



MANAGEMENT'S DISCUSSION AND ANALYSIS – THIRD QUARTER, 2024

The following Management's Discussion and Analysis ("MD&A") was prepared on November 7, 2024 and is management's assessment of Journey Energy Inc.'s ("Journey" or the "the Company") financial and operating results for the three and nine month periods ended September 30, 2024 and 2023. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2024 and 2023 along with the notes related thereto.

Journey prepares its financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Forward-looking statements contained in this MD&A are made as of the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

These MD&A contain forward-looking statements. More particularly, this MD&A contains statements concerning anticipated: (i) timing and completion of the acquisitions, expectations and assumptions concerning timing of receipt of required regulatory approvals and the satisfaction of other conditions to the completion of the acquisitions, (ii) potential development opportunities and drilling locations associated with the acquisitions, expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the successful application of technology and the geological characteristics of the acquisitions, (iii) oil and natural gas production growth (iv) debt and bank facilities, (v) capital expenditures, (vi) primary and secondary recovery potentials and implementation thereof, (vii) decline rates, (viii) Adjusted Funds Flow from operations, (ix) operating and Adjusted Funds Flow netbacks, (x) operating expenses, (xi) general and administrative expenses, and (xii) realization of anticipated benefits of acquisitions.

The forward-looking statements are based on certain key expectations and assumptions made by Journey, including expectations and assumptions concerning the performance of existing wells and success obtained in drilling new wells, anticipated expenses, Adjusted Funds Flow and capital expenditures, the application of regulatory and royalty regimes, prevailing commodity prices and economic conditions, development and completion activities, the performance of new wells, the successful implementation of waterflood programs, the availability of and performance of facilities and pipelines, the geological characteristics of Journey's properties, the successful application of drilling, completion and seismic technology, prevailing weather conditions, exchange rates, licensing requirements, the impact of completed facilities on operating costs and the availability, costs of capital, labor and services, and the creditworthiness of industry partners.

Although Journey believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Journey can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and constraint in the availability of services, adverse weather or break-up conditions, and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in this MD&A under the heading 'Risk Factors'.

NON-GAAP MEASURES

In this MD&A, we refer to financial measures that do not have any standardized meaning as prescribed by GAAP. These non-GAAP financial measures are line items, headings or subtotals in addition to those required under GAAP, and financial measures disclosed in the notes to the most recently audited consolidated financial statements, which are relevant to an understanding of the financial statements and are not presented elsewhere in the financial statements. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. Users are cautioned that non-GAAP financial measures presented by the Corporation may not be comparable with measures provided by other entities. Below are the non-GAAP measures that Journey uses.

“Adjusted Funds Flow” is calculated by taking “cash flow provided by operating activities” from the financial statements and adding or deducting: changes in non-cash working capital; transaction costs; and decommissioning costs. Adjusted Funds Flow per share is calculated as Adjusted Funds Flow divided by the weighted-average number of shares outstanding in the period. Because Adjusted Funds Flow and Adjusted Funds Flow per share are not impacted by fluctuations in non-cash working capital balances, we believe these measures are more indicative of performance than the GAAP measured “cash flow generated from operating activities”. In addition, Journey excludes transaction costs from Adjusted Funds Flow, as these expenses are generally in respect of capital acquisition transactions. Journey deducts capitalized interest, as this is normally a cash related expense, but from time to time is allowed to add this to this principal outstanding instead of paying in cash. The Company considers Adjusted Funds Flow a key performance measure as it demonstrates the Company’s ability to generate funds necessary to repay debt, fund future growth through capital investment, and fund future asset retirement obligations. Journey’s determination of Adjusted Funds Flow may not be comparable to that reported by other companies. The reconciliation between cash from operating activities on the consolidated financial statements, and Adjusted Funds Flow can be found in the table below. Journey also presents Adjusted Funds Flow per share where per share amounts are calculated using the weighted average and diluted shares outstanding, which is consistent with the calculation of net income (loss) per share, which per share amount is calculated under IFRS and is more fully described in the notes to the audited, year-end consolidated financial statements.

The reconciliation of Adjusted Funds Flow to the GAAP measured cash flow from operating activities is presented in the following table:

	Three months ended			Nine months ended		
	September 30,			September 30,		
	2024	2023	% Change	2024	2023	% Change
Cash flow provided by operating activities	6,249	11,569	(46)	22,501	35,365	(36)
Add (deduct):						
Changes in non-cash working capital	4,831	6,442	(25)	14,143	8,877	59
Transaction costs	-	22	(100)	189	24	688
Decommissioning costs incurred	2,472	480	415	3,946	3,498	13
Adjusted Funds Flow	13,552	18,513	(27)	40,779	47,764	(15)

“Netbacks” is a term used throughout these MD&A. The Company uses netbacks to help evaluate its performance, leverage, and liquidity; comparisons with peers; as well as to assess potential acquisitions. Management considers netbacks as a key performance measure as it demonstrates the Company’s profitability relative to current commodity prices. Management also uses them in operational and capital allocation decisions. Journey uses three types of netbacks to assess its own performance and its performance in relation to its peers. These netbacks are operating, Adjusted Funds Flow and net income (loss). **“Operating netback”** is calculated as the average sales price of the commodities sold (excluding financial hedging gains and losses), less royalties, transportation costs and operating expenses. **“Adjusted Funds Flow netback”** begins with the operating netback and deducts general and

administrative costs, interest costs and then adds or deducts any realized gains or losses on derivative contracts. To calculate the “**net income (loss) netback**”, Journey takes the Adjusted Funds Flow netback and then adds or deducts: unrealized gains/losses on derivative contracts; share-based compensation expense; depletion; depreciation; accretion; loss and gains on dispositions; asset impairments and reversals; exploration and evaluation expenses; and deferred income taxes. There is no GAAP measure that is reasonably comparable to netbacks.

“**Net operating expenses**” are calculated by taking the operating expenses in the statement of profit and loss and subtracting the ancillary income related to Journey’s field activities, which is reflected in the statement of profit and loss as “other income”. The activities that generate this income include: processing income from jointly or wholly owned natural gas plants and oil batteries; oil treating income; transporting third party natural gas and oil through gathering and sales pipelines; and water disposal fees. Journey considers this income ancillary to its main operations as the various operations which generate this income also process Journey’s production. They are not considered separate profit centers and immaterial internal resources are devoted to generating this income. Therefore, for purposes of these MD&A, Journey considers it more relevant to show this income as a cost recovery and therefore nets these amounts with field operating expenses. In addition, operating expenses related to Journey’s power generation asset in Countess are subtracted from the financial statement number to get to net operating expenses that relate solely to the Company’s exploration and production operations. Management believes that showing this adjusted operating expense number provides better information for to make decisions on its primary business and allows for better peer company comparisons.

“**Net debt**” is used to assess efficiency, liquidity and general financial strength of Journey and is used to compare this financial strength to its peers. Net debt as at the end of each relevant period is calculated as follows:

	Sep. 30, 2024	Dec. 31, 2023	%
			Change
Term debt ¹	25,061	43,763	(43)
Vendor-take-back debt ¹	-	17,000	(100)
Convertible debentures ¹	38,000	-	-
Accounts payable and accrued liabilities	31,894	47,214	(32)
Other loans ¹	417	419	-
<u>Deduct:</u>			
Cash in bank	(14,016)	(17,715)	(21)
Accounts receivable	(20,699)	(24,734)	(16)
Prepaid expenses and deposits	(7,857)	(4,271)	84
Other receivable	(124)	-	-
Net debt	52,676	61,676	(15)

1. Principal amount of the debt.

Abbreviations and BOE Advisory

The following abbreviations are used throughout these MD&A and have the ascribed meanings:

<i>AIMCo</i>	<i>Alberta Investment Management Corporation</i>
<i>API</i>	<i>American Petroleum Institute</i>
<i>bbl</i>	<i>Barrel</i>
<i>bbls</i>	<i>Barrels</i>
<i>boe</i>	<i>barrels of oil equivalent (see conversion statement below)</i>
<i>boe/d</i>	<i>barrels of oil equivalent per day</i>
<i>gj</i>	<i>Gigajoules</i>
<i>GAAP</i>	<i>Generally Accepted Accounting Principles</i>

<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>Mbbls</i>	<i>thousand barrels</i>
<i>Mboe</i>	<i>thousand boe</i>
<i>Mcf</i>	<i>thousand cubic feet</i>
<i>Mmcf</i>	<i>million cubic feet</i>
<i>Mmcf/d</i>	<i>million cubic feet per day</i>
<i>MSW</i>	<i>Mixed sweet Alberta benchmark oil price at Edmonton Alberta</i>
<i>MW</i>	<i>One million watts of power</i>
<i>NGL's</i>	<i>natural gas liquids (ethane, propane, butane and condensate)</i>
<i>VTB</i>	<i>Vendor-take-back term debt issued by Journey to Enerplus Corporation as partial payment of the purchase price for the asset acquisition on October 31, 2022</i>
<i>WCS</i>	<i>Western Canada Select benchmark oil price. This crude oil is heavy/sour with API gravity of 19-22 degrees and sulphur content of 1.8-3.2%.</i>
<i>WTI</i>	<i>West Texas Intermediate benchmark Oil price. This crude oil is light/sweet with API gravity of 39.6 degrees and sulfur content of 0.24%.</i>

Where amounts are expressed in a barrel of oil equivalent (“boe”), or barrel of oil equivalent per day (“boe/d”), natural gas volumes have been converted to barrels of oil equivalent at Twelve (6) thousand cubic feet (“Mcf”) to one (1) barrel. Use of the term “boe” may be misleading particularly if used in isolation. The boe conversion ratio of 6 Mcf to 1 barrel (“Bbl”) of oil or natural gas liquids is based on an energy equivalency conversion methodology primarily applicable at the burner tip, and does not represent a value equivalency at the wellhead. This conversion conforms to the Canadian Securities Regulators’ National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

In these MD&A, where the Company uses the term “crude oil” it is referring to the aggregate of light, medium and heavy crude oil volumes or dollars as is required. Where the Company uses the term “natural gas” it is referring to the aggregate of conventional natural gas and coal-bed methane natural gas volumes or dollars as is required.

All volumes in these MD&A refer to the sales volumes of crude oil, natural gas and associated by-products measured at the point of sale to Fourth-party purchasers. For natural gas, this occurs after the removal of natural gas liquids.

Amounts

All dollar amounts quoted are in thousands of Canadian dollars unless otherwise noted. All share data is quoted in thousands of shares, except per share data or as specifically otherwise noted.

HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

Financial

Journey recorded Adjusted Funds Flow of \$13,552 in the third quarter of 2024 as compared to \$18,513 in the third quarter of 2023. A decrease in total sales volumes of 5% compared to the comparative third quarter in 2023 was the primary driver in the decrease in Adjusted Funds Flow. Cash flow from operating activities was \$6,249 in the third quarter of 2024 compared to \$11,569 in the third quarter of 2023. The third quarter of 2024 generated net income of \$598 or \$0.01 per basic and diluted share.

Capital spending

The Company spent \$7,987 in its development and power capital programs during the third quarter of 2024, excluding any acquisitions or dispositions. \$3.9 million of capital was spent on power assets during the quarter. In addition, Journey spent \$2.5 million in abandonment and reclamation work during the quarter.

Sales volumes

Journey achieved sales volumes of 11,152 boe/d (53% crude oil and NGL's) in the third quarter 2024. Sales volumes were 5% lower in the quarter compared to 11,756 boe/d in the third quarter of 2023. Quarter over quarter volumes were 1% lower from the third quarter of 2024 as compared to the second quarter of 2024 of 11,235 boe/d. Volumes were lower in the third quarter due to natural declines, and shut-ins resulting mainly from various turnarounds.

Liquidity

During the third quarter of 2024 capital spending of \$10.6 million was lower than the Adjusted Funds Flow, thereby reducing net debt. Journey made \$3.0 million of repayments on its term debt obligations. The remaining principal balance outstanding at the end of the third quarter on the term debt was \$25.1 million. Net debt came in at \$52,676 as at September 30, 2024, which was 15% lower than \$61,676 at December 31, 2023.

Outlook

Journey continues to reduce its net debt while advancing its drilling and power generation projects. For the fourth quarter of 2024, Journey's capital program is weighted towards finishing the construction of the Gilby power business as well as expenditures on the Duvernay joint venture with Spartan Delta Corp.

Journey's 2024 guidance is as follows:

	Revised November 7, 2024	Previous August 8, 2024
Annual average daily sales volumes	11,200–11,400 boe/d (56% crude oil & NGL's)	11,200–11,500 boe/d (56% crude oil & NGL's)
Adjusted Funds Flow	\$53 – 55 million	\$60 – 62 million
Adjusted Funds Flow per weighted average share	\$0.86 - \$0.88	\$0.96 - \$0.99
Capital spending	\$48 million	\$48 million
2024 ending Net Debt	\$52 - \$54 million	\$46 - \$48 million
Net Debt to Adjusted Funds Flow ratio (trailing)	1.0x	0.8x
Reference commodity prices:		
WTI (USD \$/bbl)	\$76.00	\$79.00
MSW oil differentials (USD \$/bbl)	\$4.00	\$4.35
WCS oil differentials (USD \$/bbl)	\$14.75	\$16.00
AECO natural gas (CAD \$/mcf)	\$1.45	\$1.75
CAD/USD foreign exchange	\$0.73	\$0.74

Notes:

1. The weighting of the corporate sales volumes guidance is as follows:
 - a. Heavy oil: 19%
 - b. MSW crude oil: 28%
 - c. NGL's: 9%
 - d. Coal-bed methane natural gas: 6%
 - e. Conventional natural gas: 38%

DETAILED FINANCIAL REVIEW

PRODUCTION REVENUE AND VOLUMES

Daily Sales Volumes

Total daily sales volumes decreased 5% to 11,152 boe/d for the third quarter of 2024 from 11,756 boe/d in the third quarter of 2023. For the nine-month periods, daily sales volumes decreased 7% to 11,430 boe/d for 2024 from 12,355 boe/d in 2023. The decrease in both periods was mainly attributable to natural declines, shut-in of production during downtime workovers and a temporary shut-in of certain natural gas wells that were uneconomic in the periods of very low prices.

	Three months ended			Nine months ended		
	2024	2023	September 30, %	2024	2023	September 30, %
Natural gas (Mcf/d)						
Conventional	24,826	28,356	(12)	26,001	29,629	(12)
Coal bed methane	4,319	4,162	4	4,309	4,203	3
Total natural gas volumes	29,145	32,518	(10)	30,310	33,832	(10)
Crude oil (Bbl/d)						
Light/medium	3,097	2,929	6	3,082	3,279	(6)
Heavy	2,149	2,233	(4)	2,201	2,166	2
Total crude oil volumes	5,246	5,162	2	5,283	5,445	(3)
Natural gas liquids (Bbl/d)	1,048	1,174	(11)	1,095	1,271	(14)
Barrels of oil equivalent (boe/d)	11,152	11,756	(5)	11,430	12,355	(7)

Volumetric Product Mix

Natural gas sales contributed 44% (2023 – 46%) of total sales volumes; crude oil volumes were 47% (2023 – 44%) and NGL's were 9% (2023 – 10%) during the third quarter of 2024. For the year-to-date natural gas sales volumes contributed 46% (2023 – 46%); crude oil volumes were 44% (2023 – 44%) and NGL's were 10% (2023 – 10%). The volumetric mix was consistent between the comparative quarters.

% of Aggregate Production	Three months ended			Nine months ended		
	2024	2023	September 30, %	2024	2023	September 30, %
Natural gas	44	46	(4)	46	46	-
Crude oil	47	44	7	44	44	-
Natural gas liquids	9	10	(10)	10	10	-
Total	100	100		100	100	

Average Benchmark Price Indices

	Three months ended September 30, %			Nine months ended September 30, %		
	2024	2023	Change	2024	2023	Change
Crude Oil						
WTI (US\$/Bbl)	75.13	82.26	(9)	77.55	77.40	-
Canadian light sweet (CDN\$/Bbl)	98.43	107.29	(8)	99.95	100.65	(1)
WTI/light sweet differential (US\$/Bbl)	(3.35)	(3.13)	7	(4.24)	(2.85)	49
WCS (CDN\$/Bbl)	84.93	93.19	(9)	84.76	80.42	5
WTI/WCS differential (US\$/Bbl)	(13.55)	(12.82)	6	(15.51)	(17.62)	(12)
Natural Gas						
NYMEX (US \$/Mmbtu)	2.11	2.59	(19)	2.11	2.47	(15)
AECO - Daily (CDN\$/Mcf)	0.70	2.61	(73)	1.35	2.76	(51)
Foreign Exchange						
Canadian to US	1.3637	1.3412	2	1.3603	1.3454	1
US to Canadian	0.7333	0.7457	(2)	0.7351	0.7434	(1)

WTI oil prices decreased 9% in the third quarter of 2024 to average \$75.13 US/bbl as compared to 82.26 US/bbl in the third quarter of 2023. A variety of factors caused this change including issues that pushed the prices lower, which included interest rate concerns, ongoing crude oil inventory drawdowns, global demand, and OPEC's supply discipline. Canadian light sweet prices were higher as the average price of \$98.43/bbl in the third quarter of 2024 was 8% lower than the \$107.29/bbl realized in the same quarter of 2023. The WTI/Light Sweet oil price differential widened by 7% from \$3.13/bbl in the third quarter of 2023 to \$3.35/bbl in the third quarter of 2024. The heavier oil benchmark for WCS was 9% lower for the third quarter of 2024 compared to the third quarter of 2023. Approximately 41% of Journey's crude oil sales for the third quarter of 2024 was exposed to WCS prices.

United States natural gas prices are usually referenced to the New York Mercantile Exchange Henry Hub in Louisiana (NYMEX), while in Canada the generally recognized benchmark is the AECO hub in Alberta. Natural gas prices are influenced by a variety of factors such as: weather patterns; LNG imports and exports; supplies in western Alberta; pipeline capacity for Alberta exports; demand in eastern Canada and the United States, relative storage levels in North America and alternative fuel sources. AECO benchmark pricing was 73% lower at \$0.70/mcf in the third quarter of 2024 as compared to \$2.61/mcf during the same period in 2023. The declining concerns in Europe over sufficient natural gas/LNG supplies had a dampening effect on domestic natural gas prices with five-year storage levels being at or near the top end of their range.

Realized Prices

a) Realized prices excluding physical commodity contract gains were as follows:

	Three months ended September 30, %			Nine months ended September 30, %		
	2024	2023	Change	2024	2023	Change
Natural gas (\$/Mcf)	0.51	2.39	(79)	1.30	2.63	(51)
Crude oil (\$/Bbl)	85.45	95.26	(10)	86.31	85.37	1
Natural gas liquids (\$/Bbl)	46.10	45.28	2	46.36	45.35	2
Average (\$/boe)	45.86	52.96	(13)	47.79	50.05	(5)

Overall average realized per boe prices (before hedging) were 13% lower at \$45.86 in the third quarter of 2024 as compared to \$52.96 in the third quarter of 2023. This overall realized decrease was comprised of a decrease of 10% for crude oil, and a decrease of 79% for natural gas, despite an increase of 2% for NGL's.

- b) Journey had physical oil hedges during the first nine months of 2023. There were no physical hedges in place for the first nine months of 2024. Realized prices including physical commodity contract gains are as follows:

	Three months ended September 30, %			Nine months ended September 30, %		
	2024	2023	Change	2024	2023	Change
Natural gas (\$/Mcf)	0.51	2.39	(79)	1.30	2.83	(54)
Crude oil (\$/Bbl)	85.45	95.26	(10)	86.31	85.66	1
Natural gas liquids (\$/Bbl)	46.10	45.28	2	46.36	45.35	2
Average (\$/boe)	45.86	52.96	(13)	47.79	50.18	(5)

RISK MANAGEMENT ACTIVITIES

At September 30, 2024, the Company had the following physical commodity contracts in place for the purchase of electricity in the field:

Commodity	Contract	Volume	Reference Price	Strike	Term
Electricity	Fixed price	5 MWh	AESO Monthly	\$78.97	October 1, 2024 to December 31, 2026
Electricity	Fixed price	2 MWh	AESO Monthly	\$77.83	October 1, 2024 to December 31, 2026

PETROLEUM AND NATURAL GAS ("P&NG") SALES

During the third quarter of 2024, aggregate P&NG sales decreased 18% to \$47,046 as compared to \$57,279 for the same period in 2023. The decrease in sales revenue was primarily the result of a 5% decline in sales volumes and a 13% decline in realized pricing. Realized crude oil pricing decreased 10% while realized natural gas pricing decreased 79%. Crude oil revenue made up the most significant portion of total revenues at 88% while contributing 44% to total boe sales volumes.

For the nine months ended September 30, aggregate P&NG sales decreased by 12% to \$149,669 in 2024 from \$169,235 in 2023. Sales revenues dropped mainly due to the 7% decrease in boe sales volumes and 5% decrease in realized pricing. Journey's crude oil revenue, which carries higher per boe prices, made up 84% of corporate revenues for the year to date in 2024 while contributing 44% to total boe production.

\$	Three months ended September 30, %			Nine months ended September 30, %		
	2024	2023	Change	2024	2023	Change
Natural gas	1,358	7,146	(81)	10,817	24,319	(56)
Crude oil	41,243	45,242	(9)	124,942	126,893	(2)
Natural gas liquids	4,445	4,891	(9)	13,910	15,740	(12)
Physical oil and natural gas hedging	-	-	-	-	2,283	(100)
P&NG sales	47,046	57,279	(18)	149,669	169,235	(12)

Sales - % Contribution	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Natural gas	3	12	(75)	7	16	(56)
Crude oil	88	79	11	84	75	12
Natural gas liquids	9	9	-	9	9	-
Total	100	100		100	100	

ROYALTIES

For the three months ended September 30, royalties were \$7,991 in 2024 as compared to \$11,784 for the same period in 2023 and representing a 32% decrease. On a per boe basis, the royalty rate was decreased by 29% to \$7.79 in 2024 as compared to \$10.90 from the same quarter of last year. As a percentage of revenue, the rate for the third quarter of 2024 was 17% lower in 2024 at 17.0%, as compared to 20.6% for the same quarter of 2023. This decrease is mainly attributable to lower realized gas pricing affecting the royalty rate greater than oil pricing.

For the nine months ended September 30, aggregate royalty expense was \$28,429 in 2024 as compared to \$34,872 for the same period in 2023. On a per boe basis, the royalty rate decreased 12% to \$9.08 in 2024 as compared to \$10.34 in 2023. As a percentage of revenue, the rate for the nine months of 2024 was 19.0% or 8% lower than the 20.6% realized in 2023.

\$	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Crown	5,606	8,053	(30)	19,243	23,559	(18)
Freehold/gross over-riding	2,385	3,731	(36)	9,186	11,313	(19)
Total royalties	7,991	11,784	(32)	28,429	34,872	(18)
Royalties (as a % of P&NG sales)	17.0	20.6	(17)	19.0	20.6	(8)

\$/boe	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Crown	5.46	7.45	(27)	6.14	6.98	(12)
Freehold/gross over-riding	2.33	3.45	(33)	2.94	3.36	(13)
Total royalties	7.79	10.90	(29)	9.08	10.34	(12)

PROCESSING AND OTHER INCOME

Processing and other income is comprised of the following components. First, third-party natural gas processing fees; oil treating; natural gas gathering and compression fees are what Journey considers to be operating cost recoveries and are directly tied to, or are ancillary to the Company's own field operations. For presentation in these MD&A Journey nets this income with field operating costs (see Operating Expense section below). Second is Journey's electricity generation business. Journey's Countess power facility produces and delivers electricity to Alberta's power grid. Third, is miscellaneous other income. The breakdown of processing and other income by category is as follows:

	Three months ended			Nine months ended		
	2024	2023	% Change	2024	2023	% Change
Processing and other cost recoveries ¹	920	841	9	3,064	2,261	35
Electricity income before expenses ²	261	1,277	(80)	1,258	3,441	(63)
Other income ³	363	208	75	889	444	100
Processing and other income per the financial statements	1,544	2,326	(34)	5,211	6,506	(20)

Notes:

1. Processing income and other cost recoveries are netted with operating expenses as described below in the Operating Expense section.
2. See electricity income analysis below.
3. Other income represents earned subsidies from the Government Site Rehabilitation plus other miscellaneous income.

Electricity income

Electricity income, net of associated operating expenses, decreased by 163% in the third quarter of 2024 to a loss of \$137 compared to income of \$219 in the same quarter of 2023. The 4% decrease in electricity prices and 83% decrease in megawatts generated compared to the same quarter in 2023 are major factors contributing to the decrease in electricity income.

	Three months ended			Nine months ended		
	2024	2023	% Change	2024	2023	% Change
Electricity income	261	1,277	(80)	1,258	3,441	(63)
Operating expenses ¹	(398)	(1,058)	(62)	(1,715)	(2,230)	(23)
Net electricity income	(137)	219	(163)	(457)	1,211	(138)
Megawatts generated	1,309	7,576	(83)	10,451	20,009	(48)
Realized prices (\$/MWh):	165.60	172.12	(4)	125.76	170.49	(26)

Note:

1. Operating expenses related to electricity income have been reclassified to this section - see the Operating Expense section below.

OPERATING EXPENSES

Net operating expenses were \$20,113 or \$19.60 per boe for the third quarter of 2024 as compared to \$22,413, or \$20.72 per boe in 2023. Lower aggregate costs in the third quarter of 2024 were primarily associated with lower field power costs, and reduced spending on turnarounds and workovers as compared to the second quarter. The decline in aggregate operating costs is also attributable to the 5% decrease in production volume between the two quarters and for the year to date results. For the nine months ended September 30, net operating costs were \$63,576 or \$20.30 per boe in 2024 as compared to \$71,838 or \$21.30 per boe in 2023.

	Three months ended			Nine months ended		
	2024	2023	% Change	2024	2023	% Change
Operating expense per the financial statements	21,431	24,313	(12)	68,355	76,689	(11)
Less:						
Processing and other cost recoveries	(920)	(842)	9	(3,064)	(2,621)	17
Power generation expenses	(398)	(1,058)	(62)	(1,715)	(2,230)	(23)
Net operating expenses	20,113	22,413	(10)	63,576	71,838	(12)
Net expense (\$ per boe)	19.60	20.72	(5)	20.30	21.30	(5)
Net expense (% of P&NG sales)	42.8	39.1	9	42.5	42.4	-

TRANSPORTATION

Transportation expenses were \$1,183 for the third quarter of 2024 and represented 2.5% of P&NG sales for the period as compared to \$1,005 and 1.8% for the same quarter of 2023. The cost per boe averaged \$1.15 in the third quarter, as compared to \$0.93 per boe in the third quarter of 2023. For the nine months ended September 30, transportation expenses were \$3,760 for 2024 or 27% higher than \$2,951 for the comparable period in 2023. On a per boe basis, costs were \$1.20 for the year to date in 2024 and \$0.87 for 2023. Transportation costs include: clean oil trucking, trucking of natural gas liquids, and transportation associated with the usage of third party natural gas sales lines used before custody transfer and ultimate sale of the natural gas. Transportation costs are dependent on a variety of factors such as: the type of production facilities; the method of transportation; the distances covered; quantities shipped, as well as ownership of the transportation facilities.

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Transportation expense	1,183	1,005	18	3,760	2,951	27
Expense (\$ per boe)	1.15	0.93	24	1.20	0.87	38
Expense (% of P&NG sales)	2.5	1.8	39	2.5	1.7	47

GENERAL AND ADMINISTRATIVE (“G&A”) EXPENSE

For the third quarter of 2024, gross G&A expense (before recoveries and capitalized G&A) was 17% higher at \$3,441 as compared to \$2,944 in 2023. Increased office lease rent and additional staffing during the third quarter of 2024 compared to the third quarter of 2023 resulted in an increase in G&A. On a per boe basis gross G&A expense was \$3.35 for the third quarter of 2024, which was 23% higher than the third quarter of 2023 of \$2.72 per boe. For the nine months ended September 30, 2024 gross G&A expense was 15% higher at \$11,279 as compared to \$9,794 in 2023. On a per boe basis gross G&A was \$3.60 in 2024 or 24% higher than \$2.90 in 2023.

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Expense per the financial statements	2,691	1,950	38	8,456	6,454	31
Add (Deduct):						
Overhead recoveries	750	994	(25)	2,689	3,340	(19)
Capitalized G&A	-	-	-	134	-	-
Gross G&A expense (\$ per boe)	3.441	2,944	17	11,279	9,794	15
Expense per financial statements	2.62	1.80	46	2.70	1.91	41
Gross G&A expense	3.35	2.72	23	3.60	2.90	24

FINANCE EXPENSE

Finance expense is comprised of interest on term debt; amortization of financing fees; accretion of decommissioning obligations, accretion on right-of-use assets, accretion of convertible debentures; and miscellaneous bank charges. Aggregate finance expenses decreased 7% from the third quarter of 2023 to the third quarter of 2024 mainly due to the repayment of term debt on both the vendor-take-back (“VTB”) financing, as well as the balloon repayment of AIMCo term debt in March of 2024 of \$12,700. The remaining VTB balance outstanding of \$11,000 was repaid in March 2024 concurrent with the closing of the convertible debenture financing. The funding for these repayments was driven by the issuance of the Convertible Debentures in the first quarter of 2024. The debentures have a maturity date of Mar 31, 2029 and bear interest at 10.25% per annum, payable semi-annually. Additionally, during the third quarter of 2024, the Company made an additional \$3 million principal payment of its term debt.

Borrowing costs for the third quarter of 2024 decreased 12% to \$1,804 in 2024 from \$2,053 in 2023. For the third quarter of 2024, the average interest-bearing debt was \$64,976 which was 10% lower than the \$72,474 for the comparable period in 2023. The average effective interest rate on outstanding borrowings was 11.0% for 2024 as compared to 11.2% in 2023. On a per boe basis, the non-accretion related finance expense (i.e. interest and other fees on borrowings) was \$1.70 for the third quarter of 2024 as compared to \$1.89 for the same quarter in 2023, representing a 10% decrease, period over period.

For the nine months to September 30 total finance expense was 15% lower in 2024 at \$10,317 as compared to \$12,083 in 2023. The two largest components of this expense are the interest incurred on borrowings and the accretion on asset retirement obligations.

	Three months ended September 30, %			Nine months ended September 30, %		
	2024	2023	Change	2024	2023	Change
Expense per the financial statements	3,542	3,803	(7)	10,317	12,083	(15)
<u>Add (Deduct):</u>						
Accretion expense	(1,681)	(1,639)	3	(4,861)	(4,820)	1
Other amortization costs	(118)	(125)	(6)	(355)	(420)	(15)
Bank fees and other charges	61	14	336	204	3	6700
Expense related to borrowings	1,804	2,053	(12)	5,305	6,846	(23)
Average interest-bearing debt	64,976	72,474	(10)	64,380	85,885	(25)
Effective interest rate (%)	11.0	11.2	(2)	11.0	10.7	3
<u>Finance expense (\$ per boe)</u>						
Related to borrowings, fees and other	1.70	1.89	(10)	1.63	2.03	(20)
Accretion & other amortization	1.75	1.63	7	1.67	1.55	8
Total finance expense	3.45	3.52	(2)	3.30	3.58	(8)

SHARE BASED COMPENSATION

Share based compensation expense was \$695 for the third quarter of 2024 as compared to \$557 in 2023. For the nine months to September 30 the aggregate expense was \$2,438 in 2024 as compared to \$1,832 in 2023. The higher stock based compensation in the third quarter was attributable to new long-term incentive grants issued mainly in the fourth quarter of 2023. The fair value of all share-based compensation was estimated based on the market price of Journey shares on the date of issuance with the calculated cost being amortized over the respective vesting periods. For performance share units an estimated performance multiplier of one times was used.

	Three months ended September 30, %			Nine months ended September 30, %		
	2024	2023	Change	2024	2023	Change
Expense per financial statements	695	557	25	2,438	1,832	33
Expense (\$ per boe)	0.68	0.51	33	0.78	0.54	44

DEPLETION AND DEPRECIATION ("D&D")

Aggregate D&D was \$9,782 in the third quarter of 2024 as compared to \$9,518 in the third quarter of 2023. The increase in the aggregate D&D expense was primarily a result of the higher capital additions in the third quarter of 2024 compared to the third quarter of 2023, despite lower production. On a per boe basis, D&D was \$9.53 for the

third quarter of 2024 as compared to \$8.80 in the third quarter of 2023, representing a 8% increase. For the nine months ending September 30, aggregate D&D increased by 6% from \$27,341 in 2023 to \$29,047 in 2024. On a per boe basis D&D was \$9.28 in 2024, an 14% increase from \$8.11 in 2023.

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Depletion and depreciation (\$)	9,782	9,518	3	29,047	27,341	6
Expense (\$ per boe)	9.53	8.80	8	9.27	8.11	14

EXPLORATION AND EVALUATION (E&E) EXPENSE

E&E expense relates to a combination of expiries of mineral rights as well as costs related to undeveloped lands that have been transferred to PP&E assets by virtue of the lands becoming developed. During the three months ended September 30, 2024 Journey had \$255 in E&E expense, while \$13 was incurred in the same quarter of 2023. This expense relates to lease expiries. For the nine months ended September 30, 2024, the expense was \$606 as compared to \$391 in 2023. In addition to the mineral lease expiries, Journey evaluated whether there were any impairments on any of the remaining mineral rights. During the third quarter of 2024, it was found that, based on a review of comparable Crown mineral right sales, that no impairment was warranted.

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
E&E expense	255	13	1,862	606	391	55
\$ per boe	0.25	0.01	2400	0.19	0.12	58
E&E impairment expense	-	-	-	79	-	-
\$ per boe	-	-	-	0.03	-	-

GAIN ON DISPOSITIONS

Journey disposed on four minor, non-core assets during the third quarter 2023, yielding total gains on dispositions as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Gain on asset dispositions	-	3,421	(100)	-	3,421	(100)
\$ per boe	-	3.16	(100)	-	0.01	(100)

LOSS ON DEBT MODIFICATION

Journey entered into an amendment with respect to one tranche of AIMCo term debt on March 31, 2023. In this amendment, AIMCo consented to the extension of the maturity of \$24,807 from October 31, 2023 to April 30, 2024.

A second amendment was made on December 21, 2023 with respect to the repayment terms of all tranches of remaining AIMCo term debt. Previously, there was a balloon payment on April 30, 2024 for \$24.7 million and a second one on October 31, 2024 for \$19.1 million. These repayments will now be subject to smaller balloon payments with the balance being amortized over monthly amounts. For the first maturity in April, \$12.7 million of principal will be paid on April 30, 2024 and then repayments of \$1.0 million per month (plus accrued interest) will

be paid from May 2024 to April of 2025. For the second maturity in October, \$10.1 million will be repaid on October 31, 2024 and then nine monthly payments of \$1.5 million (plus accrued interest) will be made from November of 2024 to April of 2025. In March 2024, Journey early paid its maturity of \$12.7 million due on April 2024. In May 2024, Journey early repaid an additional \$1.0 million of the term debt.

While the principal amount of the AIMCo debt did not change in the modification, for accounting purposes, the amendments resulted in a loss, which was derived by calculating the present value of the principal amount of each tranche of debt under the new terms and comparing those values to the existing book value of each respective tranche. The losses are being amortized over the remaining time to the new respective maturities.

On October 10, 2024, the repayment terms of all remaining tranches of the Company's AIMCo term debt were amended (see Subsequent Events section).

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Loss on debt modification	-	-	-	-	175	(100)
\$ per boe	-	-	-	-	1.01	(100)

DEFERRED INCOME TAXES

For the three month period ended September 30, 2024, there was a \$422 deferred income tax expense as compared to \$2,349 in the same period of 2023. For the nine months ended 2024, Journey recognized a deferred tax expense of \$1,686 as compared to an expense of \$3,971 in 2023. The 2024 year to date expense includes the flow through share expense of \$1,615, which represents the tax benefits foregone from renouncing tax deductions to shareholders in the first quarter.

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Deferred tax expense	422	2,349	(82)	1,686	3,971	(58)
Deferred tax expense (\$ per boe)	0.41	2.17	(81)	0.54	1.18	(54)

Journey has available approximately \$644,420 in deductible income tax pools for future utilization. Given Journey's significant tax pools, projected cash flows and its capital spending profile, the Company does not expect to be cash taxable for at least the next five years. The income tax pool balances, by category as at September 30, 2024, were as follows:

Category	Deductible rate	Amount
Canadian oil & gas property expenses	10% declining balance	141,726
Canadian development expenses	30% declining balance	32,943
Canadian exploration expenses	100%	35,655
Undepreciated capital costs	7-100% declining balance	67,708
Financing costs	5 year straight line	8,088
Non-capital losses	100%	358,300
Total		644,420

On March 18, 2023 the Company issued 3,040 thousand flow-through shares for gross proceeds of \$20,125. Under the terms of the flow-through share subscription agreements, the Company was obligated to renounce qualifying income tax expenditures to subscribers for the gross amount of the subscription proceeds on or before March 31 of

2024. Qualifying expenditures are defined as eligible Canadian Development Expenses under the Income Tax Act. All of the required, qualifying expenditures were incurred by March 31, 2024.

NETBACKS

The operating netback of \$17.32 per boe for the third quarter of 2024 decreased 15% from \$20.41 per boe for the same period in 2023. For the nine months ended September 30, the operating netback was \$17.21 per boe for 2024, which was a 3% decrease from \$17.67 per boe for 2023. The change in the operating netback for the third quarter was a result of a 5% decrease in production and a 13% decrease in average realized commodity prices.

The Adjusted Funds Flow netback per boe for the third quarter of 2024 was \$13.22 per boe, which was 23% lower than the \$17.11 per boe in the same quarter of 2023. For the nine months ended September 30, Adjusted Funds Flow netback per boe decreased 8% from \$14.17 in 2023 to \$13.02 in 2024.

After taking into account the non-cash items, there was a net income netback of \$0.60 per boe for the third quarter of 2024 as compared to an income of \$7.13 per boe in 2023. The change is attributable to the gain on disposition in the comparative quarter in addition to the lower Adjusted Funds Flow. For the nine months ended September 30, 2024 the net income netback was \$0.48 per boe as compared to \$3.67 per boe in the same period of 2023.

(\$ per boe)	Three months ended			Nine months ended		
	2024	2023	Change	2024	2023	Change
			%			%
Realized price	45.86	52.96	(13)	47.79	50.18	(5)
Royalties	(7.79)	(10.90)	(29)	(9.08)	(10.34)	(12)
Net operating expenses	(19.60)	(20.72)	(5)	(20.30)	(21.30)	(5)
Transportation expenses	(1.15)	(0.93)	24	(1.20)	(0.87)	38
Operating	17.32	20.41	(15)	17.21	17.67	(3)
General and administrative	(2.62)	(1.80)	46	(2.70)	(1.91)	41
Finance expense - interest	(1.70)	(1.89)	(10)	(1.63)	(2.03)	(20)
Other income	0.22	0.39	(44)	0.14	0.44	(68)
Adjusted Funds Flow	13.22	17.11	(23)	13.02	14.17	(8)
Other income	-	-	-	-	0.05	(100)
Share based compensation	(0.68)	(0.51)	33	(0.78)	(0.54)	44
Depletion and depreciation	(9.53)	(8.80)	8	(9.27)	(8.11)	14
Loss on debt modification	-	-	-	-	(0.05)	(100)
Gain on PP&E dispositions	-	3.16	(100)	-	1.01	(100)
Finance expense - accretion	(1.75)	(1.63)	7	(1.67)	(1.55)	8
Exploration & evaluation	(0.25)	(0.01)	2,400	(0.19)	(0.12)	58
Exploration & evaluation impairment	-	-	-	(0.03)	-	-
Transaction costs	-	(0.02)	(100)	(0.06)	(0.01)	500
Deferred tax	(0.41)	(2.17)	(81)	(0.54)	(1.18)	(54)
Net income	0.60	7.13	(92)	0.48	3.67	(87)

NET INCOME AND COMPREHENSIVE INCOME, ADJUSTED FUNDS FLOW AND CASH FROM OPERATING ACTIVITIES

Journey generated a net income for the three months ended September 30, 2024 of \$598 as compared to net income of \$7,712 in 2023. During the third quarter of 2024, Journey realized net income per share of \$0.01 per basic and diluted share as compared to net income of \$0.13 per basic and \$0.11 diluted share in the same quarter of 2023. There was net income of \$1,518 for the nine months ended September 30, 2024, which translated into \$0.02 per

basic and diluted share as compared to net income of \$12,379 or \$0.21 per basic and \$0.19 per diluted share in 2023.

Adjusted Funds Flow during the third quarter of 2024 was \$13,552, a decrease of 28% from \$18,513 realized in 2023. The decrease was attributable to the 5% decrease in production volume between periods and a 13% decrease in average realized commodity prices. Adjusted Funds Flow per share for the third quarter of 2024 was \$0.22 per basic share and \$0.20 per diluted share as compared to \$0.30 per basic share and \$0.38 per diluted share for the same period in 2023. For the nine months ended September 30, Adjusted Funds Flow decreased 15% from \$47,764 in 2023 to \$40,779 in 2024. Adjusted Funds Flow per share for the nine months was \$0.66 per basic share and \$0.61 per diluted share in 2024 as compared to \$0.80 per basic share and \$0.72 per diluted share in 2023.

Cash flow provided by operating activities ("Cash Flow") is the IFRS financial statement measure, which represents how much cash, was generated by Journey's business operations. Cash Flow for the third quarter of 2024 was \$6,249 versus \$11,569 during the same quarter of 2023. For the nine months year to date Cash Flow was \$22,501 in 2024 as compared to \$35,365 in 2023.

Per share data	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Net income and comprehensive income	598	7,712	(92)	1,518	12,379	(88)
Basic (\$/share)	0.01	0.13	(92)	0.02	0.21	(90)
Diluted (\$/share)	0.01	0.11	(91)	0.02	0.19	(89)
Adjusted Funds Flow	13,552	18,813	(28)	40,779	47,764	(15)
Basic (\$/share)	0.22	0.30	(27)	0.66	0.80	(18)
Diluted (\$/share)	0.20	0.28	(29)	0.61	0.72	(15)
Cash flow provided by operating activities	6,249	11,569	(46)	22,501	35,365	(36)
Basic (\$/share)	0.10	0.19	(47)	0.37	0.59	(37)
Diluted (\$/share)	0.09	0.17	(47)	0.34	0.54	(37)

CAPITAL EXPENDITURES

For the third quarter of 2024, Journey spent \$8,173 in total capital expenditures. Of this amount, Journey spent \$1,757 on drilling and completion costs. In addition, \$3,930 was spent on the continuing construction of the Gilby and Mazeppa power generation project. Capital additions for the respective three periods is broken down as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
<u>Cash expenditures:</u>						
Land and lease rentals	180	102	76	712	1,561	(54)
Geological and geophysical	20	-	-	136	278	(51)
Drilling and completions	1,757	2,283	(23)	9,456	4,468	112
Well equipment and facilities	2,579	1,494	73	8,148	4,677	74
Power generation	3,930	1,958	101	8,437	5,179	63
Total capital expenditures	8,466	5,837	45	26,889	16,163	66
PP&E acquisitions	23	1,770	(99)	23	13,309	(100)
PP&E dispositions	(363)	(4,603)	(92)	(1,150)	(5,644)	(85)
Net capital expenditures	8,126	3,004	171	25,762	23,828	8
<u>Other expenditures:</u>						
Administrative	-	-	-	11	-	-
ARO costs incurred (internal plus SRP)	2,472	480	415	3,946	3,665	8
Total expenditures	10,598	3,484	204	29,719	27,493	8

All four wells drilled in 2024 were drilled in the Medicine Hat area. The Medicine Hat wells were placed on-production in March.

	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		2024		2023	
Wells drilled	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Oil wells	-	0.3	3	2.2	4	2.9	3	2.2
Gas wells	-	-	-	-	-	-	-	-
Total	-	0.3	3	2.2	4	2.9	3	2.2
Success rate (%)	-	100	100	100	100	100	100	100

DECOMMISSIONING LIABILITIES (“DL”)

At September 30, 2024, Journey has recorded a DL of \$165,804 (\$182,837 at December 31, 2023) for the future abandonment and reclamation of the Company’s net ownership interests in its assets. The DL does not include \$11,170 of the liability associated with the assets held for sale at September 30, 2024 which is reclassified separately on the interim statement of financial position. The estimated DL includes numerous assumptions in respect of: the actual costs to abandon wells, pipelines and facilities; and reclaim the surface access; the time frame in which such costs will be incurred; and annual inflation factors in order to calculate the undiscounted total future liability. The present value of the future liability at September 30, 2024 has been escalated using an inflation rate of 1.6% (December 31, 2023 – 1.6%) and then discounted using a risk-free rate of 3.1% (December 31, 2023 – 3.0%). The Company estimates the total undiscounted, un-escalated amount of cash flows required to settle its decommissioning obligations at September 30, 2024 to be \$254,958 (December 31, 2023 - \$257,644) the majority of which, will be incurred at various times between 2024 and 2059. This undiscounted amount includes \$13,948 of liability associated with the assets held for sale at September 30, 2024.

Accretion charges of \$1,481 for the three months ended September 30, 2024 (September 30, 2023 - \$1,463), and \$4,331 for the nine months ended September 30, 2024 (September 30, 2023 - \$4,184) have been recognized in the statements of comprehensive net income to reflect the increase in DL associated with the passage of time. Spending under Journey’s abandonment and reclamation program, and including SRP Funding, for the three and nine month periods ended September 30, 2024 was \$2,472 and \$3,946 respectively (September 30, 2023 - \$480 and \$3,498 respectively).

Abandonment and reclamation activities continue to be made in a prudent, responsible manner by Journey with the oversight of the Health, Safety and Environment Committee of the Board. Ongoing abandonment expenditures for all of Journey’s assets are funded entirely out of Adjusted Funds Flow from operating activities. Journey’s Liability Management Rating is within the Alberta Energy Regulator’s requirements, such that no deposits are required or expected to be required at September 30, 2024 and at the date of this MD&A.

LEASE OBLIGATION LIABILITIES (“LO”)

At September 30, 2024, Journey’s discounted lease obligations were \$1,372 (December 31, 2023 - \$1,708). The discounted lease obligations are accreted up to their eventual future cash obligation through a charge to finance expense. Accretion charges of \$42 and \$132 for the three and nine months ended September 30, 2024 have been recognized in the statements of comprehensive net income to reflect the increase in the LO associated with the passage of time. For the three and nine months ended September 30, 2023 accretion charges were \$52 and \$149 respectively. Expenditures for the LO for the three and nine month periods ended September 30, 2024 were \$178 and \$468 respectively. For the three and nine month periods in 2023, the expenditures were \$110 and \$295 respectively.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Journey's Net Debt continued to decrease in the third quarter of 2024 and Journey embarked on a plan to smooth out its debt repayments to allow it pursue its growth strategy. On March 20, 2024, Journey completed an issuance of convertible debentures for gross proceeds (before issue costs) of \$38,000. Each convertible debenture consists of \$1,000 of principal and is convertible into 200 common shares of the Company at a price of \$5.00 per share for a period of five years following the closing date. The convertible debentures bear interest at a rate of 10.25% per annum payable semi-annually in arrears on March 31 and September 30 in each year commencing September 30, 2024. The net proceeds from the offering of \$36.6 million were used to repay the remaining VTB loan of \$11.0 million and on March 27, 2024, Journey repaid \$12,700 of its AIMCo term debt. The remaining proceeds will be used to fund Journey's 2024-2025 drilling program, and support working capital.

Net debt at the end of September 30, 2024 was 0.97 times net debt to annualized third quarter Adjusted Funds Flow. Net Debt of the Corporation at September 30, 2024 was \$52,676, which was 15% lower than the \$61,676 as at December 31, 2023.

Under the AIMCo credit facility, the Company is required to maintain a Liability Management Rating ("LMR") greater than 1.5. The Company was in compliance with this requirement as at September 30, 2024 and remains in compliance as of the date of these MD&A with a 1.8 rating.

At September 30, 2024 there remains an outstanding balance of \$25.1 million on all tranches of AIMCo term debt. On October 10, 2024 the repayment terms were amended to eliminate the balloon payment of \$11.1 million due on October 31, 2024 and blend this amount into monthly payments of principal of approximately \$3.0 million (plus accrued interest) until March 31, 2025 and then principal payments of approximately \$2.0 million (plus accrued interest) thereafter until August 31, 2025. Journey will fund the lump sum payment and the monthly repayments with the combination of cash on hand plus monthly cash flows.

Journey's capital structure is made up of the following as at September 30 of the respective years:

	2024	2023
Shares outstanding	61,350	60,922
Share closing market price (\$/share)	\$2.47	\$5.44
Market capitalization	151,535	331,416
Net debt	52,676	59,781
Total capitalization	204,211	391,197

RELATED PARTY TRANSACTIONS

The Company considers its directors and executives to be key management personnel and are therefore related parties. As at September 30, 2024 there were twelve (September 30, 2023 – eleven) individuals that were considered key management personnel. For the three and nine month periods ended September 30, compensation for these individuals is comprised of the following:

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Salaries and director fees	512	482	6	2,417	1,325	82
Short-term employee benefits	42	44	5	125	116	8
Share based payments (i)	331	120	176	1,150	647	78
Total	885	646	37	3,692	2,088	77

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

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

CONTRACTUAL OBLIGATIONS

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, is expected to have a significant impact on the Company's unaudited interim condensed consolidated financial statements.

- (a) The amounts in the table below are the minimum cash obligations that the Company must pay under the terms of the following contracts:

	Total	< 1 year	2-3 years	4-5 years
Principal Term debt – AIMCo	25,061	25,061	-	-
Interest on term borrowings	2,462	2,462	-	-
Other loans	417	108	309	-
Natural gas transportation	3,325	1,873	1,433	19
Operating leases	3,082	1,606	1,476	-
Principal Convertible Debentures	34,633	-	-	34,633
Interest on Convertible Debentures	17,533	3,895	7,790	5,848
Total contractual obligations	86,513	35,005	11,008	40,500

- (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.

SUBSEQUENT EVENTS

- a) On October 1, 2024 Journey closed the disposition of its interest in various non-core properties for proceeds of \$578, before closing adjustments.
- b) On October 10, 2024 Journey amended the repayment terms on its term debt. The maturity date of the term debt was amended from April 30, 2025 to August 29, 2025. The interest rates remain unchanged to the various tranches. The mandatory repayment amounts were amended as follows:

- (i) On the last day of each month until the outstanding principal balance is repaid, mandatory repayment is required of the outstanding principal under the Tranche 1 loan in an amount equal to \$1,000 together with all accrued and unpaid interest.
 - (ii) On October 31, 2024 an interest payment in an aggregate amount equal to \$1,935 is due on the Tranche 2 and 3 loans.
 - (iii) On November 29, 2024 and on the last day of each month thereafter, 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.
- c) On October 25, 2024 all of the Company's outstanding warrants were exercised for proceeds totalling \$800.

OFF BALANCE SHEET FINANCINGS

There were no off balance sheet financings during the period.

SHARE CAPITAL

The following table provides a summary of the outstanding common shares and other equity instruments outstanding as at:

<i>(000's)</i>	Nov 7, 2024	September 30, 2024	September 30, 2023
Common shares outstanding	67,107	61,350	60,922
Options, warrants, share awards, convertible debentures	1,229	6,996	6,946
Fully diluted shares	68,336	68,346	67,868

The weighted average shares outstanding at the respective periods are:

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	%	2024	2023	%
Basic	61,350	60,922	1	61,350	60,009	2
Diluted (i)	66,673	67,080	(1)	66,723	66,036	1

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

SELECTED QUARTERLY INFORMATION

Below is summarized quarterly information for the previous eight quarters.

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Production (boe/d)	11,152	11,235	11,906	12,595
Average prices realized, pre-hedging (\$/boe)	45.86	49.42	48.08	48.26
Petroleum and natural gas sales	47,046	50,525	52,098	55,914
Net income (loss)	598	(2,328)	3,248	3,440
Basic – per share (\$/share)	0.01	(0.04)	0.05	0.06
Diluted – per share (\$/share)	0.01	(0.04)	0.05	0.05
Adjusted Funds Flow	13,552	9,507	17,720	18,376
Basic – per share (\$/share)	0.22	0.15	0.29	0.30
Diluted – per share (\$/share)	0.20	0.14	0.27	0.27
Cash flow provided by operating activities	6,249	8,258	7,994	31,278
Total assets	592,294	598,748	610,930	610,136
Net capital expenditures	8,132	3,349	14,287	17,029
Long term financial liabilities	194,785	202,940	209,651	187,746
Net debt	52,676	55,452	60,131	61,676

	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Production (boe/d)	11,756	12,400	12,920	11,496
Average prices realized, pre-hedging (\$/boe)	52.96	47.28	50.26	63.82
Petroleum and natural gas sales	57,279	53,513	58,443	67,531
Net earnings (loss)	7,712	(1,773)	6,440	97,753
Basic – per share (\$/share)	0.13	(0.03)	0.11	1.73
Diluted – per share (\$/share)	0.11	(0.03)	0.10	1.55
Adjusted Funds Flow	18,513	11,292	17,959	24,890
Basic – per share (\$/share)	0.30	0.19	0.31	0.44
Diluted – per share (\$/share)	0.28	0.17	0.28	0.40
Cash flow from operations	11,569	12,335	11,461	25,346
Total assets	589,031	610,680	618,583	639,195
Net capital expenditures	3,004	14,006	6,818	121,376
Long term financial liabilities	172,780	206,720	236,360	226,026
Net debt	59,781	74,662	71,071	98,768

Production levels are impacted by decline rates and the Company's capital program. Commodity prices are affected by both domestic and international factors that are beyond the Company's control. Petroleum and natural gas sales are impacted by production levels and the volatility of commodity pricing. In addition, royalties are affected by the underlying commodity pricing.

Significant factors and trends that have affected the Company's results during the above periods are outlined below:

- Q3 2024: The third quarter of 2024 saw decreased sales of 7% from the second quarter of 2024 particularly due to a 1% decrease in production and a 7% decrease in average realized prices. The Adjusted Funds Flow results increased 43% from the second quarter of 2024. This can be attributed to the increase in non-cash working capital. Journey spent \$8,132 in net capital expenditures in the quarter, \$3,930 was related to power generation assets, and \$1,757 in relation to drilling and completion work. The Company was able to reduce its net debt outstanding by 5% to \$52,676 in the third quarter of 2024 compared to the net debt at the end of the second quarter of 2024.
- Q2 2024: The second quarter of 2024 saw decreased sales volume of 6% from the first quarter of 2024 and an 11% decrease from the fourth quarter of 2023 attributable in part to shut-in down times. The Adjusted

Funds Flow results decreased 46% and 48% from the first quarter of 2024 and the last quarter of 2023 respectively. This can be attributed to the decreased in production of 6% and 11% between those same periods. Journey spent \$3,349 in net capital expenditures in the quarter, \$1,264 was related to power generation assets, and \$676 in relation to drilling and completion work. Journey disposed of a royalty interest in the Ferrier area for \$787 in proceeds during the second quarter of 2024. Despite lower Adjusted Funds Flow, the Company was able to reduce its net debt outstanding by 8% to \$55,452 in the second quarter of 2024 compared to the net debt at the end of the first quarter of 2024.

- Q1 2024: The first quarter of 2024 saw decreased sales volumes of 5% from the fourth quarter of 2023 mainly due to natural declines and seasonality effects. The Adjusted Funds Flow results decreased 5% compared to the fourth quarter of 2023 which can be attributed to the 5% decrease in volumes and a nominal decrease in realized pricing quarter over quarter. Journey spent \$14,287 in the quarter in total capital spending of which \$7,023 was devoted to drilling and completions work; and \$3,243 was spent on advancing the Gilby power project. Journey exited the first quarter with \$60,131 of net debt.
- Q4 2023: The fourth quarter of 2023 saw increased sales volumes of 7% from the third quarter and mainly due to the positive drilling results from the 9 (8.1 net) wells drilled in the quarter. The Adjusted Funds Flow results were muted as average commodity prices softened by 11% with realized oil prices coming in 14% lower than in the third quarter. Journey spent \$18,226 in the quarter in total capital spending of which \$11,152 was devoted to drilling and completions work; and \$9,457 was spent on advancing the Gilby power project. Field operating costs were lower by 14% on a per boe basis as power prices declined significantly due to a warm start to the winter. Power is the largest single item affecting operating expenses and these costs decreased by 34% from the third to the fourth quarter. Operating expenses per boe dropped from \$20.72/boe in the third quarter to \$17.02 in the fourth quarter. In the fourth quarter Journey entered into an amendment with AIMCo for the extension and amortization of the final amounts owing under the term debt agreements currently outstanding. The amendment now extends \$10 million of term debt repayments into 2025. Journey exited the fourth quarter with \$61,676 in net debt.
- Q3 2023: Average sales volumes were 5% lower in the third quarter of 2023 compared to the second quarter due to natural declines and no new wells brought on-stream. The drilling program commenced late in the quarter and the results will be reflected in the next quarter. Average prices were 12% higher in the third quarter compared to the second quarter. As a result Adjusted Funds Flow was 64% higher than the second quarter at \$18.5 million. Due to the limited net capital spending and some small non-core dispositions in the quarter, resulting in a net spend of \$3.0 million, Journey was able to reduce its net debt to \$59,781. Construction of the Gilby power plant continued in the quarter with Journey spending \$2.0 million in the quarter.
- Q2 2023: Average commodity prices decreased by 5% from the first quarter to the second quarter of 2023 as the expected demand from China reopening did not materialize. In addition, a warm winter depressed natural gas prices that continued into the third quarter. Wildfires in Alberta during the third quarter created some producing well shut-ins and sales volumes declined by 4% quarter over quarter. These challenges caused Adjusted Funds Flow to decrease by 37% from the first quarter to \$11,292. Journey's net capital expenditures was \$14,006 and because this exceeded Adjusted Funds Flow the net debt increased to \$74,662. The majority of capital spending in the quarter was restricted to the acquisition of the Mazeppa power generation assets, and final adjustments from the Enerplus purchase that closed in October. The combination of these two items comprised \$11.5 million of total capital.
- Q1 2023: On the back of the significant acquisition that closed October 31, 2022 sales volumes increased to 12,920 boe/d (55% crude oil and NGL's) in the first quarter of 2023 from 11,496 boe/d in the fourth quarter of 2022. Average realized prices softened by 21% to \$50.26/boe from the fourth quarter of 2022 due to persistent global recession fears and a warmer than normal winter. Adjusted Funds Flow was \$17,959 or \$0.31 per basic weighted average share. Net debt decreased to \$71,071 at March 31 as Journey underspent its cash flow in its capital spending program and concentrated on repaying its vendor take back debt as well as making its balloon payment to AIMCo on March 31 in the amount of \$23.8 million. To buttress the Company's liquidity, Journey closed on a flow-through share private placement on March 23 for the issuance of 3.04 million shares at a price of \$6.62 per share; and made an agreement with AIMCo to defer the \$24.7 million debt maturity from October 31, 2023 to April 30, 2024.

- Q4 2022: Average commodity prices continued to be solid during the fourth quarter at \$63.82/boe (before hedging gains), which were consistent with the \$62.06/boe realized in the third quarter. Realized oil prices decreased 13% from the previous quarter while natural gas prices increased by 33%. Sales volumes increased in the fourth quarter to 11,496 boe/d as compared to 9,504 boe/d in the third quarter. The increase was largely due to the 4,000 boe/d acquisition that Journey closed on October 31. Journey generated quarterly Adjusted Funds Flow of \$24,890 or \$0.44 per basic weighted average share. Journey's power project continued to perform well and generated 8,199 MW of electricity at an average price of \$241.25/MW (including Option M credits). Net debt at the end of the quarter was \$98,768, which was 489% above the September 30, 2022 amount of \$16,781. The increase in net debt was primarily due to the debt incurred to close the asset acquisition on October 31.

CRITICAL ACCOUNTING ESTIMATES

A summary of the material accounting policies used by Journey can be found in Note 3 of the December 31, 2023 audited consolidated financial statements. Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2023 discloses the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements. The December 31, 2023, audited consolidated financial statements are available on SEDAR at www.sedar.com.

The preparation of financial statements 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.

CHANGES IN ACCOUNTING POLICIES

There were no material IFRS accounting standards adopted in 2024.

There were no new or amended accounting standards or interpretations issued during the period ended September 30, 2024 that will materially affect the Company's future reporting periods.

RISK FACTORS AND RISK MANAGEMENT

The risks in the oil and gas industry are varied and wide-ranging. The primary risks and how the Company mitigates them are as follows:

Commodity Price Risk

The Company's operating results and financial condition are dependent on prices received for the production of natural gas, NGL and oil. Commodity prices have historically been subject to wide fluctuations and have the most material impact on Funds Flow. These prices are determined by supply and demand factors including: weather and general economic conditions in places that Journey does not operate and therefore are largely outside of Journey's control. Prices received in Canada also reflect changes in the Canadian/US currency exchange rate. Journey's strategy to mitigate these risks focuses on the use of fixed price contracts to limit exposure to downturns in commodity prices while allowing, to the maximum extent possible, maximum exposure to commodity price increases. The Company's hedging activities are conducted pursuant to the Company's Risk Management policy approved by the Board of Directors. Revenues and the resulting Funds Flows fluctuate with commodity prices, which are tied directly to the US/Canadian dollar exchange rate. Commodity prices are determined on a global basis and

circumstances that occur in various parts of the world are outside of the control of the Company. The Company protects itself from fluctuations in prices by maintaining an appropriate hedging strategy, diversifying its asset mix and strengthening its balance sheet in order to take advantage of low price environments by making strategic acquisitions. Journey enters into commodity price contracts to actively manage the risks associated with price volatility and thereby partially protect Adjusted Funds Flows, which are used to fund our capital program.

The risk associated with using these derivative contracts include: commodity prices moving materially in favor of the counter-party and the credit risk associated with the collection of settlements from price movements in Journey's favor. Journey mitigates these risks by dealing with its main commodity purchaser as the primary counterparty.

Foreign Exchange Risk

Journey is also exposed to fluctuations in the exchange rate between the Canadian and US dollar. Most commodity prices are based on US dollar benchmarks, which result in our realized prices being influenced by the Canadian/U.S. currency exchange rates.

Liquidity Risk

Liquidity risk is impacted by many things, which are both internal and external to Canada. Currently, the world is battling inflationary forces that requires governments to take fiscal action that can be detrimental to economies. The current challenging economic climate has had, and may continue to have significant adverse impacts on the Corporation including:

- material declines in revenue and cash flows a result of the collapse in commodity prices and reductions in production levels;
- reduced capital programs which could have further negative effects on production levels;
- declines in commodity prices, revenue and cash flows have resulted in material impairments and could result in further impairment charges;
- inability to comply with debt covenants and restrictions in lending agreements;
- increased risk of collection of accounts receivable and customer defaults.

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 repayments.

Estimates and judgements made by management in the preparation of these financial statements are increasingly difficult and subject to a high degree of measurement uncertainty during this volatile period.

Journey maintains short-term and long-term cash forecasting based on estimated production levels and estimated pricing in order to proactively enact changes to its capital spending to maintain a reasonable working capital balance. The projected balance of cash reserves (existing and forecasted) for Journey is assessed by Management to be sufficient to ensure obligations will be met as they come due.

Credit Risk

Credit risk arises from the potential loss resulting from a counterparty failing to meet its obligations in accordance with the agreed terms. The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Poor credit conditions in the industry and of joint venture partners may influence a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner. Substantially all of the accounts receivable

are with its marketers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Company generally extends unsecured credit to these parties and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by entering into transactions with long-standing, reputable, counterparties and partners. In many cases, the Company has offsetting receivables and payables with its joint venture partners and makes use of these offsets to mitigate any payment risk. Wherever possible, the Company requires cash calls from its partners on capital projects before they commence. On a regular basis, the Company assesses the potential for bad debts associated with these parties and provides for accordingly.

Receivables related to the sale of the Company's petroleum and natural gas production are mainly from major marketing companies who have excellent credit ratings. These revenues are normally collected on the 25th day of the month following delivery.

The counter-parties with which the Company maintains its risk management contracts are major Canadian chartered banks having investment grade rating.

Credit Facility Risk

There is still a risk that give the residual impact of the pandemic, the Ukraine-Russia war, and the resulting volatility surrounding commodity prices, that Journey may not be able to make its scheduled principal and interest payments on its term debt. While AIMCo, as the largest shareholder of Journey, has been supportive of Journey, there is no assurance that they will not enforce their security should the payments not be made.

Access to Capital Markets

The Company's business plan includes the making of significant capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As Adjusted Funds Flow may not be sufficient to fund its ongoing activities at all times, the Company may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities over and above its lending facility. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss out on acquisition opportunities, and reduce or terminate operations. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects. Should circumstances affect the Funds Flow in a detrimental way, the Company would respond by increasing debt within the Company's self-imposed debt guideline and/or reducing capital expenditures. The Company relies on various sources of funding to support its capital expenditure program including:

- Internally generated Adjusted Funds Flows;
- Debt may be utilized to expand capital programs when deemed appropriate; and
- Additional equity, if available and on terms acceptable to the Company, may be used to expand or support exploration and development programs and fund acquisitions.

Interest Rate Risk

All of Journey's borrowings have fixed interest rates for their respective terms. However, as these various tranches of term debt mature, Journey will need to renegotiate new terms to the extent that the debt is not repaid at maturity. The interest rates could increase materially upon these renegotiations to the extent market interest rates have moved upward.

The maturing Western Canadian Sedimentary Basin

Land and producing assets are becoming increasingly scarce and more expensive. The Company mitigates these risks by developing its core areas to gain efficiencies. In addition, the Company participates in several farm-in opportunities wherein its exposure to increasing land prices is minimized. For riskier, exploration projects, the Company will solicit partner participation to limit the downside exposure.

Increasing United States Oil and Natural Gas Supply

Over the last decade, the advent of multi-stage fracking has unlocked previously uneconomic oil and natural gas supplies that are readily available in the United States. The Marcellus, Haynesville, and Eagle Ford shale gas plays in the Eastern United States and the Bakken in North Dakota have created a supply within the major consuming regions of the United States. This has caused a reduction in demand from Western Canada and this could possibly continue for many years to come. As a result, the Company has shifted capital to oil targets on its existing lands and will continue to do so into the foreseeable future.

Operating and finding and development costs

The industry experiences significant cost swings for its services. Field activity has accelerated with the increase in commodity prices. The Company mitigates risks by entering into strategic joint ventures to reduce exposure to high costs and diversify drilling risks. The Company employs experienced and motivated staff to evaluate and generate high quality drilling prospects. In addition, the Company seeks to utilize appropriate technology and responsible operating practices in operating its wells. The Company utilizes appropriate safety programs and insurance coverage to guard against potential losses. Concentrating on core areas wherein Journey has high degrees of ownership and operatorship further mitigates increasing operating costs as economies of scale are gained. Journey attempts to minimize finding risk by:

- Focusing its efforts on its core areas wherein its expertise and experiences can be properly leveraged;
- Generating as many internal projects as possible;
- Being the operator on the majority of projects;
- Identifying drilling opportunities with multi-zone prospects; and
- Making prudent use of seismic data to identify prospects – either by purchasing trade data or by shooting new seismic.

Administrative Risks

The increased transparency required by the securities, environmental and industry regulators are constantly evolving. Accounting and regulatory guidelines dictate significant resources be devoted to these areas. Journey maintains processes designed to comply with the required disclosures; has a strong Board of Directors and engages technical advisors to assist in meeting securities guidelines. In addition, the industry will continue to experience competitiveness with respect to finding and retaining qualified employees. Retention issues are at least partially mitigated by having all employees participate in its LTI program and paying competitive salaries.

Competition

The petroleum industry is competitive in all its phases. The Company competes with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Company's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Company. The Company's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, methods, and reliability of delivery and storage. Competition may also be presented by alternate fuel sources.

Environmental Regulations

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and Fourth parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Regulatory Risk

There can be no assurance that government regulations including: royalties, income taxes, environmental laws and other regulatory requirements will not be changed in a manner, which would adversely affect the Company or its shareholders. While Journey has no control over these regulatory risks, it monitors these changes by participating in industry organizations and wherever possible offering assistance in lobbying for any proposed changes which will benefit all stakeholders. The AER has made changes to its LLR program whereby operators are rated with respect to the value of their assets versus the estimated abandonment and reclamation obligation. Operators with a rating of less than one, are required to post deposits with the AER. Journey's rating is currently 1.9 and the Company does not expect to post any such deposits in the near future.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Journey's CEO and CFO are responsible for establishing and maintaining internal control over financial reporting ("ICFR") as defined in NI 52-109. They have as at the interim period ending September 30, 2024, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework used to design the Corporation's ICFR is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations.

Journey is required to comply with National Instrument 52-109 "*Certification of Disclosure on Issuers' Annual and Interim Filings*" ("NI 52-109"). NI 52-109 requires that Journey disclose in its most recent interim period any material weaknesses in Journey's internal control over financial and/or any changes in Journey's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect Journey's internal controls over financial reporting. Journey confirms that no material weaknesses or such changes were identified in Journey's internal controls over financial reporting during the third quarter of 2024.

The September 30, 2024 condensed consolidated interim financial statements are available on SEDARPLUS at www.sedarplus.com as well as the Company's website at www.journeyenergy.ca.