|-------------------------------|-------------------------|-------------------|
|                               | 2024                    | 2023              |
| Occupancy and office expenses | \$ 20,271               | \$ 23,242         |
| Travel expenses               | 128,948                 | 136,631           |
| Public company costs          | 429,266                 | 520,630           |
| Insurance                     | 66,837                  | 141,521           |
| Financial services            | 13,121                  | 26,869            |
|                               | <u>\$ 658,443</u>       | <u>\$ 848,893</u> |

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**20. Segment Information**

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

- i) Is engaged in business activities from which it may earn revenues and incur expenses;
- ii) Whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about allocated resources to the segment and assess its performance; and
- iii) For which separate financial information is available.

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

As at March 31, 2024, the Company has one operating segment, oil and gas exploration. The corporate office does not represent an operating segment and is included for informational purposes only. Corporate office expenses consist of public company costs, office, and administrative costs, as well as salaries, share-based compensation and other expenses pertaining to corporate activities.

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

| <b>March 31, 2024</b>              | <b>Guyana</b>       | <b>Namibia</b>       | <b>South Africa</b>  | <b>Total</b>         |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|
| Investment in associate *          | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| Petroleum and natural gas licenses | 781,649             | 15,515,625           | 11,871,165           | 28,168,439           |
|                                    | <u>\$ 781,649</u>   | <u>\$ 15,515,625</u> | <u>\$ 11,871,165</u> | <u>\$ 28,168,439</u> |
| <b>March 31, 2023</b>              | <b>Guyana</b>       | <b>Namibia</b>       | <b>South Africa</b>  | <b>Total</b>         |
| Investment in associate *          | \$ 8,612,267        | \$ -                 | \$ -                 | \$ 8,612,267         |
| Petroleum and natural gas licenses | -                   | 15,515,625           | 25,336,395           | 40,852,020           |
|                                    | <u>\$ 8,612,267</u> | <u>\$ 15,515,625</u> | <u>\$ 25,336,395</u> | <u>\$ 49,464,287</u> |

(\*) The investment is in shares held in a Canadian domiciled company.

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**21. Events After the Reporting Period**

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- a) On June 5, 2024, the Company announced the farm-in into Block 1 Offshore South Africa Orange Basin. Through Azinam South Africa, the Company will farm-in and acquire a 75% WI from Tosaco Energy (Proprietary) Limited ("Tosaco") and will become operator of a new exploration right (the "Farm-In").
- Terms of the 75% WI Farm-In are as follows: \$150k payable upon signing, \$225k payable upon issuance of Section 11 (Government title transfer) and \$375k payable upon a TSX-V/AIM compliant Resource Report to be commissioned by Eco. The Company will carry the remaining 25% WI through the budget and work program for the first three years up to an agreed sum of \$2.3 million of a total work program.
- b) On June 5, 2024, the Company confirmed that it is relinquishing its 50% WI operated offshore Block 2B in South Africa. The Company has completed all necessary documentation, and environmental audits, and has informed the PASA. Eco's Board of directors considers Block 2B a non-core asset in the portfolio given the Company's interests in Republic of Namibia, Block 3B/4B and Block 1 in South Africa and in Guyana. Following acceptance by the PASA of this relinquishment, the Company will have no further liability in respect of Block 2B.
- c) On July 29, 2024, the Company announced the signing of an agreement to sell a 1% interest in Block 3B/4B South Africa in exchange for cancellation of all of Africa Oil's shares and warrants in Eco (currently 54,941,744 Common Shares and 4,864,865 Warrants). Subject to various approvals, on closing, Africa Oil would no longer be a shareholder in the Company and will no longer have the right to appoint a director to Eco's Board of Directors.