INTERIM CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2025

ROK RESOURCES INC.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in $000s)	**March 31, 2025**	December 31, 2024
Assets		
Current Assets		
Accounts receivable (Note 11)	**9,784**	11,528
Prepaids and deposits	**1,015**	284
	10,799	11,812
Non-current Assets		
Property, plant and equipment (Note 3)	**131,498**	135,953
Exploration and evaluation assets (Note 4)	**363**	363
Marketable securities (Note 8)	**5,583**	8,516
	148,243	156,644
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 11)	**10,013**	15,346
Current portion of lease liability	**120**	114
Risk management contracts (Note 11)	**1,627**	771
	11,760	16,231
Non-current Liabilities		
Non-current portion of debt (Note 5)	**5,087**	7,323
Non-current portion of lease liability	**260**	293
Risk management contracts (Note 11)	**55**	41
Decommissioning obligations (Note 6)	**17,899**	17,547
Deferred income tax	**13,282**	13,802
	48,343	55,237
Shareholders' Equity		
Share capital (Note 7a)	**28,420**	28,420
Warrants (Note 7b)	**-**	4,562
Contributed surplus (Note 7c)	**8,131**	3,531
Retained earnings	**63,349**	64,894
	99,900	101,407
	148,243	156,644

Subsequent event (Note 13)

See accompanying notes to the interim condensed financial statements.

ROK RESOURCES INC.

INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31

(Unaudited, expressed in $000s)	**2025**	2024
Revenue:		
Oil and natural gas sales (Note 9)	**20,980**	20,931
Royalties	**(3,478)**	(3,955)
Oil and natural gas sales, net of royalties	**17,502**	16,976
Realized gain (loss) on commodity contracts (Note 11)	**(334)**	926
Unrealized loss on commodity contracts (Note 11)	**(870)**	(7,076)
Processing and other income	**637**	862
Total revenue and other income	**16,935**	11,689
Expenses and other items:		
Operating expenses	**9,031**	10,724
General and administrative	**1,195**	1,246
Stock-based compensation (Note 7c)	**38**	170
Depletion and depreciation (Note 3)	**5,191**	6,164
Net finance expense (Note 10)	**616**	897
Unrealized loss on marketable securities (Note 8)	**2,933**	-
Foreign exchange	**(3)**	(26)
Total expenses and other items	**19,001**	19,174
Loss before income taxes	**(2,066)**	(7,486)
Deferred income tax recovery	**(521)**	(1,873)
Net loss and comprehensive loss	**(1,545)**	(5,612)
Net loss per share (Note 7d)		
Basic	**(0.01)**	(0.03)
Diluted	**(0.01)**	(0.03)

See accompanying notes to the interim condensed financial statements.

ROK RESOURCES INC.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three months ended March 31

(Unaudited, expressed in $000s)	**2025**	**2024**
Cash flows provided by (used in):		
Operating activities		
Net loss	**(1,545)**	(5,612)
Adjustments for:		
Unrealized loss on commodity contracts (Note 11)	**870**	7,076
Unrealized loss on marketable securities (Note 8)	**2,933**	-
Depletion and depreciation (Note 3)	**5,191**	6,164
Other income from deferred revenue	**(138)**	-
Stock-based compensation (Note 7c)	**38**	170
Unrealized foreign exchange	**1**	(2)
Net finance expense (Note 10)	**616**	897
Net interest expense paid	**(170)**	(379)
Abandonment costs paid (Note 6)	**(126)**	(98)
Deferred income tax recovery	**(521)**	(1,873)
Change in non-cash working capital (Note 12)	**(4,112)**	(2,166)
	3,037	**4,177**
Investing activities		
Expenditures on property, plant and equipment (Note 3)	**(669)**	(1,819)
Expenditures on lithium exploration project (Note 11)	**-**	(249)
Change in non-cash working capital (Note 12)	**(70)**	(317)
	(739)	**(2,385)**
Financing activities		
Amounts paid on Credit Facility	**(2,262)**	(1,756)
Lease payments	**(36)**	(36)
	(2,298)	**(1,792)**
Foreign exchange on cash and cash equivalents	-	-
Increase in cash and cash equivalents	**-**	**-**
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	**-**	**-**

See accompanying notes to the interim condensed financial statements.

ROK RESOURCES INC.

INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, expressed in $000s)	**Number of Shares**	**Share Capital**	**Warrants**	**Contributed Surplus**	**Retained Earnings**	**Total**
Balance at December 31, 2024	219,769,315	28,420	4,562	3,531	64,894	101,407
Net loss	-	-	-	-	(1,545)	(1,545)
Warrant expiry	-	-	(4,562)	4,562	-	-
Stock-based compensation	-	-	-	38	-	38
Balance at March 31, 2025	**219,769,315**	**28,420**	**-**	**8,131**	**63,349**	**99,900**

Balance at December 31, 2023	218,418,315	28,052	4,562	3,287	65,530	101,431
Net loss	-	-	-	-	(5,612)	(5,612)
Warrant exercises	1,000	-	-	-	-	1
Stock-based compensation	-	-	-	170	-	170
Balance at March 31, 2024	218,419,315	28,052	4,562	3,457	59,918	95,990

See accompanying notes to the interim condensed financial statements.

1. REPORTING ENTITY

ROK Resources Inc. ("ROK" or the "Company") is a public company that is engaged in oil and gas exploration and development activities in Western Canada. The Company's head offices are located in Regina, Saskatchewan, Canada and Calgary, Alberta, Canada, and the Company's shares are listed and publicly traded on the TSX Venture Exchange (the "Exchange") under the trading symbol "ROK".

2. BASIS OF PRESENTATION

These interim condensed financial statements (the "Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

These Financial Statements follow the same accounting policies and method of computation as the Company's annual audited financial statements for the year ended December 31, 2024, with the exception of certain disclosures that are normally required to be included in annual financial statements which have been condensed or omitted.

These Financial Statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2024. These Financial Statements were approved and authorized for issuance by the Company's Board of Directors on May 15, 2025.

3. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment ("PP&E") consist of development and production assets ("D&P") and right-of-use leased assets ("ROU"). D&P include the Company's interests in developed petroleum and natural gas properties, as well as interests in infrastructure such as facilities and pipelines. PP&E consist of the following amounts:

Cost ($000s)	**D&P**	**ROU**	**Total**
Balance, December 31, 2024	193,531	556	194,087
Additions	669	-	669
Change in decommissioning provisions	67	-	67
Balance, March 31, 2025	**194,267**	**556**	**194,823**
Accumulated Depletion & Depreciation ($000s)			
Balance, December 31, 2024	57,959	175	58,134
Depletion & depreciation	5,160	31	5,191
Balance, March 31, 2025	**63,119**	**206**	**63,325**
Net Carrying Amount ($000s)			
Balance, December 31, 2024	135,572	381	135,953
Balance, March 31, 2025	**131,148**	**350**	**131,498**

Future development costs in the amount of $173.5 million (December 31, 2024 - $174.2 million) were included in the depletion calculated for the period ended March 31, 2025.

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets represent the recognized acquisition value and subsequent costs incurred in relation to the undeveloped land interests on which the Company intends to conduct petroleum and natural gas exploratory work. At December 31, 2024, and March 31, 2025, total exploration and evaluation assets balance was $363,000. As of March 31, 2025, there were no indicators of impairment.

5. DEBT

a) Credit Facility

As of March 31, 2025, the Company maintained a $22.5 million revolving credit facility with a syndicate of banks (the "Credit Facility") with a balance drawn on the Credit Facility of $5.1 million (December 31, 2024 - $7.3 million). A review and redetermination of the borrowing base is scheduled to occur semi-annually on or before June 30 and November 30 of each year. The facility is available on a revolving basis until June 30, 2025 (the "Term Out Date"), at which time the facility (and the Term Out Date) may be extended for a further one-year period at the request of the Company and subject to the approval of the syndicate. Such one-year extensions may continue to occur on each subsequent Term Out Date, subject to the approval of the syndicate. Alternatively, on the Term Out Date, at the Company's discretion, the facility is available on a non-revolving basis for an additional one-year period, at the end of which time the facility would be due and payable. As the available lending limits of the facility are based on the syndicate's interpretation of the Company's reserves, commodity prices and decommissioning obligations, there can be no assurance that the amount of the available facility will not decrease at the next scheduled review.

The Credit Facility provides that advances may be made by way of direct advances, CORRA loans or letters of credit/guarantees. The facility bears interest at the bank's prime lending or CORRA rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to cash flow ratio (as defined in the lending agreement) for the most recent quarter. The CORRA loans bear interest at the prevailing CORRA rate plus an explicit stamping fee based upon the Company's debt to cash flow ratio. For the three months ended March 31, 2025, the Credit Facility had an effective interest rate of 9.0% per annum. The Credit Facility is secured by a floating charge debenture on the assets of the Company.

A summary of outstanding debt as at March 31, 2025, is as follows:

Credit Facility ($000s)	**March 31, 2025**	**December 31, 2024**
Total commitment	22,500	22,500
Amount drawn	5,087	7,349
Amount drawn, net of unamortized issue costs	5,087	7,323
Current portion	-	-
Non-current portion	5,087	7,323

b) Financial covenants

The Company is required to maintain certain debt covenants throughout the term of the Credit Facility, as follows:

- Maintain a minimum liability management rating of 2.00 in the Provinces of Alberta and Saskatchewan and a minimum licensee liability rating of 1.00 in the Province of British Columbia.
- Maintain oil and gas price hedges on a minimum of 75% of Company oil and gas production for a period of not less than 12 months. Please refer to Note 11 for oil and gas price hedges held by the Company as of the date of these financial statements.
- Establish one-time oil and gas price hedges on 25% of Company oil and gas production for the months of July 2025 through June 2026 with such hedges eventually forming part of the 12-month rolling oil and gas price

hedges on a minimum of 75% of Company oil and gas production mentioned above as time transpires. Please refer to Note 11 for oil and gas price hedges held by the Company as of the date of these financial statements.

- Make expenditures of not less than $2 million during each fiscal year toward asset retirement and abandonment and reclamation liabilities.
- Maintain a debt to cash flow ratio (as defined in the lending agreement) of less than 2.00. As of March 31, 2025, the Company's debt to cash flow ratio was 0.21 : 1.

As at March 31, 2025, the Company was compliant with all restrictions and covenants for the Credit Facility.

6. DECOMMISSIONING OBLIGATIONS

Decommissioning obligations arise as a result of the Company's net ownership interests in petroleum and natural gas assets including well sites, processing facilities and infrastructure. The following table provides a reconciliation of the carrying amount of the obligation associated with the retirement of oil and gas properties:

($000s)	
Balance, December 31, 2024	17,547
Change in estimate	67
Accretion expense	411
Liabilities settled	(126)
Balance, March 31, 2025	**17,899**

At March 31, 2025, the total estimated amount to settle ROK's decommissioning obligations on an uninflated and undiscounted basis was $63.8 million (December 31, 2024 - $63.8 million) and on an inflated and undiscounted basis was $96.0 million (December 31, 2024 - $95.9 million). The inflated, undiscounted future value of decommissioning obligations was determined by applying an inflation factor of 2.0% (December 31, 2024 – 2.0%) and subsequently discounting the inflated amount using the Company credit-adjusted rate of 12.0% (December 31, 2024 – 12.0%) to arrive at the balance of $17.9 million. These costs are expected to be incurred over the next 20 years.

There are material uncertainties about the amount and timing of the decommissioning obligations, which include the future market prices for services and equipment required to undertake decommissioning activities, the government regulations and industry practices that set out the relevant standards, and the lifespan of the Company's portfolio of exploration and production assets.

7. SHARE CAPITAL

a) Common shares

At March 31, 2025, the Company was authorized to issue an unlimited number of Class B Shares, with no par value, with holders of Class B Shares entitled to one vote per share and to dividends, if declared. Outstanding Class B Shares as of March 31, 2025, are as follows:

	Class B shares	**Amount** ($000s)
Balance, December 31, 2023	218,418,315	28,052
Stock option exercise	1,350,000	367
Warrant exercise	1,000	1
Balance, December 31, 2024 and March 31, 2025	**219,769,315**	**28,420**

b) Warrants

The Company had issued and outstanding warrants exercisable to acquire Class B Shares of the Company that were issued as part of particular financings carried out over time. A summary of the changes in warrants is presented below:

	Warrants	Weighted average exercise price
Balance, December 31, 2023	113,141,877	0.25
Warrants exercised	(1,000)	0.25
Balance, December 31, 2024	113,140,877	0.25
Warrants expired	(113,140,877)	0.25
Balance, March 31, 2025	**-**	**-**

c) Stock options

The Company has a stock option plan whereby options can be granted from time to time to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding. Options issued typically vest one-third on the date of the grant, one-third after one year following the date of the grant, and one-third after two years following the grant date. Options issued expire five years following the date of the grant.

A summary of the changes in stock options is presented below:

	Stock options	Weighted average exercise price
Balance, December 31, 2023	19,860,000	0.27
Options issued	1,885,000	0.23
Options exercised	(1,350,000)	0.15
Options forfeited	(1,400,000)	0.25
Balance, December 31, 2024 and March 31, 2025	**18,995,000**	**0.27**
Exercisable, March 31, 2025	**17,646,660**	**0.27**

The following summarizes information about stock options outstanding as at March 31, 2025:

Exercise prices	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.21	1,435,000	4.53	478,329
0.25	9,560,000	1.98	9,560,000
0.28	3,700,000	1.31	3,700,000
0.30	1,900,000	2.81	1,599,999
0.35	1,075,000	2.80	983,332
0.40	1,325,000	2.92	1,325,000
	18,995,000	**2.24**	**17,646,660**

For the three months ended March 31, 2025, the Company recognized $38,000 (March 31, 2024 - $170,000) in stock-based compensation expense.

d) Net loss per share

The table below summarizes the weighted average ("WA") number of common shares outstanding used in the calculation of net loss per share for the three months ended March 31, 2025 and 2024:

	2025	2024
WA common shares outstanding, basic	219,769,315	218,418,348
Dilutive effect of stock options	-	-
Dilutive effect of warrants	-	-
WA common shares outstanding, diluted	219,769,315	218,418,348
Net loss ($000s)	(1,545)	(5,612)
$ per common share, basic	(0.01)	(0.03)
$ per common share, diluted	(0.01)	(0.03)

The Company uses the treasury stock method to determine the impact of dilutive securities. Under this method, only "in-the-money" dilutive instruments impact the calculation of diluted net income per share. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price during the period.

In computing diluted net loss per share for the period ended March 31, 2025, a total of 18,995,000 stock options were excluded as their impact was anti-dilutive to the net loss per share in the period. For the period ended March 31, 2024, 19,860,000 stock options and 113,140,877 warrants were excluded as their impact was anti-dilutive to the net loss per share in the period.

8. MARKETABLE SECURITIES

The Company maintains ownership of 18,925,000 common shares of EMP Metals Corp. ("EMP"), a public entity which trades on the Canadian Securities Exchange under the trading symbol "EMPS". The EMP common shares are subject to escrow provisions under which 50% of the EMP common shares are to be released from escrow in September 2026 and the remaining 50% are to be released from escrow in September 2027. The EMP common shares are accounted for as a financial asset and are measured at fair value through profit or loss at each period end. As of March 31, 2025, these marketable securities had an assessed fair value of $5.6 million, resulting in an unrealized loss of $2.9 million for the period ended March 31, 2025.

9. REVENUE

The following table presents the Company's oil and natural gas revenue disaggregated by product type for the periods ended March 31, 2025 and 2024:

($000s)	2025	2024
Oil sales	17,515	16,523
NGL sales	1,851	2,080
Natural gas sales	1,614	2,328
Total	**20,980**	**20,931**

As at March 31, 2025, receivables from contracts with customers, which are included in accounts receivable, were $6.7 million (December 31, 2024 - $7.7 million.

10. NET FINANCE EXPENSE

The components of net finance expense for the three months ended March 31, 2025 and 2024, are as follows:

($000s)	2025	2024
Interest income	(1)	(1)
Debt fees and bank charges	7	5
Debt interest expense	164	375
Lease liability interest expense	9	10
Accretion on debt	26	98
Accretion on decommissioning obligations	411	410
Total net finance expense	**616**	**897**

11. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from the Company's receivables from joint operations partners and petroleum and natural gas customers.

In determining the recoverability of trade and other receivables, the Company considers the type and age of the outstanding receivables, the credit risk of the counterparties, and the recourse available to the Company. The maximum exposure to credit risk for accounts receivable and accruals, net of expected credit loss at the reporting date by type of customer was:

Carrying Amount ($000s)	March 31, 2025	December 31, 2024
Oil and natural gas customers	6,651	7,701
Joint operations partners	2,865	3,503
Accruals and other	268	324
Total	**9,784**	**11,528**

The Company applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable and accrued receivables. The expected credit losses below also incorporate forward looking information.

Aging ($000s)	**March 31, 2025**	**December 31, 2024**
0 - 30 days	5,871	7,799
30 - 90 days	879	846
Greater than 90 days	3,222	3,069
Expected credit loss	(188)	(186)
Total	**9,784**	**11,528**

The Company considers amounts outstanding greater than 90 days to be at greater risk of being uncollectible, unless circumstances on particular balances provide certainty of collection. Receivables normally collectible within 30 to 60 days can take longer as information requests and timing can come into effect in dealing with receivables from joint venture partners. At March 31, 2025, there were $0.2 million in receivables which were considered uncollectible (December 31, 2024 - $0.2 million).

Liquidity risk

The table below outlines the contractual maturities of the Company's financial liabilities as at March 31, 2025:

($000s)	**Less than 1 year**	**1-2 years**	**Thereafter**	**Total**
Accounts payable	10,013	-	-	10,013
Credit Facility	-	5,087	-	5,087
Lease obligations (1)	148	125	161	434
	10,161	**5,212**	**161**	**15,534**

1) Reflects timing of lease payments on existing lease obligations

Commodity price risk

Commodity price risk is the risk that the fair value of the future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, weather and economic and geopolitical factors.

The Company manages risk associated with the changes in commodity prices by entering into a variety of risk management contracts. The Company assesses the effects of movement in commodity prices on income before tax.

As of March 31, 2025, the Company has the following commodity risk management contracts outstanding:

	Q2 2025	**Q3 2025**	**Q4 2025**	**Q1 2026**	**Q2 2026**
Swap Contracts - WTI Crude					
Volumes (bbl/d)	1,352	1,238	1,154	276	260
C$/bbl (1)	97.72	94.65	93.43	94.62	93.46
Swap Contracts - AECO					
Volumes (mmbtu/d)	5,070	4,192	3,765	1,416	1,348
C$/mmbtu (1)	2.66	2.19	2.84	3.37	2.47

1) Prices reported are the average price for the period.

Subsequent to March 31, 2025, the Company liquidated certain commodity risk management contracts. Please refer to Note 13.

Foreign currency risk

The Company is exposed to the risk of fluctuations in foreign exchange rates between the Canadian dollar and the US dollar given the risk of changes in the USD/CAD exchange rate on crude oil sales based on USD benchmark prices.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. The Company is exposed to interest rate risk on the Credit Facility, with interest rates based on the bank's prime lending or CORRA rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to cash flow ratio for the most recent quarter. Fluctuations of interest rates could result in an increase or decrease in the amount ROK pays to service the variable interest rate debt.

As at March 31, 2025, if interest rates applicable to the Credit Facility were to have increased or decreased by 50 basis points, it is estimated that the Company’s income before tax would similarly change by approximately $9,000 for the three months ended March 31, 2025.

Fair value of financial instruments

The Company’s financial instruments as at March 31, 2025, include, accounts receivable, prepaids and deposits, accounts payable and accrued liabilities, risk management contracts, marketable securities, and debt.

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in accordance with the following hierarchy:

Level 1 - inputs are based on quoted market prices in active markets that the Company has the ability to access at the measurement date.

Level 2 - inputs are based on quoted prices in the markets that are not active or based on prices that are observable for the asset or liability.

Level 3 - inputs are based on unobservable market data for the asset or liability.

The Company aims to maximize the use of observable inputs when preparing calculations of fair value. Classification of each measurement into the fair value hierarchy is based on the lowest level of input that is significant to the fair value calculation.

The fair value of cash and cash equivalents, accounts receivable, prepaids and deposits, and accounts payable and accrued liabilities approximate their carrying amounts due to their short terms to maturity. The fair value measurement of the marketable securities have a fair value hierarchy of Level 1. The fair value measurement of the risk management contracts and debt have a fair value hierarchy of Level 2.

The fair values of financial derivatives are recurring measurements and are determined whenever possible based on observable market data. If not available, the Company uses third party models and valuation methodologies that utilize observable market data including forward benchmark commodity prices, forward interest rates and forward foreign exchange rates to estimate the fair value of financial derivatives. In addition to market information, the Company incorporates transaction specific details that market participants would utilize in a fair value measurement, including the impact of non-performance risk. The valuation technique used has not changed in the period.

Capital management

The Company’s objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company’s operations and potential strategic transactions for the foreseeable future. The Company is dependent upon funding these activities through a combination of available cash, debt and equity, which it considers to be the components of its capital structure as outlined below.

The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less adjusted working capital. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

($000s)	**March 31, 2025**	**December 31, 2024**
Accounts receivable	9,784	11,528
Prepaids and deposits	1,015	284
Current portion of risk management contracts	(1,627)	(771)
Accounts payable and accrued liabilities	(10,013)	(15,346)
Adjusted working capital (2)	**(841)**	**(4,305)**
Credit Facility (1)	5,087	7,349
Lease obligations (1)	434	475
Less: adjusted working capital (2)	841	4,305
Net debt	**6,362**	**12,129**

1) Represents undiscounted face value of debt balances and lease obligations outstanding as of each respective date presented.
2) Calculation of adjusted working capital excludes current portion of debt and lease liabilities as presented on the statement of financial position. The mark-to-market fair value of the current portion of risk management contracts is included within adjusted working capital.

The Company regularly monitors its capital structure and, as necessary, adjusts to changing economic circumstances and the underlying risk characteristics of its assets in order to meet current and upcoming obligations and investments by the Company. The Company frequently reviews alternate financing options and arrangements to meet its current and upcoming commitments and obligations.

The Company's objectives when managing capital are: (i) to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and (ii) to maintain investor, creditor and market confidence in order to sustain the future development of the business. The Company's share capital is not subject to external restrictions with the exception of lender approval on payment of dividends.

12. SUPPLEMENTAL CASH FLOW INFORMATION

For the periods ended March 31 ($000s)	**2025**	**2024**
Accounts receivable	1,744	601
Prepaids and deposits	(731)	(217)
Accounts payable and accrued liabilities	(5,195)	(2,867)
Change in non-cash working capital	**(4,182)**	**(2,483)**
Relating to:		
Operating activities	(4,112)	(2,166)
Investing activities	(70)	(317)
Change in non-cash working capital	**(4,182)**	**(2,483)**

13. SUBSEQUENT EVENTS

In May 2025, with the approval of the Credit Facility lender, the Company performed a liquidation of existing WTI Crude commodity risk management contracts for total proceeds of $6.3 million. These proceeds were utilized in part to eliminate the remaining drawn balance on the Credit Facility with the remainder held as cash. As a result of this liquidation, the Company subsequently maintained only the AECO commodity risk management contracts as outlined in the table in Note 11.