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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Journey Energy Inc.

Opinion

We have audited the consolidated financial statements of Journey Energy Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of the impact of estimated proved and probable oil and gas reserves on petroleum and natural gas properties

Description of the matter

We draw attention to note 3, note 4 and note 6 to the financial statements. The Entity uses estimated proved and probable oil and gas reserves to deplete its petroleum and natural gas properties included in property, plant and equipment (PP&E) and to assess for indicators of impairment or impairment reversal on each of the Entity's cash generating units (CGU). The Entity has \$464.6 million of PP&E as at December 31, 2024. The Entity depletes its net carrying value of petroleum and natural gas properties by area using the unit-of-production method based on production for the period divided by the estimated total proved and probable oil and gas reserves volumes (before royalties). Estimates of forecasted future development costs necessary for developing the proved and probable oil and gas reserves are included in each area's depletion base. Depletion expense on petroleum and natural gas properties was \$38.3 million for the year ended December 31, 2024. The Entity did not identify indicators of impairment or impairment reversal at December 31, 2024 in any of its CGUs.

The estimate of proved and probable oil and gas reserves requires the expertise of an independent third party reserve evaluator and includes significant assumptions related to:

- Forecasted oil and gas commodity prices
- Forecasted production volumes
- Forecasted operating costs
- Forecasted royalty costs
- Forecasted future development costs.

The Entity engages an independent third party reserve evaluator to estimate the proved and probable oil and gas reserves.



Why the matter is a key audit matter

We identified the assessment of the impact of estimated proved and probable oil and gas reserves on PP&E as a key audit matter. Significant auditor judgement was required to evaluate the results of our audit procedures regarding the estimate of proved and probable oil and gas reserves.

How the matter was addressed in the audit

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

We assessed the depletion expense calculation for compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We evaluated the Entity's assessment of internal and external indicators of impairment or historic impairment reversal by considering whether quantitative and qualitative information in the analysis was consistent with external market and industry data, the Entity's press releases and the estimate of proved and probable oil and gas reserves.

With respect to the estimate of proved and probable oil and gas reserves:

- We evaluated the competence, capabilities and objectivity of the independent third party reserve evaluator engaged by the Entity
- We compared the forecasted oil and gas commodity prices to those published by other independent third party reserve evaluators
- We compared the 2024 actual production, operating costs, royalty costs and development costs of the Entity to those estimates used in the prior year's estimate of proved oil and gas reserves to assess the Entity's ability to accurately forecast
- We evaluated the appropriateness of forecasted production and forecasted operating costs, royalty costs and future development cost assumptions by comparing to 2024 actual results. We took into account changes in conditions and events affecting the Entity to assess the adjustments or lack of adjustments made by the Entity in arriving at the assumptions.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially



inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's 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 auditor's report is Shane Doig.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

March 12, 2025

MANAGEMENT'S REPORT

To the Shareholders of Journey Energy Inc.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of the accompanying consolidated financial statements and for the consistency therewith of all other financial and operating data presented in this annual report. The consolidated financial statements have been prepared in accordance with the accounting policies detailed in the notes thereto. In management's opinion, the consolidated financial statements are in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board, have been prepared within acceptable limits of materiality, and have utilized supportable, reasonable estimates.

The Consolidated Financial Statements have been prepared by Management in accordance with IFRS Accounting Standards ("IFRS"). The Consolidated Financial Statements and related financial information reflect amounts, which are based upon informed estimates and judgements of Management with appropriate consideration to materiality. When alternative accounting methods exist, management has chosen those methods it deems most appropriate in the circumstances. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management's Assessment of Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. Management has established systems for internal controls, which are designed to provide reasonable assurance the Company's assets are safeguarded from loss or unauthorized use and to produce relevant, reliable and timely accounting records for the preparation of financial information to Management. Internal control systems, no matter how well designed have inherent limitations. Therefore, even those systems that have been determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. The assessment was based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management concluded that the Company's internal controls over financial reporting are effective as of December 31, 2024.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. It exercises its responsibilities primarily through the Audit Committee, which is comprised of independent, non-management directors. The Audit Committee meets at least on a quarterly basis to review and approve the quarterly, auditor reviewed, Consolidated Financial Statements with Management and the Company's auditors, prior to their release. In addition, the Audit Committee meets annually to review the annual audited Consolidated Financial Statements and to recommend their approval to the Board of Directors. The Board of Directors has approved the Consolidated Financial Statements.

The Consolidated Financial Statements have been audited by KPMG LLP, the external auditors, in accordance with auditing standards generally accepted in Canada on behalf of the shareholders. KPMG LLP was appointed by a vote of the shareholders at the Company's last annual meeting. The auditors have full and free access to, and meet periodically and separately with, the Audit Committee, and management to discuss their audit findings.

Alex G. Verge
President and Chief Executive Officer
"Signed"

Gerald N. Gilewicz
Chief Financial Officer
"Signed"

Calgary, Canada
March 12, 2025

JOURNEY ENERGY INC.
Consolidated Statement of Financial Position
(in thousands of Canadian dollars)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
CURRENT			
Cash		8,213	17,715
Accounts receivable		25,458	24,734
Prepaid expenses and deposits		3,232	4,271
Other receivable		619	-
Total current assets		37,522	46,720
Property, plant and equipment	6	464,621	476,055
Exploration and evaluation assets	7	4,758	4,847
Deferred tax asset	18	78,476	82,514
Total assets		585,377	610,136
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		41,177	47,214
Term debt	9	18,248	33,269
Other liability	8	-	1,305
Other loans	10	108	17,042
Lease obligations	13	695	496
Decommissioning liabilities	12	6,026	6,650
Total current liabilities		66,254	105,976
Term debt	9	-	9,970
Lease obligations	13	499	1,212
Other loans	10	309	377
Convertible debentures	11	34,782	-
Decommissioning liabilities	12	157,000	176,187
Total liabilities		258,844	293,722
EQUITY			
Share capital	14	367,989	367,758
Equity component of convertible debentures	11	1,736	-
Contributed surplus		115,232	109,151
Warrants	15	-	3,073
Deficit		(158,424)	(163,568)
Total equity		326,533	316,414
Total liabilities and equity		585,377	610,136
Commitments and contingencies	23		
Subsequent events	25		

The accompanying notes are an integral part of these consolidated Financial Statements.

APPROVED BY THE BOARD

“Signed” Steve Smith, Director

“Signed” Alex G. Verge, Director

JOURNEY ENERGY INC.
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023
(in thousands of Canadian dollars, except per share data)

	Notes	2024	2023
REVENUE			
Petroleum and natural gas sales	21(c)	197,149	225,149
Processing and other income		6,894	8,749
Royalties		(37,435)	(46,980)
Total revenue		166,608	186,918
EXPENSES			
Operating		92,589	98,383
Depletion and depreciation	6	39,197	38,461
Finance	17	13,500	15,540
General and administrative		11,093	8,470
Transportation		4,450	5,121
Share-based compensation	16	3,187	2,650
Exploration and evaluation	7	724	495
Exploration and evaluation asset impairment	7	192	532
Transaction costs		189	24
Loss on debt modification	9	11	708
Gain on disposition	6	(5,704)	(3,421)
Total expenses		159,428	166,963
NET INCOME BEFORE INCOME TAXES		7,180	19,955
Deferred income tax expense	18	2,036	4,136
NET INCOME AND COMPREHENSIVE INCOME		5,144	15,819
NET INCOME PER SHARE			
Basic	19	0.08	0.26
Diluted		0.08	0.24

The accompanying notes are an integral part of these consolidated Financial Statements.

JOURNEY ENERGY INC.
Consolidated Statement of Changes in Equity
(in thousands of Canadian dollars)

	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		-	-	-	-	5,144	5,144
Convertible debentures, net of deferred tax	11	-	1,736	-	-	-	1,736
Warrants exercised	15	800	-	3,073	(3,073)	-	800
Share based compensation, net of deferred tax	16,18	(569)	-	3,008	-	-	2,439
Balance, December 31, 2024		367,989	1,736	115,232	-	(158,424)	326,533

	Note	Share Capital	Convertible Debentures – Equity Portion	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2023		351,485	-	109,505	3,073	(179,387)	284,676
Net income and comprehensive income		-	-	-	-	15,819	15,819
Equity issued, net of deferred tax and issue costs	14	15,418	-	-	-	-	15,418
Share based compensation, net of deferred tax	16,18	-	-	2,442	-	-	2,442
Share based compensation – tax withholding		-	-	(1,941)	-	-	(1,941)
Settlement of RSU's, PPSU's and SPSU's	14	855	-	(855)	-	-	-
Balance, December 31, 2023		367,758	-	109,151	3,073	(163,568)	316,414

The accompanying notes are an integral part of these consolidated Financial Statements.

JOURNEY ENERGY INC.
Consolidated Statement of Cash Flows
For the years ended December 31, 2024 and 2023
(in thousands of Canadian dollars)

	Notes	2024	2023
CASH FLOWS PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:			
OPERATING			
Net income and comprehensive income		5,144	15,819
Adjustments for items not affecting cash:			
Other income	12	-	(167)
Share-based compensation	16	3,187	2,650
Depletion and depreciation	6	39,197	38,461
Loss on debt modification	9	11	708
Gain on disposition	6	(5,704)	(3,421)
Exploration and evaluation asset impairment	7	192	532
Change in fair value of other liability	8	-	45
Non-cash finance charges	17	6,754	6,858
Deferred income tax expense	18	2,036	4,136
Exploration and evaluation	7	724	495
Decommissioning costs	12	(7,175)	(4,695)
Change in non-cash working capital	21(a)	(8,744)	5,222
Cash flow provided by operating activities		35,622	66,643
FINANCING			
Repayment of other loans	10	(17,002)	(26,000)
Repayment of term debt	9	(25,514)	(23,817)
Convertible debentures issued, net of issue costs	11	36,597	-
Settlement of share based compensation tax withholdings		(569)	(1,941)
Exercise of warrants	15	800	-
Lease payments	13	(660)	(399)
Repayment of other liability	8	-	(5,000)
Common shares issued, net of issue costs	14	-	18,868
Cash flow used in financing activities		(6,348)	(38,289)
INVESTING			
Additions to petroleum and natural gas properties	6	(41,908)	(38,281)
Additions to exploration and evaluation assets	7	(564)	(1,644)
Acquisition of producing petroleum and natural gas assets and exploration and evaluation assets	6,7	(263)	(6,468)
Disposition of producing petroleum and natural gas assets and exploration and evaluation assets	6,7	1,556	5,536
Change in non-cash working capital	21(a)	2,403	(1,182)
Cash flow used in investing activities		(38,776)	(42,039)
CHANGE IN CASH		(9,502)	(13,685)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		17,715	31,400
CASH AND CASH EQUIVALENTS, END OF YEAR		8,213	17,715

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(thousands, except per share data)

1. INCORPORATION AND NATURE OF BUSINESS

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 are listed and trade on the Toronto Stock Exchange under the symbol “JOY” and the OTCQX exchanges in the U.S. under the symbol “JRNGF”.

These consolidated annual financial statements (the “Financial Statements”) present the results of operations for the Journey group of companies. Journey is comprised of the following entities: the Company and its wholly owned subsidiaries, Journey Energy Partnership and 1332993 Alberta Ltd.

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

2. BASIS OF PRESENTATION

a) Statement of compliance

These Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”). On January 1, 2024 the Company adopted amendments to IAS 1 with respect to classification of financial liabilities as current versus long term. The adoption of these amendments had no material impact on the financial statements.

The consolidated financial statements of the Company were authorized by the Board of Directors March 12, 2025.

b) Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except as disclosed in the accounting policies in Note 3. The methods used to measure fair values of derivative instruments are discussed in note 20.

c) Functional and presentation currency and share data

The consolidated financial statements are presented in Canadian Dollars, the Company’s functional currency and all amounts are rounded to the nearest thousand (\$’000) except where otherwise indicated. Share data is presented in thousands of shares except for per share data. The consolidated financial statements have, in management’s opinion, been prepared using careful judgment within the framework of the significant judgments, estimates and assumptions summarized in note 4.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted by the Company are set out below.

a) Joint arrangements

Many of Journey’s exploration and production activities are conducted under joint operating agreements, whereby two or more parties jointly control the assets. These consolidated financial statements reflect only Journey’s share of these jointly controlled assets, and once production commences, a proportionate share of relevant revenue and related costs.

b) Revenue recognition

Journey generates revenue primarily from the sale of crude oil, condensate, natural gas, and natural gas liquids (“NGLs”). Revenue is recognized at the point in time when control of the product has been transferred to the customer and performance obligations have been satisfied. This is generally met when the customer obtains legal title to the product and physical delivery at a delivery point has taken place. Revenue is measured based on the consideration specified in the contracts the Company has with its customers. The transaction price under the contracts is based on the commodity price, adjusted for quality, location, or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms.

Journey evaluates its arrangements with third parties and partners to determine if the Company acts as a principal or as an agent. In making this evaluation, management considers if Journey obtains control of the product delivered, which is indicated by Journey having the primary responsibility for the delivery of the product, having the ability to establish prices or having inventory risk. If Journey acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net basis, only reflecting the fee, if any, realized by the Company from the transaction.

Processing fees charged to other entities for use of pipelines and facilities owned by the Company are evaluated by management to determine if these originate from contracts with customers or from incidental or collaborative arrangements. Processing fees charged to other entities under contracts with customers are recognized in revenue when the related services are provided.

c) Transportation

Costs paid by Journey for the transportation of crude oil, condensate, natural gas and NGLs to the point of control transfer are recognized when the transportation is provided.

d) Oil and natural gas exploration, evaluation and development expenditures

i) Pre-exploration expenditures

Expenditures made by the Company during the geological and geophysical evaluation phase and before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Company as incurred.

ii) Exploration and evaluation expenditures (“E&E”)

Costs incurred after obtaining the rights to explore are capitalized as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include, but are not limited to, exploration license expenditures, leasehold acquisition costs, evaluation costs including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centers by property and are not subject to depletion until technical feasibility and commercial viability has been determined. If no reserves are found, the exploration asset is tested for impairment and if necessary, an impairment charge recognized as exploration and evaluation expense in the statement of comprehensive income may be taken. If extractable hydrocarbons are found and likely to be commercially developed, the costs will continue to be carried as an exploration and evaluation asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. The technical feasibility and commercial viability of extracting a hydrocarbon is considered determinable when proven or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven or probable reserves have been discovered and to confirm the continued intent to develop or otherwise extract value from the discovery. Upon determination of proven or probable reserves, exploration and evaluation assets attributable to those reserves are tested for impairment and reclassified from exploration and evaluation assets to oil and natural gas interest within

property, plant and equipment. Expired lease costs are expensed as part of exploration and evaluation expense as they occur.

iii) Development and production costs

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. The cost of development and production assets includes: transfers from exploration and evaluation assets, which generally include the cost to drill development wells, including unsuccessful development or delineation wells, and the cost of associated land upon determination of technical feasibility and commercial viability; installation or completion of infrastructure facilities including the cost to complete and tie-in the wells; facility costs; the cost of recognizing provisions for future restoration and decommissioning; geological and geophysical costs; and directly attributable overheads; are all capitalized within Cash Generating Units ("CGUs") unless impaired. Development and production assets are grouped into CGUs for impairment testing. As at December 31, 2024 the Company has the following CGUs: Power Generation, Pine Creek, Matziwin, Herronton, Skiff, Gilby, Crystal, Cherhill, Medicine Hat, Non-core and Countess.

iv) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statement of comprehensive income as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proven and probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Consolidated Statement of Comprehensive Income as incurred.

v) Depletion and depreciation

The net carrying value of petroleum and natural gas properties is depleted using the unit-of-production method based on production volumes for the period divided by the Company's estimated total proved and probable oil and natural gas reserve volumes (before royalties) for that area. Production and reserves volumes for natural gas are converted at the energy equivalent of six thousand cubic feet of natural gas to one barrel of oil. Estimates of future development costs for developing the proved and probable reserves are included in each area's depletion base.

Power generation assets are depreciated on a straight-line basis over 20 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date by management to determine if any changes in estimate are required.

e) Impairment

i. Financial assets

The Company employs an expected credit loss policy to derive the provision for impairment by risking outstanding accounts receivable to recognize an expected loss amount on the outstanding balance. Provisions for uncollectable amounts are also recorded when there is objective evidence (such as financial difficulty or the probability of default by the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice.

II. Non-financial assets

The carrying amounts of the Corporation's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment or impairment reversal. If any such indication exists, the asset's recoverable amount is estimated. For the purpose of impairment and impairment reversal testing of property, plant and equipment, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Exploration and evaluation assets are allocated to CGUs or groups of CGUs for the purposes of assessing such assets for impairment.

The recoverable amount of an asset or a CGU is the greater of its "value-in-use" and its "fair value less costs of disposition". In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value-in-use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. Fair value less costs of disposition is assessed utilizing market valuation based on an arm's length transaction between active participants. In the absence of any such transactions, fair value less costs of disposition is estimated by discounting the expected after-tax cash flows of the CGUs at an after-tax discount rate that reflects the risk of the properties in the CGUs. The discounted cash flow calculation is then increased by a tax-shield calculation, which is an estimate of the amount that a prospective buyer of the CGU would be entitled. The carrying value of the CGUs is reduced by the deferred tax liability associated with its property, plant and equipment.

Impairment losses and reversals of previous impairments on property, plant and equipment are recognized in the Consolidated Statement of Comprehensive Income as impairment expense (recovery) and are separately disclosed. An impairment of exploration and evaluation assets is recognized as exploration and evaluation expense in the Consolidated Statement of Comprehensive Income.

f) Decommissioning liabilities

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category. A decommissioning liability is recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made as at the Consolidated Statement of Financial Position date by management. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value using a risk-free interest rate. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognized as accretion expense within finance expenses. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent that the provision was recognized.

g) Share based compensation

The Board of Directors and shareholders have approved a policy of reserving up to 10% of the outstanding common shares for all share based compensation plans.

The Company has a stock based award plan comprised of the Restricted Stock Units “RSU’s”, Peer Performance Stock Units “PPSU’s”, and the Share Performance Stock Units “SPSU’s” (collectively the “Award Plan”). Under the Award Plan, the Company may grant employees, directors and consultants RSU’s, PPSU’s and/or SPSU’s, which vest over a maximum of three year years from the date of issuance. PPSU’s and SPSU’s contain a performance multiplier that ranges from zero to two times the initial awards granted. The PPSU multiplier is based on the Company’s performance relative to a defined group of companies that are considered by Journey’s management to be a suitable compensation peer group. For the SPSU’s the share price performance is measured against a reference price stipulated in the SPSU agreement. The incentives granted under the Award Plan, may be settled in cash or in shares at the Company’s sole discretion. As the Corporation has historically settled the awards in shares, the plan is considered and accounted for as “equity-settled”. Share based compensation expense related to RSU’s, PPSU’s and SPSU’s is determined by the fair value method. Fair value is determined by using the market price of Journey shares on the date of issuance. For PPSU’s and SPSU’s the grant date fair value also incorporates the market conditions with the grants. The fair value is then recognized as compensation expense over the vesting period with an equivalent increase to contributed surplus. When the RSU’s, PPSU’s or SPSU’s vest, the appropriate number of common shares are then issued to the service providers and the contributed surplus is transferred to share capital. A forfeiture rate is estimated on the grant date and is subsequently adjusted to reflect the actual number of units that actually vest.

h) Deferred income taxes

Deferred income tax is recognized, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized and the carry forward of unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they will be realized simultaneously.

i) Leases

Leases are recognized as a right-of-use (“ROU”) asset with a corresponding liability at the date of which the leased asset is available for use by the Corporation. Each lease payment is allocated between the lease liability and finance expense. The finance expense is charged to the Statement of Comprehensive Income over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting period. The ROU asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. ROU assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs and restoration costs. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Corporation’s incremental borrowing rate if the implicit rate cannot be determined.

j) Basic and diluted per share calculations

Basic net income per share is calculated by dividing the net income attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted net income per share is determined by adjusting the net income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as warrants and dilutives issued under the Award Plan using the treasury stock method. Under the treasury stock method, only “in-the-money” dilutive instruments impact the diluted calculations in computing diluted per share amounts. Diluted per share amounts also include the impact of convertible debentures using if-converted method. The convertible debentures are assumed to be converted to common shares at the beginning of the period.

k) Financial instruments

All financial instruments, including all derivatives, are recognized on the Consolidated Statement of Financial Position initially at fair value. Subsequent measurement of financial assets and liabilities depends on the classification of the item as discussed below. The Company uses the following classifications for its financial instruments:

Financial asset or liability	Measurement
Cash and cash equivalents	Amortized cost
Accounts receivable and accrued revenues	Amortized cost
Other receivable	Amortized cost
Derivative assets and liabilities	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost
Term debt and other loans	Amortized cost
Liability component of convertible debentures	Amortized cost

Transaction costs attributable to financial instruments recorded at amortized cost are included in the recognized amount of the related financial instrument and recognized over the life of the resulting financial instrument using the effective interest rate method.

The Company uses, from time to time, financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of petroleum and natural gas production, electricity prices and foreign exchange exposures. The Company does not enter into derivative financial instruments for trading or speculative purposes. Journey has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, financial derivatives are classified as fair value through the statement of comprehensive income and are recorded on the Consolidated Statement of Financial Position at fair value.

The Company accounts for any physical sales and purchase contracts as executory contracts and as such are not recorded at fair value on the Consolidated Statement of Financial Position. Settlements on these physical sales contracts are recognized in petroleum and natural gas sales.

Financial instruments measured at fair value on the Consolidated Statement of Financial Position require classification into one of the following levels of the fair value hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs,

including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Inputs for the asset or liability that are not based on observable market data. Journey has no assets or liabilities that use level 3 inputs.

The Company has categorized its financial instruments on the Consolidated Statement of Financial Position according to the fair value hierarchy above (Note 20).

l) Flow through shares

Canadian tax legislation permits entities meeting specified criteria to issue securities to investors whereby the deductions for tax purposes related to eligible expenditures may be claimed by the investors rather than by the entity (herein referred to as “flow-through shares”). The Company uses the residual method to account for flow-through shares. Under this method, the proceeds from the issuance are allocated between i) the proceeds of the offering of shares, and ii) the renunciation of tax deductions. At the time the flow-through shares are issued: i) shareholders’ capital is credited based on the fair value of ordinary common shares, and ii) the tax deductions to be renounced are deferred and presented as a liability in the Consolidated Statement of Financial Position, at an amount equal to the residual difference between the fair value of the Company’s ordinary common shares relative to the amount the investor pays for the flow-through shares. At the time the Company fulfills its obligation to pass on the tax deductions to investors, which is deemed to occur when the eligible expenditures are incurred, the liability (deferred premium) is drawn down in proportion to the eligible expenditures incurred in the period and the premium on flow-through shares is recognized as income in the Consolidated Statement of Net Income and Comprehensive Income. Concurrently, a deferred income tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of the eligible expenditures capitalized as an asset for accounting purposes and a tax base of nil, because the deduction has been renounced to investors.

m) New policies not yet adopted

In May 2024, the IASB announced amendments to IFRS 7 and IFRS 9 which are effective January 1, 2026. This introduces new disclosure requirements, including clarifications on the derecognition of financial liabilities settled via electronic payment systems. Additionally, this will add new disclosures for certain financial instruments with contractual terms that could change the timing and amount of contractual cash flows. Early adoption is permitted. Journey is evaluating the changes as it relates to the financial statements.

In April 2024, the IASB issued IFRS 18 which introduces new presentation and disclosure requirements for financial statements, effective for annual periods beginning January 1, 2027. Key changes include defined categories for income and expenses, enhanced transparency of non-GAAP management-defined performance measures, and improved grouping of information, aimed at improving comparability and transparency for investors. Journey is evaluating the changes as it relates to these disclosures. Early adoption is permitted and the standard is required to be adopted retrospectively.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. Estimates and judgments are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can materially differ from these estimates.

U.S. tariffs on imported goods and materials and energy exports, if enforced for a prolonged period, could materially affect production costs and supply chain expenses. The full impact of tariffs on energy prices, cost increases, exchange rate fluctuations, and supplier price adjustments, if enacted for a prolonged period, are uncertain and subject to future regulatory changes. Adverse changes in North American trade relations with respect to tariffs and energy are beyond Journey's control and could negatively impact the Company due to the integration of these markets.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates, and assumptions which have the most significant effect on the amounts recognized in the financial statements:

I. Petroleum and natural gas reserves

Estimating reserves is very complex, requiring many judgements based on geological, geophysical, engineering and economic data. These estimates may change, having either a positive or a negative impact on net earnings as further information becomes available and as the economic environment changes.

Petroleum and natural gas properties are depreciated on a unit of production basis at a rate calculated by reference to proved and probable oil and gas reserves determined, at least annually by independent third party reserve evaluators, in accordance with National Instrument 51-101 *"Standards of Disclosure for Oil and Gas Activities"* and the COGE Handbook and incorporating the estimated future cost of developing and extracting those reserves. Proved and probable reserves are determined using estimates of oil and natural gas in place, recovery factors and forecasted oil and gas commodity prices. Forecasted future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. There are numerous uncertainties inherent in estimating oil and gas reserves. The key estimates used in the determination of cash flows from petroleum and natural gas reserves and reserve volumes include the following:

- i) Forecasted petroleum and natural gas prices, operating costs, royalty costs, future development costs and/or future production volumes and recovery rates can materially affect the estimated cash flows associated with proven and probable oil and gas reserves. Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available.
- ii) Estimated forward commodity prices are used in the reserve report. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, egress availability, weather and economic and geopolitical factors.

II. Depletion and depreciation

Depletion of oil and gas properties is provided using the unit-of-production method and is based on sales volumes (before royalties) in relation to total estimated proved and probable reserves as determined by internal reserve evaluations for the first three quarters of the year and then at year-end by the Company's independent third party reserve evaluators. Natural gas reserves and sales volumes are converted at an assumed energy equivalent of six thousand cubic feet to one barrel of oil. Calculations for depletion of oil and gas properties including production equipment and facilities are based on total capitalized costs plus estimated future development costs of proved and probable reserves less the estimated net realizable value of production equipment and facilities after the reserves are fully produced. Exploration and evaluation costs are excluded from depletion calculations.

The calculation of the unit-of-production rate of amortization could be impacted to the extent that the actual sales volume in the future is different from current forecast sales volume. This would

generally result from significant changes in any of the factors or assumptions used in estimating reserves.

These factors could include:

- Changes in proved and probable reserves.
- Changes in estimates of future development costs.
- The effect on proved and probable reserves of differences between actual production as compared to forecasts as well as forecasted oil and gas commodity price assumptions.
- Unforeseen operational issues.

III. Recovery of asset carrying values

The recoverable amounts of CGUs and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to dispose. These calculations require the use of estimates and assumptions including information on forecasted oil and gas commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development costs, operating costs and royalty costs. Key assumptions in the determination of cash flows from reserves include reserves estimated by the Company's independent third party reserve evaluators or for interim reporting the Company's internal reserve evaluators. It is possible that any or all of these key assumptions may change which may then impact the estimated values of the oil and gas properties and then require a material adjustment to the carrying value of E&E assets and property, plant and equipment. Significant management judgement is required to analyse internal and external indicators of impairment or historical impairment reversals. The Company monitors internal and external indicators of impairment relating to its tangible and intangible assets.

IV. Cash Generating Unit ("CGU") definition

The determination of CGUs requires judgement in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risk and materiality. The asset composition of a CGU can directly affect the recoverability of the assets included therein.

V. Decommissioning costs

Provisions for decommissioning obligations are recognized when the Company has an obligation to dismantle and remove a facility or abandon a well and restore the site on which it is located. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements using a risk-free rate. An equivalent amount is capitalized as part of the cost of the related asset. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, market conditions, discovery and analysis of site conditions and emergence of new restoration techniques. The expected timing of abandonment and reclamation is also subject to change and impacts inflated future cost estimates and the estimated carrying amount (present value) of decommissioning obligations. On a periodic basis, management reviews these estimates and changes, if any, are applied prospectively. These changes are recognized as an increase or decrease to the liability, with a corresponding increase or decrease to the carrying amount of the related asset.

VI. Income taxes

The Company recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences and unused tax losses will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from proved and probable oil and gas reserves, as determined by the external reserve evaluator and the application of existing tax laws in each jurisdiction in which the Company operates.

VII. Business Combinations

The application of the Company's accounting policy for business combinations requires management to make certain judgments under IFRS 3 Business Combinations ("IFRS 3"), to determine whether the acquired assets meet the definition of a business combination or an asset acquisition. Where an acquisition involves a group of assets and liabilities, and does not constitute a business, the acquirer must identify and recognize the individual assets acquired and liabilities assumed. The cost of the transaction is allocated to the assets acquired and liabilities assumed based on their relative fair values at the date of purchase.

5. CHANGING REGULATIONS

Regulations impacting climate and climate related matters are evolving constantly. In response to environmental, social and governance ("ESG") and climate reporting The Canadian Sustainability Standards Board has issued Canadian Sustainability Disclosure Standards with the goal of developing sustainability standards that are globally consistent, comparable and reliable. The Canadian Securities Administrator continues to assess these standards and how they will apply to Canadian public entities. The impact and cost to comply with proposed standards for the Company has not been quantified.

6. PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
Balance, January 1, 2023	1,490,808	4,717	9,822	4,410	1,509,757
Additions	23,645	201	14,636	-	38,482
Acquisitions	6,376	-	-	-	6,376
Dispositions	(1,452)	-	-	-	(1,452)
Changes in decommissioning obligations	(11,074)	-	-	-	(11,074)
Transfer from exploration and evaluation	102	-	-	-	102
Balance, December 31, 2023	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

	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
Accumulated depletion, depreciation and impairment losses					
Balance, January 1, 2023	(1,019,335)	(3,294)	(767)	(4,279)	(1,027,675)
Provision for the period	(37,566)	(516)	(346)	(33)	(38,461)
Balance, December 31, 2023	(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)

Carry amounts	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
January 1, 2023	471,473	1,423	9,055	131	482,082
December 31, 2023	451,504	1,108	23,345	98	476,055
December 31, 2024	427,080	570	36,891	80	464,621

Future development costs on reserves of \$401,858 (December 31, 2023 - \$239,517) were included in the depletion calculation. During the year ended December 31, 2024, the Company capitalized \$134 (2023 – \$314) in salary, wages and benefits that was directly related to developmental drilling activities.

Included in power assets are \$31,296 (December 31, 2023 - \$17,397) of costs related to projects under development that are not currently being depreciated as they have not been placed into operation yet.

2023 and 2024 Acquisitions and Dispositions

During the years ended December 31, 2023, and December 31, 2024 the Company completed several minor acquisitions and dispositions. The assets disposed in the period ended December 31, 2023 had a net book value of \$741, decommissioning obligations of \$480, and proceeds of \$3,682, resulting in a gain of \$3,421. The assets disposed in the period ended December 31, 2024 had a net book value of \$7,026, decommissioning obligations of \$11,170, and proceeds of \$1,560, resulting in a gain of \$5,704.

Impairment assessment – 2023 and 2024

At December 31, 2023 and December 31, 2024, the Company assessed whether there were indicators of impairment. The assessment factors in the following criteria: changes in reserves including reserves acquired during the year; 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 December 31, 2023 and December 31, 2024 it was determined that a test for impairment or impairment reversal was not required.

7. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the Company’s exploration projects, which are pending the determination of proven or probable reserves. Management determined that the fair value less costs of disposal of certain undeveloped lands had declined below Journey’s carrying values and consequently an impairment of \$192 (2023 - \$532) was realized.

Balance, January 1, 2023	5,383
Additions	1,644
Acquisitions	92
Dispositions	(1,143)
Transfer to property, plant and equipment	(102)
Lease expiries	(495)
Impairment	(532)
Balance, December 31, 2023	4,847
Additions	564
Acquisitions	263
Lease expiries	(724)
Impairment	(192)
Balance, December 31, 2024	4,758

8. BANK DEBT AND OTHER LIABILITY

a) Bank debt

Journey has a demand overdraft facility of \$7,000 at December 31, 2024 (2023 - \$7,000) with a Canadian chartered bank. There was no amount drawn as at December 31, 2024 and 2023. Advances under this facility bear interest at a rate of 2.5 percent above the banks’ prime lending rate. The overdraft is secured by a general security agreement over certain tangible field facilities of the Company.

b) Other liability

Other liabilities are comprised of:

(i) Contingent Liability

As a result of the October 30, 2020 debt restructuring, Journey was contingently liable to pay a maximum of \$5,750 over a three year period starting in 2021, with annual payments dependent on price ranges for mixed, sweet, blended oil prices at the Edmonton, Alberta hub. Payments were capped at a maximum amount of \$750 for 2021; \$2,250 for 2022; and for 2023 the payment was capped at the maximum total obligation remaining of up to \$5,750 less any previous repayments. The debt did not bear interest. As consideration for the banks consenting to the acquisition that closed on October 31, 2022, the remaining balance of \$5,000 was paid on January 31, 2023.

(ii) Flow-through shares

A deferred liability of \$3,739 was recognized for the premium on flow-through shares issued on March 18, 2023 (Note 14). The liability was de-recognized through income tax expense when the Company incurred the qualifying expenditures.

The table below summarizes the change in fair value for the Other Liabilities:

	\$
Fair value at January 1, 2023	4,955
Increase in value for period	45
Repayment	(5,000)
Flow-through share issue (Note 14)	3,739
Flow-through share renunciation	(2,434)
Fair value at December 31, 2023	1,305
Flow-through share renunciation	(1,305)
Fair value at December 31, 2024	-

9. TERM DEBT

A summary of the Company's term debt outstanding as at the respective year ends is as follows:

	December 31, 2024	December 31, 2023
Tranche:		
1 - matures August 29, 2025 (i)(v)	2,990	24,700
2 - matures August 29, 2025 (ii)(iv)(v)	10,900	13,580
3 - matures August 29, 2025 (iii)(iv)(v)	4,358	5,483
Unamortized financing costs	-	(524)
Total carrying value	18,248	43,239
Expected to be paid within one year	18,248	33,269
Expected to be paid beyond one year	-	9,970

- (i) The interest rate on this tranche is 11.5%. Of the remaining principal at December 31, 2024, \$1,000 is due monthly until repaid.
- (ii) The interest rate on this tranche is 12.95%.
- (iii) The interest rate on this tranche is dependent on certain benchmark oil price thresholds. The rate as of December 31, 2024 was 11.0%.
- (iv) As of December 31, 2024, on the last day of each month, the mandatory repayment of the outstanding principal under each of the tranche 2 and 3 loans is required of an aggregate amount

equal to \$1,906, applied pro rata between each such loan, together with all accrued and unpaid interest.

- (v) Subsequent to December 31, 2024, on January 29, 2025 the repayment terms of all tranches of the Company's term debt were amended (Note 25).

The continuity of the remaining three tranches of term debt for the current period is as follows:

	Tranche 1	Tranche 2	Tranche 3	Total
Balance January 1, 2024	24,563	13,193	5,483	43,239
Amortization of deferred finance costs	-	395	-	395
Debt modification	-	57	(46)	11
Accretion	128	(29)	18	117
Repayment	(21,701)	(2,716)	(1,097)	(25,514)
Balance, December 31, 2024	2,990	10,900	4,358	18,248

All tranches of the term debt are secured by a floating charge debenture over all of the Company's assets. There is a financial covenant that requires the Company to maintain its Liability Management Rating greater than 1.50. In addition, there are certain standard non-financial covenants contained in the term debt agreement. Journey is in compliance with all covenants as at December 31, 2024.

10. OTHER LOANS

a) Vendor Take Back ("VTB")

As part of the acquisition of petroleum and natural gas assets that closed October 31, 2022 the vendor issued Journey a loan in the amount of \$45,000. The loan bore interest at 10.0% per annum and was to be paid with the scheduled monthly payments commencing with December 1, 2022. The monthly repayment amount was determined by the monthly oil price of West Texas Intermediate ("WTI") for the relevant month on a per barrel basis. If the monthly WTI price is equal to or in excess of \$100 USD per barrel the monthly repayment is \$4,000 plus accrued interest on principal balance. If the monthly WTI price is equal to or in excess of \$85 USD per barrel but less than \$100 USD per barrel the monthly repayment is \$3,000 plus accrued interest on principal balance. If the monthly WTI price is equal to or in excess of \$70 USD per barrel but less than \$85 USD per barrel the monthly repayment is \$2,000 plus accrued interest on principal balance. If the monthly WTI price is below \$70 USD per barrel the monthly repayment was \$1,000 plus accrued interest on principal balance. The loan was secured by certain oil and natural gas properties acquired from the vendor. On March 21, 2024, the remaining outstanding amount of the VTB loan was repaid in full.

b) Government loan

As part of the Canadian federal and provincial government's COVID assistance plans, Journey received two partially forgivable, emissions reduction based, interest free loans. The December 31, 2024 amount outstanding was \$417.

The table below summarizes the activity for other loans:

	\$
Balance at January 1, 2023	43,419
Repayments of vendor take back loan	(26,000)
Balance at December 31, 2023	17,419
Government loan	(2)
Repayments of vendor take back loan	(17,000)
Balance at December 31, 2024	417
Expected to be paid within one year	108
Expected to be paid beyond one year	309

11. 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, net of tax	-	(1,317)	(67)
Accretion	-	440	-
Deferred income tax liability	-	-	(538)
Balance at December 31, 2024	38,000	34,782	1,736

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.

Holders 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.

12. DECOMMISSIONING LIABILITIES

The Company's decommissioning liabilities result from the net ownership interests of 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 liabilities at December 31, 2024 to be \$236,453 (December 31, 2023 - \$257,644) the majority of which, will be incurred at various times between 2025 and 2059. The present value of the future liability at December 31, 2024 has been calculated using an inflation rate of 1.8% (2023 – 1.6%) for the estimated costs and then discounted using the risk free rate of 3.3% (2023 – 3.0%). As at December 31, 2024, no funds have been specifically set aside to settle these obligations. Management currently expects future expenditures to be funded from cash flows from operations.

Changes to decommissioning liabilities during the years ended December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Balance, beginning of period	182,837	193,698
Obligations acquired	376	200
Revaluation of obligations acquired	-	750
Obligations disposed	(11,470)	(5,154)
Obligations settled	(7,175)	(4,695)
Obligations settled through government grants ¹	-	(167)
New development activity	447	421
Revisions to estimates	2,118	7,277
Changes in discount rates	(9,742)	(15,048)
Accretion	5,635	5,555
Balance, end of period	163,026	182,837
Expected to be settled within one year	6,026	6,650
Expected to be settled beyond one year	157,000	176,187

1. Funding earned through the Alberta Government Site Rehabilitation Program was recognized as "Other Income" in the Consolidated Statement of Comprehensive Income (loss).

13. LEASE OBLIGATIONS

The Company has various lease contracts in place for office buildings, office equipment and field vehicles. The present value of Journey's lease obligations was as follows at the respective period ends:

	Total
Balance, January 1, 2023	1,709
Additions	201
Lease payments	(399)
Accretion	197
Balance, December 31, 2023	1,708
Dispositions	(21)
Lease payments	(660)
Accretion	167
Balance, December 31, 2024	1,194
Expected to be settled within one year	695
Expected to be settled beyond one year	499

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 December 31, 2023 was \$1,282 (December 31, 2023 - \$1,932).

14. SHARE CAPITAL

Journey has an unlimited number of voting common shares that are authorized for issuance. Each common share is transferable, carries the right to one vote and represents an equal undivided beneficial interest in any dividends from the Company and in the assets in the event of termination or winding up of the Company. The common shares have no par value and are all of the same class with equal rights and privileges. In addition, the Company has an unlimited number of preferred shares with no par value authorized for issuance. Currently, there are no preferred shares outstanding.

	Common Shares (#)	Share Capital (\$)
Balance, January 1, 2023	57,882	351,485
Flow-through shares issued (i)	3,040	20,125
Flow-through share premium	-	(3,739)
Settlement of SPSU's, PPSU's and RSU's (Note 16)	428	855
Share issue costs, net of tax	-	(968)
Balance, December 31, 2023	61,350	367,758
Warrant exercise	5,000	800
Issued on SPSU's, PPSU's and RSU's vesting	757	(569)
Balance, December 31, 2024	67,107	367,989

(i) On March 23, 2023, 3,040 thousand flow-through shares were issued at a price of \$6.62 per share pursuant to a prospectus offering for gross proceeds of \$20,125. Journey incurred share issue costs of \$1,257 on the issuance (net of tax \$968).

15. WARRANTS

	Number	Weighted Average Exercise Price (\$)	Amount
Balance, January 1, 2023	5,000	0.16	3,073
Balance, December 31, 2023	5,000	0.16	3,073
Exercised (i)	(5,000)	(0.16)	(3,073)
Balance, December 31, 2024	-	-	-

(i) On October 25, 2024 all of the Company's outstanding warrants were exercised for proceeds of \$800.

16. SHARE BASED COMPENSATION

The shareholders of Journey have approved a share based compensation plan which allows for up to 10% of the common shares outstanding to be reserved for issuance under the plan. Below are the incentives currently outstanding under the share based compensation plan.

a) Restricted stock units ("RSU's")

For RSU's granted during 2019 through 2021, RSU's vested equally on the anniversary of the date of issuance over their three year term. For RSU's issued after 2021, the vesting terms were changed to: fifty percent of the amount issued will vest on the second anniversary of issuance, and fifty percent of the amount issued will vest on third anniversary of the issue date. Upon vesting, the RSU's are settled by Journey by either issuing the employee shares from treasury or by way of cash payment. The method

of settlement is at the sole discretion of the Company. The fair value of the RSU's is determined by Journey's share price on the date of grant. During the year ended December 31, 2024, \$2,039 (2023 – \$1,656) was charged to share based compensation expense in respect of the RSU's.

The following table summarizes the change in the RSU's outstanding:

	Number of RSU's
Balance at January 1, 2023	1,147
Granted	405
Settled	(318)
Forfeited	(60)
Balance at December 31, 2023	1,174
Granted	738
Settled	(538)
Forfeited	(40)
Balance at December 31, 2024	1,334

Of the outstanding balance of RSU's at December 31, 2024, 429 vest on October 1, 2025; 550 vest on October 1, 2026; and 355 vest October 1, 2027.

b) Peer performance stock units ("PPSU's")

For PPSU's granted during 2019 through 2021, PPSU's vested in equal one-third amounts on the anniversary of the date of issuance over their three year term. For PPSU's issued after 2021, the vesting terms were changed to: one-hundred percent of the amount issued will vest on third anniversary of the issue date. The PPSU's have a performance multiplier relating to the Company's share price performance relative to an established group of peer companies. This type of feature is dependent on market conditions, and therefore is required to be incorporated into the measurement of the grant date fair value. During the year ended December 31, 2024 \$574 (2023 – \$497) was charged to share based compensation expense. The settlement method is at the sole discretion of the Company in either cash or shares issued from treasury.

The following table summarizes the changes in the PPSU's outstanding:

	Number of PPSU's
Balance at January 1, 2023	405
Granted	148
Settled	(120)
Forfeited	(6)
Balance at December 31, 2023	427
Granted	278
Settled	(113)
Forfeited	(17)
Balance at December 31, 2024	575

Of the December 31, 2024 balance of PPSU's outstanding, 153 vest in October 1, 2025; 144 vest October 1, 2026; and 278 vest October 1, 2027.

c) Share performance stock units ("SPSU")

For SPSU's granted during 2019 through 2021, SPSU's vested in equal one-third amounts on the anniversary of the date of issuance over their three year term. For PPSU's issued after 2021, the vesting terms were changed to: one-hundred percent of the amount issued will vest on third anniversary of

the issue date. The SPSU's have a performance multiplier relating to the Company's share price performance relative to an established reference price. This type of feature is dependent on market conditions, and therefore is required to be incorporated into the measurement of the grant date fair value. During the year ended December 31, 2024 \$574 (2023 – \$497) was charged to share based compensation expense. The settlement method is at the sole discretion of the Company in either cash or shares issued from treasury.

The following table summarizes the changes in the SPSU's outstanding:

	Number of SPSU's
Balance at January 1, 2023	405
Granted	148
Settled	(120)
Forfeited	(6)
Balance at December 31, 2023	427
Granted	278
Settled	(113)
Forfeited	(17)
Balance at December 31, 2024	575

Of the December 31, 2023 balance of SPSU's outstanding, 153 vest in October 1, 2025; 144 vest October 1, 2026; and 278 vest October 1, 2027.

d) Employee Share Ownership Plan ("ESOP")

The ESOP plan provides for contributions by Journey equal to one times the participating employee's contribution. The maximum contribution by any employee is 5% of their base salary. The employee and the employer contributions are used to purchase Journey shares in the public market. Company contributions are expensed under general and administrative expense.

17. FINANCE EXPENSE

Finance expense is comprised of the following:

	2024	2023
Interest	6,746	8,637
Deferred financing charge	395	495
Accretion of lease obligations	167	197
Accretion of decommissioning liabilities	5,635	5,555
Accretion of term debt	117	611
Accretion of convertible debentures	440	-
Change in fair value of Other Liability	-	45
Finance expense	13,500	15,540

18. INCOME TAXES

The provision for income tax reflects an effective rate, which differs from the expected, statutory, federal and provincial income tax rates. Differences between the statutory rate and the effective rate for the years ended December 31, 2024 and 2023 are reconciled as follows:

	2024	2023
Net income before income taxes	7,180	19,955
Expected income tax recovery at the statutory rate of 23.0% (2023 – 23.0%)	1,651	4,590
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	13	5
Share based compensation	304	(324)
Flow-through share expense	1,615	3,014
True-up of tax pools on filing	161	(87)
Change in unrecognized deferred tax asset	(403)	(628)
Future income tax expense	3,341	6,570
Flow-through share premium	(1,305)	(2,434)
Total income tax expense	2,036	4,136

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. The estimation of future taxable profit was based primarily on the projected cash flows from the reserve report prepared by Journey's independent reserve evaluators and effective December 31, 2024.

The movements in deferred income tax assets (liabilities) were as follows:

	Balance December 31, 2023	Recognized in comprehensive income	Recognized in equity	Balance December 31, 2024
Property, plant and equipment and E&E	(44,702)	(675)	-	(45,377)
Decommissioning obligations	42,053	(4,557)	-	37,496
Convertible debentures	-	(202)	(538)	(740)
Term debt	(31)	30	-	(1)
Leases	393	(118)	-	275
Non-capital losses	83,286	1,440	-	84,726
Share based compensation	631	(109)	(179)	343
Debt issue costs	430	995	-	1,425
Share issue costs	454	(145)	20	329
Deferred tax asset	82,514	(3,341)	(697)	78,476

	Balance December 31, 2022	Recognized in comprehensive income	Recognized in equity	Balance December 31, 2023
Property, plant and equipment and E&E	(37,749)	(6,953)	-	(44,702)
Decommissioning obligations	44,551	(2,498)	-	42,053
Term debt	(334)	303	-	(31)
Leases	393	-	-	393
Non-capital losses	79,556	3,730	-	83,286
Share based compensation	696	143	(208)	631
Financial instruments	1,139	(1,139)	-	-
Debt issue costs	543	(113)	-	430
Share issue costs	208	(43)	289	454
Deferred tax asset	89,003	(6,570)	81	82,514

The Company has approximately \$368,374 (2023 - \$362,113) in non-capital losses available for carry forward, which expire at various times between 2032 and 2042.

19. PER SHARE AMOUNTS

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

	2024	2023
Net income and comprehensive income	5,144	15,819
Weighted average shares - basic	62,366	60,310
Weighted average shares - diluted	63,049	66,170
Net income per share – basic	0.08	0.26
Net income per share – diluted	0.08	0.24

The basic net income per share is calculated by dividing the net income attributable to the shareholders of the Company by the weighted average number of common shares outstanding for the period. For the year ended December 31, 2024 outstanding RSU's, SPSU's, PPSU's and warrants of 683 (December 31, 2023 – 5,861) were added to the weighted average common shares for diluted shares outstanding. The impact of the issuance of the convertible debentures for the year ending December 31, 2024, have an anti-dilutive effect and were therefore excluded from the calculation of diluted shares.

20. FINANCIAL INSTRUMENTS

(a) Designation and valuation of financial instruments

Journey has designated its financial instruments as follows:

	December 31, 2024		December 31, 2023	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Amortized cost				
Accounts receivable	25,458	25,458	24,734	24,734
Other receivable	619	619	-	-
Accounts payable and accrued liabilities	(41,177)	(41,177)	(47,214)	(47,214)
Other loans	(417)	(417)	(17,419)	(17,419)
Term debt	(18,248)	(18,248)	(43,239)	(43,239)
Convertible debentures liability	(34,782)	(34,782)	-	-

Journey's financial instruments recognized in the Consolidated Statement of Financial Position consist of cash, accounts receivable, other receivable, accounts payable, term debt, other loans, and the liability component of the convertible debentures. The carrying value of the accounts receivable, other receivable, accounts payable and accrued liabilities approximates their fair value at December 31, 2024 due to their short-term nature. The fair value of the term debt, other loans, and liability component of the convertible debentures approximate the carrying value as current credit adjusted rates approximate the effective interest rates applied to the loans (level 2 inputs).

(b) Derivative contracts

Journey is exposed to commodity price risk on its production of oil, natural gas and natural gas liquids. No financial derivative contracts were outstanding at December 31, 2024 and 2023 that hedged the commodity price risk.

(c) **Risks**

(i) Credit risk

A substantial portion of Journey's accounts receivable is with oil and gas marketing entities. Receivables from these marketers are normally collected on the 25th 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 into 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 relates to its receivable accounts.

	2024	2023
Accounts receivable	25,458	24,734
Other receivable	619	-

Management has determined the provision for uncollectable accounts as at December 31, 2024 to be \$833 (2023 - \$937). Accounts receivable balances with third parties in excess of 90 days are \$2,714 (2023 – \$2,776).

The continuity of the Company's reserve for doubtful accounts for the years ended December 31 is as follows:

	2023	2023
Allowance for doubtful accounts, January 1	937	2,601
Amounts recovered (written off)	(201)	(1,981)
Changes to provision	97	317
Allowance for doubtful accounts, December 31	833	937

(ii) Interest rate risk

The Company's term loans and the convertible debentures bear interest at fixed rates with the exception of the commitment fee loan, which bears interest depending on certain oil price thresholds (Note 9).

(iii) 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.

(iv) 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.

Journey has three tranches of term-debt outstanding with its major shareholder, Alberta Investment Management Corporation (“AIMCo”). The Company continues to make substantial progress in reducing its overall 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 December 31, 2024:

	Total	< 1 year	1-3 years	4-5 years
Accounts payable and accrued liabilities	41,177	41,177	-	-
Term debt	18,248	18,248	-	-
Interest on term debt	743	743	-	-
Other loans	417	108	309	-
Convertible debentures	34,782	-	-	34,782
Interest on convertible debentures	17,533	3,895	7,790	5,848
Natural gas transportation	2,836	1,712	1,106	18
Operating leases (non-lease components)	2,679	1,613	1,066	-
Total financial liabilities	118,415	67,496	10,271	40,648

The following table details Journey’s financial liabilities as at December 31, 2023:

	Total	< 1 year	1-3 years	4-5 years
Accounts payable and accrued liabilities	47,214	47,214	-	-
Term debt – AIMCo	43,239	33,269	9,970	-
VTB loan	17,000	17,000	-	-
Interest on term debt	7,221	6,977	244	-
Other loans	419	42	377	-
Natural gas transportation	4,071	1,698	2,066	307
Leases, including non-lease components	3,951	1,355	2,596	-
Total financial liabilities	123,115	107,555	15,253	307

21. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital

Sources (uses) of funds:	2024	2023
Accounts receivable	(724)	4,943
Prepaid expenses and deposits	1,039	(2,621)
Other receivable	(619)	-
Accounts payable and accrued liabilities	(6,037)	1,718
	(6,341)	4,040
Relating to:		
Operating activities	(8,744)	5,222
Investing activities	2,403	(1,182)
	(6,341)	4,040

b) *Supplementary cash flow information*

	2024	2023
Interest paid	5,966	9,657

c) *Sales by product type*

	2024	2023
Crude oil	165,119	170,794
Natural gas	14,074	33,353
Natural gas liquids	17,956	21,002
Petroleum and natural gas sales	197,149	225,149

d) *Employee compensation costs*

Journey's Statement of Comprehensive Income is prepared primarily by nature of expense, with the exception of employee compensation costs, which are included in property, plant, and equipment, share-based compensation and general and administrative expenses.

The following table details the amount of total employee compensation costs included in property, plant and equipment, share-based compensation and general and administrative expenses:

	2024	2023
General and administrative expense	11,031	9,382
Share based compensation expense ¹	3,756	4,590
Property, plant and equipment	134	314
Total employee compensation costs	14,921	14,286

1. Share based compensation expense consists of the amortization of share based compensation expense plus the cash payment for the settlement of tax withholdings upon vesting of long term incentives.

22. RELATED PARTY TRANSACTIONS

The Company considers its directors and executives to be key management personnel. Compensation for these individuals is comprised of the following:

	2024	2023
Salaries and wages	2,930	1,860
Short-term employee benefits	168	164
Share based payments (i)	1,536	1,371
Total related party compensation	4,634	3,395

- (i) These amounts represent the amortization of share-based compensation associated with the Company's share based compensation plans.
- (ii) As at December 31, 2024 there were twelve (2023 – twelve) individuals that were considered key management personnel.
- (iii) At December 31, 2024 there was a \$4,209 commitment (2023 - \$3,084) relating to a termination of employment for key management personnel with employment contracts.

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.

23. COMMITMENTS AND CONTINGENCIES

In addition to the commitments listed below, 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.

(a) Contractual obligations

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

	Total	< 1 year	2-3 years	4-5 years
Natural gas transportation	2,836	1,712	1,106	18
Leases, including non-lease components	2,679	1,613	1,066	-
Total	5,515	3,325	2,172	18

(b) Indemnifications

Under the terms of certain agreements and the Company's by-laws Journey indemnifies individuals who have acted at the Company's request to be a director and/or officer, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individual as a result of their service. The Company currently has no outstanding claims having a potentially material adverse effect on the Company as a whole.

24. 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 cash provided from operating activities. As of December 31, 2024, Journey had \$8,213 of cash on hand. Management believes the Company is positioned to execute on its future strategic growth plans, including funding debt payments as they come due. Future exploration and development capital expenditures are expected to be mainly funded through cash generated from operating activities.

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 significantly impacted 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.

Journey's capital structure as at December 31, 2024 and December 31, 2023 is as follows:

	2024	2023
Principal amount of term debt	18,248	43,763
Principal amount of vendor-take-back loan	-	17,000
Principal amount of convertible debentures	38,000	-
Accounts payable and accrued liabilities	41,177	47,214
Other loans	417	419
<u>Deduct:</u>		
Cash in bank	(8,213)	(17,715)
Accounts receivable	(25,458)	(24,734)
Prepaid expenses	(3,232)	(4,271)
Other receivable	(619)	-
Net debt	60,320	61,676

25. SUBSEQUENT EVENTS

- a) On January 28, 2025, Journey amended the repayment terms of its term debt. The maturity date of the term debt was amended from August 29, 2025 to February 27, 2026. Under the new repayment terms, payments of principal and interest from March 31, 2025 to August 31, 2025 will be paused. On September 30, 2025 equal principal payments of approximately \$2.1 million, plus accrued interest, will resume and continue until the final payment on February 27, 2026.
- b) On February 12, 2025, Journey disposed of its interest in certain assets in the Brooks, Alberta area. Total proceeds from the disposition amounted to \$3.8 million.