

**JOURNEY ENERGY INC.****Condensed Consolidated Interim Statement of Financial Position (unaudited)***(in thousands of Canadian dollars)*

	Note	March 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		6,902	8,213
Accounts receivable		20,838	25,458
Prepaid expenses and deposits		7,055	3,232
Other receivable		619	619
Total current assets		35,414	37,522
Property, plant and equipment	2	467,961	464,621
Exploration and evaluation assets	3	4,661	4,758
Deferred tax asset		76,071	78,476
Total assets		584,107	585,377
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities		36,994	41,177
Term-debt	4	8,190	18,248
Other loans	5	108	108
Lease obligations	8	719	695
Financial derivative liabilities	14	1,950	-
Decommissioning liabilities	7	7,231	6,026
Total current liabilities		55,192	66,254
Term-debt	4	3,332	-
Lease obligations	8	316	499
Other loans	5	309	309
Convertible debentures	6	34,927	34,782
Decommissioning liabilities	7	155,209	157,000
Total liabilities		249,285	258,844
<b>EQUITY</b>			
Share capital	9	367,989	367,989
Equity component of convertible debentures	6	1,736	1,736
Contributed Surplus		115,793	115,232
Deficit		(150,696)	(158,424)
Total equity		334,822	326,533
Total liabilities and equity		584,107	585,377
Commitments	16		
Subsequent events	19		
<i>See accompanying notes.</i>			

**APPROVED BY THE BOARD*****"Signed"* Steve Smith, Director*****"Signed"* Alex G. Verge, Director**

**JOURNEY ENERGY INC.****Condensed Consolidated Interim Statement of Comprehensive Income****For the three months ended March 31, 2025 and 2024***(unaudited) (in thousands of Canadian dollars, except per share data)*

		Three months ended	
	Note	2025	March 31, 2024
<b>REVENUE</b>			
Petroleum and natural gas sales	15(c)	<b>52,032</b>	52,098
Processing and other income		<b>1,575</b>	1,985
Royalties		<b>(9,148)</b>	(10,164)
Unrealized loss on financial derivatives	14	<b>(1,950)</b>	-
Net revenue		<b>42,509</b>	43,919
<b>EXPENSES</b>			
Operating		<b>20,008</b>	21,487
Depletion and depreciation	2	<b>10,547</b>	9,795
Finance	11	<b>3,017</b>	3,191
General and administrative		<b>2,344</b>	2,072
Transportation		<b>1,038</b>	1,074
Share based compensation	10	<b>561</b>	871
Exploration and evaluation	3	<b>17</b>	351
Exploration and evaluation asset impairment	3	<b>-</b>	79
Transaction costs		<b>81</b>	189
Gain on disposition	2	<b>(5,237)</b>	-
Total expenses		<b>32,376</b>	39,109
<b>NET INCOME BEFORE TAXES</b>		<b>10,133</b>	4,810
Deferred income tax expense	12	<b>2,405</b>	1,562
<b>NET INCOME AND COMPREHENSIVE INCOME</b>		<b>7,728</b>	3,248
<b>NET INCOME PER SHARE</b>			
Basic	13	<b>0.12</b>	0.05
Diluted		<b>0.12</b>	0.05

*See accompanying notes.*

**JOURNEY ENERGY INC.****Condensed Consolidated Interim Statement of Changes in Equity** *(unaudited)**(in thousands of Canadian dollars)*

	Note	Share Capital	Convertible Debentures – Equity Portion	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2025		367,989	1,736	115,232	-	(158,424)	326,533
Net income and comprehensive income		-	-	-	-	7,728	7,728
Share based compensation, net of deferred tax	10	-	-	561	-	-	561
<b>Balance, March 31, 2025</b>		<b>367,989</b>	<b>1,736</b>	<b>115,793</b>	<b>-</b>	<b>(150,696)</b>	<b>334,822</b>

	Note	Share Capital	Convertible Debentures – Equity Portion	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2024		367,758	-	109,151	3,073	(163,568)	316,414
Net income and Comprehensive income		-	-	-	-	3,248	3,248
Convertible debentures issued, net of deferred tax		-	1,736	-	-	-	1,736
Share based compensation, net of deferred tax	10	-	-	833	-	-	833
<b>Balance, March 31, 2024</b>		<b>367,758</b>	<b>1,736</b>	<b>109,984</b>	<b>3,073</b>	<b>(160,320)</b>	<b>322,231</b>

**JOURNEY ENERGY INC.****Condensed Consolidated Interim Statement of Cash Flows** *(unaudited)***For the three months ended March 31, 2025 and 2024***(in thousands of Canadian dollars)*

		Three months ended	
	Note	2025	2024
<b>CASH FLOWS PROVIDED BY THE FOLLOWING ACTIVITIES:</b>			
<b>OPERATING</b>			
Net income and comprehensive income		<b>7,728</b>	3,248
Adjustments for items not affecting cash:			
Deferred income tax expense	12	<b>2,405</b>	1,562
Share based compensation	10	<b>561</b>	871
Depletion and depreciation	2	<b>10,547</b>	9,795
Unrealized loss on financial derivatives	14	<b>1,950</b>	-
Gain on disposition	2	<b>(5,237)</b>	-
Non-cash finance charges	11	<b>1,567</b>	1,625
Exploration and evaluation	3	<b>17</b>	351
Exploration and evaluation asset impairment	3	-	79
Decommissioning costs	7	<b>(902)</b>	(172)
Changes in non-cash working capital	15(a)	<b>(4,974)</b>	(9,365)
Cash flow (used in) provided by operating activities		<b>13,662</b>	7,994
<b>FINANCING</b>			
Repayment of other loans		-	(16,990)
Repayment of term-debt	4	<b>(18,248)</b>	(12,700)
Advance of term-debt, net of issue costs	4	<b>11,474</b>	-
Convertible debentures issued, net of issue costs	6	-	36,597
Lease payments	8	<b>(191)</b>	(124)
Cash flow (used in) provided by financing activities		<b>(6,965)</b>	6,783
<b>INVESTING</b>			
Additions to property, plant and equipment	2	<b>(12,737)</b>	(13,933)
Additions to exploration and evaluation assets	3	<b>(68)</b>	(182)
Disposition of property, plant and equipment and exploration and evaluation assets	2	<b>3,363</b>	-
Acquisition of property, plant and equipment and exploration and evaluation assets		<b>(132)</b>	(172)
Changes in non-cash working capital	15(a)	<b>1,566</b>	2,702
Cash flow (used in) provided by investing activities		<b>(8,008)</b>	(11,585)
<b>CHANGE IN CASH</b>		<b>(1,311)</b>	3,192
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>		<b>8,213</b>	17,715
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>		<b>6,902</b>	20,907
Supplementary cash flow information	15(b)		
<i>See accompanying notes.</i>			

**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the three months ended March 31, 2025 and 2024**  
*(thousands, except per share data)*

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Journey Energy Inc. (“Journey” or “the Company”), is a publicly traded company engaged in the exploration, development and production of crude oil and natural gas in the province of Alberta, Canada. Journey also develops and operates power generation properties. Journey’s shares trade on the Toronto Stock Exchange and the OTCQX exchange in the U.S.

These condensed consolidated interim financial statements present the results of operations for the Journey group of entities.

The registered address for Journey is 4300, 888 3rd Street SW Calgary, Alberta, Canada and the corporate head office is located at 700, 517 - 10<sup>th</sup> Avenue SW, Calgary, Alberta, Canada.

**1. BASIS OF PRESENTATION**

**a) Statement of compliance**

These condensed consolidated interim financial statements as at March 31, 2025 (the “Financial Statements”) are unaudited and have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited consolidated annual financial statements for the year ended December 31, 2024 (the “2024 Annual Financial Statements”). These financial statements have been prepared using material accounting policies consistent with those in the 2024 Annual Financial Statements, except as noted below.

The Company’s Board of Directors approved these Financial Statements on May 8, 2025.

**b) Basis of measurement**

Unless otherwise indicated, all references to dollar amounts in these Financial Statements and related notes are in thousands of Canadian dollars (“\$”), which is the functional and presentation currency of the Company and its subsidiaries.

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value as detailed in the accounting policies disclosed in note 14 of these Financial Statements.

**c) Significant estimates and judgements**

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgements, estimates and assumptions made by management in these Financial Statements are consistent with those outlined in note 4 of the 2024 Annual Financial Statements.

## 2. PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
Balance, January 1, 2024	1,508,405	4,918	24,458	4,410	1,542,191
Additions	27,999	-	13,898	11	41,908
Dispositions	(9,198)	(42)	-	-	(9,240)
Changes in decommissioning obligations	(7,119)	-	-	-	(7,119)
Balance, December 31, 2024	1,520,087	4,876	38,356	4,421	1,567,740
Additions	9,384	-	3,353	-	12,737
Dispositions	(7,654)	-	-	-	(7,654)
Changes in decommissioning obligations	3,477	-	-	-	3,477
<b>Balance, March 31, 2025</b>	<b>1,525,294</b>	<b>4,876</b>	<b>41,709</b>	<b>4,421</b>	<b>1,576,300</b>

	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
<b>Accumulated depletion, depreciation and impairment losses</b>					
Balance, January 1, 2024	(1,056,901)	(3,810)	(1,113)	(4,312)	(1,066,136)
Provision for the period	(38,297)	(519)	(352)	(29)	(39,197)
Dispositions	2,191	23	-	-	2,214
Balance, December 31, 2024	(1,093,007)	(4,306)	(1,465)	(4,341)	(1,103,119)
Provision for the period	(10,329)	(124)	(89)	(5)	(10,547)
Dispositions	5,327	-	-	-	5,327
<b>Balance, March 31, 2025</b>	<b>(1,098,009)</b>	<b>(4,430)</b>	<b>(1,554)</b>	<b>(4,346)</b>	<b>(1,108,339)</b>

<b>Carry amounts</b>	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
January 1, 2024	451,504	1,108	23,345	98	476,055
December 31, 2024	427,080	570	36,891	80	464,621
<b>March 31, 2025</b>	<b>427,285</b>	<b>446</b>	<b>40,155</b>	<b>75</b>	<b>467,961</b>

Future development costs for oil and natural gas reserves of \$401,858 (December 31, 2024 - \$401,858) were included in the depletion calculation.

Included in power assets at March 31, 2025 are \$34,649 (December 31, 2024 - \$31,296) of costs related to projects under development that are not currently being depreciated as they have not been placed into operation yet.

During the period ended March 31, 2025 the Company disposed of certain assets in its Countess CGU. The assets disposed had a property, plant & equipment net book value of \$2,327, exploration and evaluation net book value of \$280, with an associated decommissioning liability of \$4,481. Net proceeds on sale, after closing adjustments amount to \$3,363 which resulted in a gain on sale of assets of \$5,237.

At the end of each reporting period, the Company assesses whether there were indicators of impairment. The assessment criteria used include: changes in reserves; changes in forecasted commodity prices from the previous reserve report; interest rates; the health of the oil and gas industry; the status of the general economy; well performance; and near term development plans. At March 31, 2025 it was determined that tests for impairment or an impairment reversal were not required.

### 3. EXPLORATION AND EVALUATION ASSETS

Balance, January 1, 2024	4,847
Additions	564
Acquisitions	263
Lease expiries	(724)
Impairment	(192)
Balance, December 31, 2024	4,758
Additions	68
Acquisitions	132
Dispositions	(280)
Lease expiries	(17)
<b>Balance, March 31, 2025</b>	<b>4,661</b>

### 4. BANK CREDIT FACILITY

Effective March 17, 2025, Journey entered into a credit facility agreement with a Canadian chartered bank for a \$55 million borrowing base credit facility. This credit facility consists of three components.

This first component is a \$15.0 million revolving operating line (the “operating facility”) for general corporate and working capital purposes. The maturity date of the operating facility is March 17, 2027.

The second component is a \$12.4 million term facility (“2 year term facility”). The 2 year term facility was a single drawdown on the closing date of the credit agreement. The funds were fully drawn on closing and used to repay in full all the Company’s previous existing term debt principal balance of \$12.4 million. Mandatory repayments of this 2 year term facility of \$3,000 commence on the last banking day of each fiscal quarter commencing with the fiscal quarter ending September 30, 2025. The maturity date of the 2 year term facility is March 17, 2027.

The third component is a \$27.6 million delayed draw term facility (“delayed draw term facility”). Proceeds from the delayed draw term facility may be drawn to fund the Company’s Duvernay joint venture capital requirements. Journey is permitted a maximum of five drawdowns on this facility. Any amounts repaid or prepaid may not be re-borrowed. The final advance date on the delayed draw term facility is the day of the fifth draw down. Mandatory repayments of the delayed draw term facility of \$3,000 commence on the last banking day of each fiscal quarter commencing with the first full fiscal quarter following the earlier of the final advance date and March 17, 2026. The maturity date of the delayed draw term facility is the earlier of 2 years from the final advance date of the facility and March 17, 2028. As of March 31, 2025, no amounts have been drawn on this facility.

Until the two term facilities repayment dates, mandatory repayments on the term facilities in an amount equal to 75% of excess cash flow for each fiscal quarter commencing with the fiscal quarter ending December 31, 2025.

Interest is payable monthly at a rate determined based on a pricing grid from the lower of the Canadian Prime, U.S. Base, Canadian Overnight Repo Rate Average (“CORRA”), and Secured Overnight Financing Rate (“SOFR”) plus a range of 2% to 7% depending on the component of the facility, the base rate, and the Company’s consolidated net debt to earnings before interest, taxes, depreciation and amortization (“EBITDA”) ratio.

The credit facility may be extended annually and subject to lender approval, with a 364 day term-out period if not renewed. The credit facility is subject to a semi-annual borrowing base review and redetermination in May and November for each year commencing with November 2025.

The credit facility has the following financial covenants:

- i) Consolidated net debt to EBITDA ratio as at the end of each fiscal quarter commencing with the full fiscal quarter following the closing date with no be greater than 2.00:1.00.
- ii) Fixed charge coverage ratio at the end of each fiscal quarter will not be less than 2.00:1.00.

At March 31, 2025 Journey is in compliance with all financial and non-financial covenants under the credit agreement.

A summary of the Company's term-debt credit facilities outstanding at the respective period dates are as follows:

	Operating Facility	2 Year Term Facility	Term- Debt Repaid	Total
Balance January 1, 2025	-	-	18,248	18,248
Advances	802	12,400	-	13,202
Deferred financing costs	(946)	(782)	-	(1,728)
Accretion	18	30	-	48
Repayment	-	-	(18,248)	(18,248)
<b>Balance, March 31, 2025</b>	<b>(126)</b>	<b>11,648</b>	<b>-</b>	<b>11,522</b>
Current debt	(126)	8,316	-	8,190
Non-current debt	-	3,332	-	3,332

## 5. OTHER LOANS

As part of the Canadian federal and provincial government's COVID assistance plans, Journey obtained a partially forgivable, emissions reduction based, interest free loans. The March 31, 2025 amount outstanding was \$417.

The table below summarizes the activity for other loans:

	\$
Balance at January 1, 2024	17,419
Government loan	(2)
Repayments of vendor take back loan	(17,000)
<b>Balance at December 31, 2024 and March 31, 2025</b>	<b>417</b>
Expected to be paid within one year	108
Expected to be paid beyond one year	309

## 6. CONVERTIBLE DEBENTURES

	Number of Convertible Debentures	Liability Component (\$)	Equity Component (\$)
Balance at January 1, 2024	-	-	-
Issuance of convertible debentures	38,000	35,659	2,341
Issue costs	-	(1,317)	(67)
Accretion	-	440	-
Deferred income tax liability	-	-	(538)
Balance at December 31, 2024	38,000	34,782	1,736
Accretion	-	145	-
<b>Balance at March 31, 2025</b>	<b>38,000</b>	<b>34,927</b>	<b>1,736</b>

On March 20, 2024, the Company issued \$38.0 million principal amount of Senior Convertible Unsecured Subordinated Debentures (the "Debentures") at a price of \$1,000 per debenture, on a "bought deal" basis. Due to the conversion feature to common shares, the Debentures have both a liability and an equity component. The liability component was calculated by discounting the future cash flows (interest and principal) at an interest rate of a similar debt instrument but without a conversion option. The value of the equity component was the residual calculation assuming the share option value is equal to the difference between the total issue proceeds and liability component.

The Debentures will mature and be repayable on March 31, 2029. The Debentures bear interest at the rate of 10.25 percent per annum payable semi-annually in arrears on March 31 and September 30 of each year, with the first such payment made on September 30, 2024. At the holder's option, the Debentures may be convertible into Common Shares at any time prior to the close of business on the earlier of the business day immediately preceding (i) the maturity date, or (ii) if called for redemption, the date fixed for redemption by the Corporation, (iii) if called for repurchase in the event of a change of control, the payment date, at a conversion price of \$5.00 per share, subject to adjustment in certain events. This represents a conversion rate of approximately 200 Common Shares for each \$1,000 principal amount of Initial Debentures.

Holder's converting their Initial Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest from the date of the last interest payment date up to the date of conversion. Also, in the event of a change of control of the Corporation, holders of Initial Debentures will be entitled to convert their Initial Debentures at the stipulated conversion price. In addition to the number of Common Shares they would otherwise be entitled to receive on conversion and depending on when and the price at which the acquisition of control occurs at, the holders may be entitled to an additional number of Common Shares according to the make-whole provisions contained in the indenture agreement.

The Debentures are direct, unsecured obligations of the Company, subordinated to all existing and future senior indebtedness of the Company. The Debentures will rank *pari passu* with one another and with such other series of Debentures issued under the Indenture or other Indentures supplemental to this Indenture to the extent subordinated on the same terms.

The Debentures may not be redeemed by the Company prior to March 31, 2027. On or after March 31, 2027 and prior to March 31, 2029, the Initial Debentures are redeemable by the Company, in whole or in part from time to time on not more than 60 days and not less than 30 days prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the redemption date, provided that the current market price at the time of the redemption notice is at least 125 percent of the conversion Price.

## **7. DECOMMISSIONING OBLIGATIONS**

The Company's decommissioning obligations result from the net ownership interests in petroleum and natural gas assets, which includes well sites, pipelines, processing facilities, and oil batteries. The Company estimates the total undiscounted, un-escalated amount of cash flows required to settle its decommissioning obligations at March 31, 2025 to be \$229,530 (December 31, 2024 - \$236,453) the majority of which will be incurred at various times between 2025 and 2059. The present value of the future liability at March 31, 2025 has been calculated using an inflation rate of 1.9% (December 31, 2024 - 1.8%) for the costs and the discounted using the risk free rate of 3.2% (December 31, 2024 - 3.3%).

Changes to decommissioning obligations during the respective periods below were as follows:

	<b>March 31, 2025</b>	December 31, 2024
Balance, beginning of period	<b>163,026</b>	182,837
Obligations acquired	<b>112</b>	376
Obligations disposed	<b>(4,481)</b>	(11,470)
Obligations settled	<b>(902)</b>	(7,175)
Net development activity	<b>116</b>	447
Revisions to estimates	<b>(700)</b>	2,118
Changes in discount rates	<b>3,949</b>	(9,742)
Accretion	<b>1,320</b>	5,635
<b>Balance, end of period</b>	<b>162,440</b>	163,026
Current provision	<b>7,231</b>	6,026
Non-current provision	<b>155,209</b>	157,000

## 8. LEASE OBLIGATIONS

The present value of Journey's lease obligations was as follows at the respective period ends:

	Total
Balance, January 1, 2024	1,708
Dispositions	(21)
Lease payments	(660)
Accretion	167
Balance, December 31, 2024	1,194
Lease payments	(191)
Accretion	32
<b>Balance, March 31, 2025</b>	<b>1,035</b>
Expected to be settled within one year	719
Expected to be settled beyond one year	316

The Company used an interest rate that approximated its incremental cost of borrowing at the inception of each lease to discount the future lease liabilities. The undiscounted lease liability at March 31, 2025 was \$1,091 (December 31, 2024 - \$1,282).

## 9. SHARE CAPITAL

The outstanding common shares of the Company at each respective period end are as follows:

	<b>Common Shares (#)</b>	<b>Share Capital (\$)</b>
Balance, January 1, 2024	61,350	367,758
Warrant exercise	5,000	800
Issued on SPSU's, PPSU's and RSU's vesting	757	(569)
<b>Balance, December 31, 2024 and March 31, 2025</b>	<b>67,107</b>	<b>367,989</b>

On August 21, 2024, Journey announced it received approval from the Toronto Stock Exchange ("TSX") to undertake a proposed normal course issuer bid ("NCIB") to purchase up to 4,666,445 common shares. The NCIB commenced on August 26, 2024 and terminates on August 25, 2025. All common shares purchased under the NCIB will be cancelled, subject to TSX NCIB rules.

## 10. SHARE BASED COMPENSATION

The Company uses a combination of share-based, long-term incentives as part of its compensation plans for employees and directors. These share-based incentives are Restricted Share Units (“RSU’s”); Peer Performance Share Units (“PPSU’s”); and Share Price Performance Share Units (“SPSU’s”).

The following RSU’s, PPSU’s and SPSU’s were outstanding at the end of the respective periods:

	RSU’s	PPSU’s	SPSU’s
Balance at January 1, 2024	1,174	427	427
Granted	738	278	278
Settled	(538)	(113)	(113)
Forfeited	(40)	(17)	(17)
Balance at December 31, 2024	1,334	575	575
Forfeited	(59)	(20)	(20)
<b>Balance at March 31, 2025</b>	<b>1,275</b>	<b>555</b>	<b>555</b>

## 11. FINANCE EXPENSE

Finance expense is comprised of the following:

	Three months ended	
	2025	March 31, 2024
Interest and bank fees	1,450	1,566
Deferred financing fee amortization	-	118
Accretion of decommissioning obligations	1,320	1,373
Accretion of lease obligations	32	46
Accretion of term-debt	70	78
Accretion of convertible debentures	145	10
Total finance expense	3,017	3,191

## 12. DEFERRED INCOME TAX

Differences between the statutory and effective income tax rates for the three month periods ended March 31, 2025 and 2024 are accounted for as follows:

	Three months ended	
	2025	March 31, 2024
Net income before income tax	10,133	4,810
Statutory income tax rate	23.0%	23.0%
Expected income tax expense	2,331	1,106
Increase (decrease) resulting from:		
Share based compensation and other	74	146
Flow through share expense	-	1,615
Deferred income tax expense	2,405	2,867
Flow-through share premium	-	(1,305)
Total income tax expense	2,405	1,562

### 13. PER SHARE AMOUNTS

The following table summarizes the weighted average common shares used in calculating income per share:

	Three months ended March 31,	
	2025	2024
Net income	7,728	3,248
Weighted average shares - basic	67,107	61,350
Weighted average shares - diluted	67,107	66,689
Net income per share – basic	\$ 0.12	\$ 0.05
Net income per share – diluted	\$ 0.12	\$ 0.05

The net income per basic share is calculated by dividing net income by the weighted average number of common shares outstanding during the respective periods. For the three-month period ended March 31, 2025 the dilutive impact of RSU's, PPSU's, SPSU's and convertible debentures was a nil change to the weighted average common shares. For the three-month period ended March 31, 2024 the dilutive impact of RSU's, PPSU's, SPSU's and warrants was an additional 5,339 to the weighted average common shares. The impact of the issuance of the convertible debentures for the three period ending March 31, 2024, had an anti-dilutive effect and were therefore excluded from the calculation of diluted shares.

### 14. FINANCIAL INSTRUMENTS

#### (a) Risks

##### (i) Commodity price risk

Due to the volatility of commodity prices, the Company is exposed to adverse consequences in the event of declining prices. The Company entered financial derivative petroleum and natural gas contracts in order to partially protect its cash flow on future sales as part of a covenant in the credit facility agreement. These contracts reduce the fluctuation in sales prices by locking in prices with respect to future deliveries of petroleum and natural gas on the contracted volumes.

As at March 31, 2025, the Company had the following financial derivative contracts in place:

Term	Option traded	Daily Volume	Price (USD)	Reference	Fair Value
Apr 1, 2025 to Mar 31, 2026	Crude Oil Put	2,000 bbl	\$ 50	WTI Nymex	(1,792)
Jul 1, 2025 to Dec 31, 2025	Light Oil Differential Swap	1,000 bbl	\$ (13.25)	WCS NGX	(158)
<b>Total financial derivative contract liability</b>					<b>(1,950)</b>

The loss on derivative contracts for the respective periods ended were as follows:

	Three months ended March 31,	
	2025	2024
Unrealized loss on derivative contracts	1,950	-

A 10% change in reference prices would have had a \$0.3 million impact on net income for the period ended March 31, 2025.

(ii) Credit risk

A substantial portion of Journey's accounts receivable is with petroleum marketing entities. Receivables from these marketers are normally collected on the 25<sup>th</sup> day following the calendar month in which production has occurred. Journey has not experienced any material collection issues with its petroleum and natural gas marketers. Journey generally extends unsecured credit to these companies; therefore, the collection of accounts receivable may be affected by changes in economic or other conditions and may accordingly impact Journey's overall credit risk. Management believes the risk is mitigated by the size, reputation and diversified nature of the companies to which it extends credit.

Journey is exposed to losses in the event of non-performance by counterparties to financial risk management contracts. Journey minimizes credit risk associated with possible non-performance of these financial instruments by entering contracts with only investment grade counterparties, limiting exposure to any one counterparty and monitoring procedures around extending credit. Journey is managing this risk within its credit limit guidelines and procedures. While Management believes Journey's credit limit guidelines and procedures are sufficient to address credit risk, they are still subject to the volatility of the general financial credit environment. Journey's credit risk primarily relates to:

	<b>March 31,</b>	December
	<b>2025</b>	31, 2024
Accounts receivable	<b>20,838</b>	25,458
Other receivable	<b>619</b>	619

At March 31, 2025, Journey estimated its provision for uncollectable accounts to be \$1,054 (December 31, 2024 - \$833). Accounts receivable balances outstanding greater than ninety days at March 31, 2025 were \$3,348 (December 31, 2024 – \$2,714).

(iii) Interest rate risk

The Company's convertible debentures bear interest at a fixed rate. The Company's credit facility loans bear interest depending on the Company's Consolidated Net Debt to EBITDA ratio and as well varies depending on the current Canadian Prime, U.S. Base, CORRA, and SOFR rates. A 1% change in the interest rates on the credit facility would have a nominal impact on net income for the period ended March 31, 2025.

(iv) Foreign exchange risk

The Company is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate on sales of commodities that are directly correlated to U.S. dollar benchmark prices. At March 31, 2025, the year to date impact on earnings from a \$0.01 increase or decrease in the Canadian dollar based on outstanding foreign currency derivative contracts outstanding would be have a nominal impact on net income for the period ended March 31, 2025.

(v) Liquidity risk

Journey is exposed to liquidity risk, which is the risk the entity may not be able to generate or obtain sufficient cash resources to meet its commitments as they become due. Journey works to mitigate this risk by management of cash and debt. Journey maintains short-term and long-term cash forecasting based on estimated production levels and estimated pricing in order to proactively enact changes to our capital spending.

The Company has a credit facility with a \$55 million borrowing base (Note 4). The Company continues to make progress in reducing its overall net debt position using its cash generated from operations. Commodity prices and the general economic environment continue to be volatile, increasing the risk that cash flow from operations could decline, which could result in

Journey being unable to fund upcoming debt maturities. Journey is dependent on current commodity pricing to enable it to generate cash flow necessary to fund debt principal repayments and interest as they fall due.

The following table details Journey's financial liabilities as at March 31, 2025:

	<b>Total</b>	<b>&lt; 1 year</b>	<b>1-3 years</b>	<b>4-5 years</b>
Accounts payable and accrued liabilities	36,994	36,994	-	-
Term debt	11,522	8,190	3,332	-
Interest on term debt	1,220	1,116	104	-
Other loans	417	108	309	-
Convertible debentures	34,927	-	-	34,927
Interest on convertible debentures	15,591	3,895	7,801	3,895
Natural gas transportation	4,854	2,035	2,306	513
Leases, including non-lease components	2,289	1,625	664	-
<b>Total financial liabilities</b>	<b>107,814</b>	<b>53,963</b>	<b>14,516</b>	<b>39,335</b>

## 15. SUPPLEMENTAL INFORMATION

### a) *Changes in non-cash working capital*

	Three months ended March 31,	
Sources (uses) of funds	2025	2024
Accounts receivable	4,620	(2,075)
Prepaid expenses and deposits	(3,823)	(911)
Other receivable	-	-
Accounts payable and accrued liabilities	(4,183)	(3,677)
	<b>(3,386)</b>	<b>(6,663)</b>
<u>Related to:</u>		
Operating activities	(4,952)	(9,365)
Investing activities	1,566	2,702
	<b>(3,386)</b>	<b>(6,663)</b>

### b) *Supplementary cash flow information*

	Three months ended March 31,	
	2025	2024
Interest paid	2,350	1,450

### c) *Petroleum and natural gas sales by product type*

	Three months ended March 31,	
	2025	2024
Crude oil	41,068	40,199
Natural gas (i)	5,406	6,753
Natural gas liquids	5,558	5,146
Petroleum and natural gas sales	<b>52,032</b>	<b>52,098</b>

- (i) During 2025, Journey entered into certain fixed-price physical natural gas delivery contracts as part of its commodity price risk management strategy. Revenue recognized from these physical gas contracts is included with the natural gas sales line item. The fixed pricing provided under these contracts results in revenue that may differ from prevailing market prices at the time of delivery.

## 16. COMMITMENTS

The Company has committed to firm-service contracts for transporting natural gas as well as payments under various operating leases. The amounts in the table below are the minimum cash obligations that the Company must pay under the terms of the contracts.

	<b>Total</b>	<1 year	1-3 years	4-5 years
Natural gas transportation	4,854	2,035	2,306	513
Leases, including non-lease components	2,289	1,625	664	-
<b>Total</b>	<b>7,143</b>	<b>3,660</b>	<b>2,970</b>	<b>513</b>

In addition to the commitments listed above, the Company has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Company's consolidated financial statements.

## 17. RELATED PARTY TRANSACTIONS

The Company considers its directors and executives to be key management personnel. As at March 31, 2025 there were twelve (March 31, 2024 – twelve) individuals that were considered key management personnel. Compensation for these individuals for the three month periods ended March 31 was comprised of the following:

	Three months ended March 31,	
	<b>2025</b>	2024
Salaries and fees	<b>513</b>	767
Short-term employee benefits	<b>47</b>	41
Share based payments (i)	<b>378</b>	410
<b>Total</b>	<b>938</b>	1,218

- (i) These amounts represent the amortization of share-based compensation associated with the Company's share-based compensation plans.

The related party transactions above were recorded at the above disclosed exchange amounts. Management believes the amount agreed upon between the parties is reflective of comparable fair market value transactions.

## 18. CAPITAL MANAGEMENT

Management views the capital structure to be comprised of working capital (current assets less current liabilities, but excluding the fair value of other liability, derivative contracts and decommissioning liabilities), share capital, term-debt, convertible debentures and other loans. The Company's key objectives when managing its capital structure are to: 1) meet its financial obligations as they come due; 2) to ensure sufficient financial flexibility to achieve its continuing business objectives including the replacement of production, funding future growth opportunities, expanding its developing power business, and the pursuit of accretive acquisitions; and 3) repay its borrowings at their maturity dates (or renegotiate existing debt agreements upon acceptable

commercial terms). To accomplish this Management strives to optimize its cost of capital while at the same time managing its leverage. To manage its capital structure Journey may issue equity or term-debt, convertible debentures, adjust discretionary capital spending, use its credit facility, or dispose of non-core assets. The Company's primary source of funds is the cash provided from operating activities. As of March 31, 2025 Journey had \$6,902 of cash on hand. Management believes the Company is well positioned to execute on its future strategic growth plans, including funding debt payments as they come due.

Journey's capital structure as at March 31, 2025 and December 31, 2024 was as follows:

	<b>March 31, 2025</b>	December 31, 2024
Principal amount of term debt	<b>13,202</b>	18,248
Principal amount of convertible debentures	<b>38,000</b>	38,000
Accounts payable and accrued liabilities	<b>36,994</b>	41,177
Other loans	<b>417</b>	417
<u>Deduct:</u>		
Cash in bank	<b>(6,902)</b>	(8,213)
Accounts receivable	<b>(20,838)</b>	(25,458)
Prepaid expenses	<b>(7,055)</b>	(3,232)
Other receivable	<b>(619)</b>	(619)
<b>Net debt</b>	<b>53,199</b>	60,320

Journey continually monitors its capital structure and adjusts it throughout the year as a result of general economic conditions, the state of the petroleum industry and global events, all of which may affect commodity prices. Journey prepares an annual capital budget, which is approved by the Board of Directors, and is updated quarterly for acquisition and divestiture activity as needed, changes in commodity prices, and drilling successes. Given the volatile commodity price environment, which is impacted significantly by both domestic and world events outside the control of the Company, the budget is intended to be flexible and is re-evaluated at each regularly scheduled board meeting.

## **19. SUBSEQUENT EVENTS**

On April 14, 2025 Journey entered into a natural gas financial derivative contract. The term of the contract is from May 1, 2025 to March 31, 2027 at a fixed price of \$2.90 CAD per gigajoule (GJ). The contract volumes are 5,000 GJ/day from May 1, 2025 to March 31, 2026, and then increasing to 10,000 GJ/day from April 1, 2026 to March 31, 2027. The commodity reference price will be based on the natural gas NGX AB-NIT INDEX 7A.