Consolidated Financial Statements

March 31, 2023
and
March 31, 2022

(Expressed in thousands of Canadian Dollars, unless otherwise stated)

TAG Oil Ltd. 1050 West Pender Street, Suite 1710, Vancouver, British Columbia Canada V6E 3S7

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Independent Auditor's Report

To the Shareholders of TAG Oil Ltd.

Opinion

We have audited the consolidated financial statements of TAG Oil Ltd. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Exploration and Evaluation Assets – Assessment of Whether Indicators of Impairment Exist – Refer to Note 4 to the financial statements

Key Audit Matter Description

The Company's determination of whether or not an indicator of impairment exists requires significant management judgment.

Auditing the Company's assessment of whether an indicator of impairment existed as at March 31, 2023 required increased auditor attention due to the judgments made by management when determining whether events or changes in circumstances could indicate a potential impairment. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether an indicator of impairment existed in exploration and evaluation assets included the following, among others:

- Obtained management's assessment and evaluated whether; a) the Company has the right to explore in the specific area; b) the occurrence and commitment to substantive expenditures in the specific area is budgeted or planned; and c) there are any changes in the status of commercially viable quantities of mineral resource.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is David Langlois.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
July 27, 2023

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian Dollars)

	Note	As at March 31, 2023	2022
Assets			
Current:			
Cash and cash equivalents		$ 19,458	$ 13,316
Accounts receivable		1,025	273
Prepaid expenses	3	1,612	102
Royalty and other interests	12(g), 14	1,197	2,208
		23,292	15,899
Non-Current:			
Exploration and evaluation	4	6,647	-
Property and equipment	5	477	576
Restricted cash	6	8,336	115
Royalty and other interests	12(g), 14	2,305	1,614
		$ 41,057	$ 18,204
Liabilities and Shareholders' Equity			
Current:			
Accounts payable and accrued liabilities	9	$ 1,586	$ 406
Lease liabilities	7	155	119
		1,741	525
Non-Current:			
Lease liabilities	7	304	454
		2,045	979
Shareholders' Equity:			
Share capital	8	243,410	219,627
Stock-based payment reserve	8	22,467	21,620
Accumulated other comprehensive income		160	-
Deficit		(227,025)	(224,022)
		39,012	17,225
		$ 41,057	$ 18,204

Nature of operations (Note 1)
Subsequent Events (Note 16)

See accompanying notes.

Approved by the Board of Directors:

"Toby Pierce"
Toby Pierce, Director

"Abby Badwi"
Abdel (Abby) Badwi, Director

Consolidated Statements of Comprehensive Loss

(Expressed in thousands of Canadian Dollars, except for share information)

	Note	For the years ended March 31, 2023	2022
Expenses			
Depletion, depreciation and accretion		$ (164)	$ (122)
Foreign exchange gain (loss)		877	(249)
General and administration		(5,317)	(2,944)
Interest and other income		571	106
Stock-based compensation		(944)	(280)
		(4,977)	(3,489)
Other Items			
Exploration expense		(255)	(873)
Gain on lease modification		-	6
Gain on royalty valuation	14	2,229	1,279
		1,974	412
Net loss before taxes		(3,003)	(3,077)
Income tax		-	-
Net loss for the year		$ (3,003)	$ (3,077)
Other comprehensive income			
Gain on translation of foreign operations		160	-
Comprehensive loss for the year		$ (2,843)	$ (3,077)
Loss per share – basic and diluted	8	$ (0.03)	$ (0.03)

See accompanying notes.

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

	Note	For the years ended March 31, 2023	2022
Operating Activities			
Net loss for the year		$ (3,003)	$ (3,077)
Changes for non-cash operating items:			
Depletion, depreciation and accretion	5	164	122
Foreign exchange gain		(906)	(126)
Gain on lease modification		-	(6)
Gain on royalty valuation		(2,229)	(1,279)
Interest on restricted cash		4	-
Stock-based compensation	8	944	280
		(5,026)	(4,086)
Changes in non-cash working capital accounts:			
(Increase)/decrease in accounts receivable		(30)	65
Increase in prepaid expenses		(1,510)	(62)
Increase/(decrease) in accounts payable and accrued liabilities		1,104	(1)
Cash used in operating activities		(5,462)	(4,084)
Financing Activities			
Principal repayment of lease liability		(114)	(80)
Private placement	8	25,300	-
Share issue costs	8	(1,869)	-
Stock options exercised	8	230	25
Warrants exercised	8	25	-
Cash provided (used) in financing activities		23,572	(55)
Investing Activities			
Exploration and evaluation	4	(6,409)	-
Property and equipment	5	(65)	(24)
Proceeds received on royalty and other interests	14	2,049	1,358
Cash (used) provided by investing activities		(4,425)	1,334
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		722	210
Net increase (decrease) in cash and cash equivalents during the year		14,407	(2,595)
Cash and cash equivalents – beginning of the year		13,316	15,911
Change in restricted cash	6	(8,265)	-
Cash and cash equivalents – end of the year		$ 19,458	$ 13,316
Supplementary disclosures:			
Interest received		$ 567	$ 26
Cash		$ 19,322	$ 13,055
Cash equivalents		136	261
		$ 19,458	$ 13,316

See accompanying notes.

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian Dollars, except for share information)

	Number of Shares (Note 8)	Share Capital (Note 8)	Stock-Based Payments	Accumulated Other Comprehensive Income (1)	Deficit	Total Equity
Balance as at March 31, 2021	91,666,252	$ 219,587	$ 21,354	$ -	$ (220,945)	$ 19,996
Stock options exercised	100,000	40	(14)	-	-	26
Stock-based payments	-	-	280	-	-	280
Net loss for the year	-	-	-	-	(3,077)	(3,077)
Balance as at March 31, 2022	91,766,252	$ 219,627	$ 21,620	$ -	$ (224,022)	$ 17,225
Private placement						
– net of share issue costs	63,250,000	23,431	-	-	-	23,431
Stock options exercised	504,999	327	(97)	-	-	230
Warrants exercised	156,250	25	-	-	-	25
Stock-based payments	-	-	944	-	-	944
Comprehensive income	-	-	-	160	-	160
Net loss for the year	-	-	-	-	(3,003)	(3,003)
Balance as at March 31, 2023	155,677,501	$ 243,410	$ 22,467	$ 160	$ (227,025)	$ 39,012

(1) At March 31, 2023, the accumulated other comprehensive income balance consists of the translation of foreign operations and unrealized foreign exchange on the net investment in subsidiary.

See accompanying notes.

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2023 and 2022

(Expressed in thousands of Canadian Dollars, unless otherwise stated, except per share, options or warrants)

Note 1 – Nature of Operations

TAG Oil Ltd. (the "Company" or "TAG") is a publicly listed issuer that is incorporated under the Business Corporations Act (British Columbia), with a current focus on oil and gas exploration and development opportunities in the Middle East and North Africa. TAG's head office is located in Vancouver, British Columbia, Canada.

The Company monitors its cash and cash equivalents and adjusts its expenditure plans to conform to available funding. The Company plans to fund exploration and development activities through existing cash, operating cash flow and any potential capital raising.

Note 2 – Significant Accounting Policies and Basis of Presentation

Basis of Presentation and Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance and comply with International Financial Reporting Standards ("IFRS").

These consolidated financial statements have been prepared on a going concern basis, using the historical cost basis except for financial instruments classified as fair value through other comprehensive income or fair value through profit and loss, which are stated at their fair value, and royalties classified as fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements were authorized for issuance by the directors of the Company on July 31, 2023.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. The Company's current subsidiaries are:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest 2023	Proportion of Ownership Interest 2022	Principal Activity
TAG Energy International Ltd.	Cyprus	100%	100%	Holding Company
TAG Petroleum Egypt Ltd.	Cyprus	100%	100%	Oil and Gas Exploration
TAG Petroleum Egypt Ltd. (Egypt Branch)	Egypt	100%	-	Oil and Gas Exploration
CX Oil Limited	New Zealand	100%	100%	Oil and Gas Exploration
Orient Petroleum (NZ) Limited	New Zealand	100%	100%	Oil and Gas Exploration
TAG Oil (NZ) Limited	New Zealand	100%	100%	Oil and Gas Exploration
TAG Oil (Offshore) Limited	New Zealand	100%	100%	Oil and Gas Exploration
Trans-Orient Petroleum Ltd.	Canada	100%	100%	Oil and Gas Exploration

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposit, cash held in trust, bank indebtedness, and investments with maturities of 90 days or less at the date of investment. Bank overdrafts that are repayable on demand are included as a component of cash for the purpose of the statement of cash flows.

Restricted Cash

Restricted cash is comprised of Mastercard securities and a GIC for Work Commitments which is used to secure a letter of Guarantee to Badr Petroleum Company. The letter of Guarantee may be reduced by amounts spent on the commitments as permitted under the Petroleum Services Agreement ("PSA")

Exploration and evaluation

Exploration and evaluation include the costs of acquiring licenses, exploratory drilling, geological and geophysical activities, acquisition of mineral and surface rights and technical studies. Exploration and evaluation costs are capitalized as exploration and evaluation when the technical feasibility and commercial viability of extracting petroleum and natural gas reserves have yet to be determined. Exploration and evaluation are measured at cost and are not depleted or depreciated. Exploration and evaluation, net of any impairment loss, are transferred to property and equipment when proved and/or probable reserves are determined to exist.

Property and Equipment

Property and equipment consist of right of us assets, office equipment and leasehold improvements.

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction costs, any costs directly attributable to bringing the asset into use, the initial decommissioning provision and any borrowing costs for qualified assets. The purchase price or construction cost is the aggregate amount paid and the fair value of any consideration given to acquire the asset.

An item of property and equipment is derecognized upon disposal, replacement or when future economic benefits are no longer expected to arise from the continued use of the asset. Any gains or losses arising on the disposal or retirement of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item, and are recognized in the consolidated statement of comprehensive loss.

Non-Oil and Gas Reserves

Stock-based payment reserve

The stock-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount remains in the reserve.

Foreign currency translation reserve

The foreign currency translation reserve records exchange rate differences arising on translation of subsidiaries that have a functional currency other than the Canadian dollar and will be recorded in other comprehensive income.

Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the functional currency of the primary economic environment in which the entity operates.

Consolidated Financial Statements are presented in Canadian dollars, which is the Company's functional currency. Financial statements of the Company's International subsidiaries have a functional currency different from Canadian dollars and are translated to Canadian dollars using the exchange rate in effect at the period end date for all assets and liabilities, and at average monthly year to date rates of exchange during the period for revenues and expenses. The functional currency of the Company's Egyptian operations is the US dollar, and the functional currency of the Company's New Zealand entities is the New Zealand Dollar. All changes resulting from these translation adjustments are recognized in other comprehensive income. All financial information presented in Canadian dollars has been rounded to the nearest thousand except for per share amounts.

(ii) Transactions and balances

Monetary assets and liabilities relating to foreign denominated transactions are initially recorded at the rate of exchange in effect at the transaction date. Gains and losses resulting from subsequent changes in foreign exchange rates are recorded in profit or loss for the period. Advances made to subsidiaries for which the settlement is not planned or anticipated in the foreseeable future are considered part of the net investment. Accordingly, unrealized gains and losses from these advances are recorded in the Consolidated Statements of Other Comprehensive Loss.

(iii) Subsidiaries

The results and financial position of subsidiaries which have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the period-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

Subsidiaries

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, generally, but not in all cases, accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.
The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated on consolidation.

Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingencies. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. These estimates are subject to measurement uncertainty. Actual results could differ from and affect the results reported in these consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the same period if the revision affects only that period or in the period of the revision and future periods if the revision affects current and future periods.

Estimates and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are summarized below:

Property and Equipment, and Exploration and Evaluation

The recoverable amount for property and equipment and exploration and evaluation is the higher of fair value less costs to sell and value in use. In assessing fair value less costs to sell, the Company must estimate the price that would be received to sell the asset or cash-generating unit ("CGU") less any incremental costs directly attributable to the disposal. In assessing value in use, the estimated cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Arriving at the estimated future cash flows involves significant judgments, estimates and assumptions, including those associated with the future cash flows of the CGU, determination of the CGU and discount rates.

Royalty and Other Interests

The calculation of Royalty and Other Interests requires estimates of future production, oil and gas prices, and quality discounts. These estimates impact royalty and other interests and gain on royalty valuation.

Income taxes

Preparation of the Financial Statements involves determining an estimate of, or provision for, income taxes in each of the jurisdictions in which the Company operates. The process also involves making an estimate of taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred taxes. Deferred taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the consolidated balance sheets as deferred tax assets and liabilities.

An assessment must also be made to determine the likelihood that the Company's future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, recognized deferred tax assets must be reduced. Judgment is required in determining the provision for income taxes and recognition of deferred tax assets and liabilities. Management must also exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation, to ensure deferred tax assets and liabilities are complete and fairly presented. The effects of differing assessments and applications could be material.

Stock-based compensation

The calculation of stock-based compensation requires estimates of volatility, forfeiture rates and market prices surrounding the issuance of share options. These estimates impact stock-based compensation expense and stock-based payment reserve.

Functional currency

The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

Contingencies

Contingencies are resolved only when one or more events transpire. As a result, the assessment of contingencies inherently involves estimating the outcome of future events.

Going concern

The Company regularly reviews and makes assessment of its ability to continue as a going concern. This assessment relies on significant judgement and assumptions, and takes into account all known future information.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized on the consolidated statement of financial position at the time the Company becomes a party to the contractual provisions. Upon initial recognition, financial instruments are measured at fair value. Measurement in subsequent periods is dependent on the classification of the financial instrument. These instruments will be classified into one of the following categories: fair value through profit or loss, fair value through other comprehensive income or amortized cost.

i) Financial assets and liabilities at fair value through profit or loss

   Financial assets and liabilities at fair value through profit or loss are measured at fair value with changes in fair value recognized in the statement of comprehensive loss.

ii) Financial assets at amortized cost

   Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and receivables are recorded at amortized cost as they meet the required criteria.

iii) Financial liabilities at amortized cost

   Financial liabilities are measured at amortized cost at the settlement date using the effective interest method of amortization. Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost.

iv) Financial assets and liabilities at fair value through other comprehensive income (FVOCI)

   A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: 1) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and 2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments are classified current if they are assumed to be settled within one year; otherwise they are classified as non-current. The Company will assess at each reporting period whether there is any objective evidence that a financial asset, other than those measured at fair value, is impaired. When assessing impairment, the carrying value of financial assets carried at amortized cost is compared to the present value of estimated future cash flows discounted using the instrument's original effective interest rate.

Financial instruments consisting of accounts receivable, prepaid expenses and accounts payable and accrued liabilities are carried at amortized cost.

Impairment of Non-Financial Assets

The carrying value of the Company's non-financial assets is reviewed at each reporting date for indicators that the carrying value of a cash generating unit ("CGU") or asset may not be recoverable. These indicators include, but are not limited to, extended decreases in prices or margins for oil and gas commodities or products, a significant downward revision in estimated reserves or an upward revision in future development costs. If indicators of impairment exist, the recoverable amount of the CGU or asset is estimated. If the carrying value of the CGU or asset exceeds the recoverable amount the CGU or asset is written down with an impairment recognized in the statement of comprehensive loss.

Exploration and evaluation costs and property, plant and equipment costs are aggregated into CGUs based on their ability to generate largely independent cash flows. The recoverable amount of a CGU or asset is the greater of its fair value less costs to sell and its value in use. Fair value less costs to sell is determined to be the amount for which the asset could be sold in an arm's length transaction, less the costs of disposal. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the CGU or asset.

Reversals of impairments are recognized when there has been a subsequent increase in the recoverable amount. In this event, the carrying amount of the CGU or asset is increased to its revised recoverable amount with an impairment reversal recognized in the statement of comprehensive loss. The recoverable amount is limited to the original carrying amount less depletion and depreciation as if no impairment had been recognized for the CGU or asset for prior periods.

Stock-Based Payments

Obligations for issuance of common shares under the Company's stock-based compensation plan are accrued over the vesting period using fair values. Fair values are determined at issuance using the Black-Scholes option-pricing model, taking into account a nominal forfeiture rate, and are recognized as stock-based compensation with a corresponding credit to stock-based payments reserve.

Revenue

Revenue is recognized when a customer obtains control of the goods or services as stipulated in a performance obligation. Determining whether the timing of the transfer of control is at a point in time or over time requires judgement and can significantly affect when revenue is recognized. In addition, the entity must also determine the transaction price and apply it correctly to the goods or services contained in the performance obligation. The Company's revenue is derived exclusively from contracts with customers. Revenue associated with the sale of crude oil and gas is measured based on the consideration specified in contracts with customers. Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by transferring a good or service to a customer. A good or service is transferred when the customer obtains control of the good or service. The transfer of control of oil and gas usually coincides with title passing to the customer and the customer taking physical possession. The Company mainly satisfies its performance obligations at a point in time and the amount of revenue recognized relating to performance obligations satisfied over time are not significant. Revenues from the sale of crude oil and gas are recognized by reference to actual volumes delivered at contracted delivery points and prices. Prices are determined by reference to quoted market prices in active markets, adjusted according to specific terms and conditions applicable per the sales contracts. Revenues are recognized prior to the deduction of transportation costs. Revenues are measured at the fair value of the consideration received.

Loss Per Share

Basic and diluted loss per share is calculated by dividing the net loss for the year attributable to equity owners of TAG by the weighted average number of common shares outstanding during the year.

Income Tax

Income tax expense is comprised of current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current. Tax on income in periods is accrued using the tax rate that would be applicable to expected total annual earnings.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: (a) the Company has the right to operate the asset; or (b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

If the contract contains a lease, a right-of-use asset and a corresponding lease liability are set-up at the date at which the leased asset is available for use by the Company. The lease payments are discounted using either the interest rate implicit in the lease, if available, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost to produce a constant rate of interest on the remaining lease liability balance. The Company accounts for the lease and non-lease components separately. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

New interpretations and amendments not yet adopted

A number of interpretations and amendments are not yet effective for the year ended March 31, 2023, and have not been applied in preparing these financial statements. The following new interpretations and amendments have been issued, but are not yet effective until financial years beginning on or after January 1, 2023. The Company does not expect these changes to have a material impact on its financial statements.

- IAS 1 – Presentation of Financial Statements, is amended to clarify the classification of liabilities between current and non-current. The amendment specifically clarifies that the classification of a liability between current or non-current is based on the rights to defer settlement of the liability at the reporting date and is not impacted by subsequent events that could impact the classification had they been presented at the reporting date. The amendment also introduces additional disclosure requirements regarding circumstances that could result in a liability classified as non-current being required to be settled withing twelve months from the reporting date.

- IAS 1 – Presentation of Financial Statements, is amended to require an entity to disclose their material accounting policies instead of significant accounting policies. An accounting policy is considered material when, considered with other information in the financial statements can reasonably be expected to influence decisions that the primary users of the financial statements make, rather than primarily considering the understandability of the financial statements when disclosing accounting policies.

- IAS 8 – Accounting Policies, is amended to distinguish how an entity should present and disclose different types of accounting changes in its financial statements. The amendment fives additional guidance as to what is considered a change in accounting policy compared to a change in accounting estimates and how the change is applied throughout the financial statements.

- IAS 12 – Income Taxes, is amended to clarify that the initial recognition exemption for taxable temporary differences that do not impact accounting or taxable profit or loss does not apply for taxable temporary differences that at the time of the transaction five rise to equal taxable and deductible temporary differences.

Note 3 – Prepaid Expenses

	March 31, 2023	March 31, 2022
Prepaid exploration work commitments (1)	1,396	-
Prepaid expenses	216	102
	1,612	102

(1) The Company has advanced funds to Badr Petroleum Company to cover the amounts for services and materials to be provided to the Company by venders currently under contract to Badr Petroleum Company.

Note 4 – Exploration and Evaluation

The following table reconciles the change in the Company's exploration and evaluation:

Permit	Abu Roash "F"	Total
As at March 31, 2021 and 2022	$ -	$ -
Additions	6,519	6,519
Foreign exchange movement	128	128
As at March 31, 2023	$ 6,647	$ 6,647
Carry amounts		
As at March 31, 2022	$ -	$ -
As at March 31, 2023	**$ 6,647**	**$ 6,647**

The Company was awarded a petroleum services agreement (the "PSA") for the development of the unconventional Abu Roash "F" reservoir in the Badr Oil Field (the "Project Area"), Western Desert, Egypt, by Badr Petroleum Company ("BPCO"), subject to various conditions. The Company has met the two financial conditions being a signature bonus of US$3.0 million ($4.0 million) paid to BPCO and a performance letter of guarantee (the "Letter of Guarantee") of US$6.0 million ($8.2 million) in favor of BPCO for work commitments to be completed. The Letter of Guarantee must be renewed annually, and may be reduced by up to US$3.0 million by the amount spent by TAG and approved by Egyptian General Petroleum Corporation ("EGPC"). The PSA was formally signed on October 13, 2022. The remaining $2.5 million in additions in exploration and evaluation consisted primarily of exploration work. The Company is also obligated under the PSA to provide equal to US$50,000 at the beginning of each financial year towards training technology transfer.

Note 5 – Property and Equipment

The following table reconciles the change in the Company's property and equipment:

	Right of use Assets		Office Equipment and Leasehold Improvements		Total	
Cost						
As at March 31, 2021	$	268	$	266	$	534
Additions		580		24		603
Disposal		(258)		-		(258)
As at March 31, 2022		590		290		880
Additions		-		65		65
As at March 31, 2023	$	590	$	355	$	945
Accumulated depletion and depreciation						
As at March 31, 2021	$	(183)	$	(238)	$	(421)
Depletion and depreciation		(109)		(13)		(122)
Disposal		239		-		239
As at March 31, 2022		(53)		(251)		(304)
Depletion and depreciation		(144)		(20)		(164)
As at March 31, 2023	$	(197)	$	(271)	$	(468)
Carry amounts						
As at March 31, 2022	$	537	$	39	$	576
As at March 31, 2023	**$**	**393**	**$**	**84**	**$**	**477**

Note 6 – Restricted Cash

	March 31, 2023	March 31, 2022
GIC in support of Guarantee (1)	8,221	-
Mastercard securities	115	115
	8,336	115

(1) The Company issued a US$6.0 million Letter of Guarantee to BPCO secured by a US$6.0 million ($8.2 million) GICs for work commitments. The work commitments consist of assessing and modeling the Project Area and reprocessing existing seismic data; drilling one deviated well and hydraulic fracture and production testing the well; recompletion of wells including re-perforation and conduction all necessary tests to collect the necessary information and put the well on production; and conduct study of the effectiveness of improved production techniques, including water-flood, polymer-flood, and thermal recovery techniques.

Note 7 – Lease Liabilities

The Company has the following lease obligations outstanding:

As at March 31, 2021	$	98
Additions		580
Interest expense		16
Lease payments		(96)
Disposal on lease		(25)
As at March 31, 2022	$	573
Additions		-
Interest expense		32
Lease payments		(146)
As at March 31, 2023	**$**	**459**
Current portion of lease liabilities		155
Long-term portion of lease liabilities		304
	$	**459**

On March 1, 2022, the Company entered into a new office space lease in Calgary, Alberta, Canada for a term of three years. The old lease that was set to expire on September 30, 2022, was terminated by the owner. The new lease liability is being discounted using the Company's incremental borrowing rate of 6.0%.

Note 8 – Share Capital

a) Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the year ended March 31, 2023:

On November 4, 2022, the Company completed a public offering of 63,250,000 common shares of the Company, at a price of $0.40 per share for aggregate gross proceeds of $25.3 million. The aggregate fees paid in connection with the offering was $1.9 million.

During the year ended March 31, 2023, the Company issued 504,999 common shares for stock options exercised for various prices from $0.25 to $0.70 per share and issued 156,250 common shares for warrants exercised at a price of $0.16 per share.

During the year ended March 31, 2022:

On June 1, 2021, the Company issued 100,000 shares for stock options exercised at $0.25 per share.

b) Incentive Stock Options

The Company has a stock option plan for the granting of stock options to directors, employees, and service providers. Under the terms of the stock option plan, the number of shares reserved for issuance as stock options will be equal to 10% of the Company's issued and outstanding shares at any time. The exercise price of each option equals the market price of the Company's shares the day prior to the date that the grant occurs less any applicable discount approved by the Company's board of directors (the "Board") and per the guidelines of the TSX Venture Exchange. The maximum term for the expiry of stock options is five years.

During the year ended March 31, 2023, 504,999 stock options were exercised for various prices from $0.25 to $0.70 per share, and 4,750,000 stock options were granted at $0.70 per share.

During the year ended March 31, 2022, 100,000 stock options were exercised at $0.25 per share, 700,000 stock options were granted at $0.45 per share, and 375,000 stock options expired at $0.50 or $1.05 per share.

Stock Options 2023

On February 27, 2023, the Company granted 200,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

On February 9, 2023, the Company granted 3,600,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

On December 15, 2022, the Company granted 1,150,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

Stock Options 2022

On June 28, 2021, the Company granted 700,000 stock options to various consultants. These stock options are exercisable until June 28, 2026, at a price of $0.45 per share and are subject to deferred vesting over two years.

The following is a continuity of outstanding stock options:

	Weighted Average of Options	Weighted Average of Exercise Price
Balance as at March 31, 2021	7,275,000	$ 0.31
Granted during the year	700,000	0.45
Exercised during the year	(100,000)	0.25
Expired during the year	(25,000)	1.05
Cancelled during the year	(350,000)	0.50
Balance as at March 31, 2022	7,500,000	$ 0.31
Granted during the year	4,950,000	0.70
Exercised during the year	(504,999)	0.46
Balance as at March 31, 2023	11,945,001	$ 0.46

The following table summarizes information about stock options that are outstanding as at March 31, 2023:

Number of Options	Price per Share	Expiry Date	Options Exercisable
770,000	$0.50	April 18, 2023	770,000
250,000	$0.50	February 7, 2025	250,000
4,716,667	$0.25	September 1, 2025	3,144,445
675,000	$0.25	September 11, 2025	675,000
650,000	$0.45	June 28, 2026	325,000
1,083,334	$0.70	December 15, 2027	722,223
3,600,000	$0.70	February 9, 2028	1,200,000
200,000	$0.70	February 27, 2028	66,667
11,945,001			7,153,334

As at March 31, 2023, the weighted average contractual remaining life is 3.30 years.

The Company applies the Black-Scholes option pricing model using the closing market prices on the grant dates, volatility ratio, a risk-free interest rate and the expected life of the option.

	Risk-free interest rate	Expected stock price volatility	Expected option life in years	Dividend rate
April 18, 2018	1.27%	63.58%	5 Years	Nil
February 7, 2020	1.34%	62.09%	5 Years	Nil
September 1, 2020	1.30%	81.64%	5 Years	Nil
September 11, 2020	1.30%	82.12%	5 Years	Nil
June 28, 2021	0.97%	81.33%	5 Years	Nil
December 15, 2022	1.59%	88.0%	5 Years	Nil
February 9, 2023	1.62%	88.05%	5 Years	Nil
February 27, 2023	1.63%	86.46%	5 Years	Nil

c) Warrants

The following is a continuity of outstanding warrants:

	Weighted Average of Options	Weighted Average of Exercise Price
Balance as at March 31, 2021 and 2022	6,250,000	$ 0.16
Exercised during the year	(156,250)	0.16
Balance as at March 31, 2023	6,093,750	$ 0.16

The following table summarizes information about warrants that are outstanding as at March 31, 2023:

Number of Warrants	Price per Share	Weighted Average Remaining Contractual Life	Expiry Date
6,093,750	$0.16	0.42	September 1, 2023

d) Loss Per Share

Basic and diluted weighted average shares outstanding for the year ended March 31, 2023 was 101,746,913 (2022: 91,749,540).

Note 9 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are principally comprised of amounts outstanding for purchases relating to exploration activities and amounts payable for operating activities. The usual credit period for purchases is between 30 to 90 days.

	March 31, 2023	March 31, 2022
Accounts payable	632	95
Accrued liabilities	954	311
	1,586	406

Note 10 – Related Party Transactions

The Company is of the view that the amounts incurred for services provided by related parties approximate what the Company would incur to arms-length parties for the same services.

Key management personnel compensation for the years ended March 31:

	2023	2022
Stock-based compensation	$ 620	$ 161
Management wages and director fees	1,838	948
Total management compensation	$ 2,458	$ 1,109

The breakdown for the related party transactions during the year ended March 31, 2023:

Related Parties	Role	Salaries	Stock-based compensation	Total
Abdel Badwi	Executive Chairman	615	187	802
Toby Pierce	CEO	475	163	638
Barry MacNeil	CFO	262	33	295
Suneel Gupta	VP and COO	378	51	429
Gavin Wilson	Independent Director	36	65	101
Keith Hill	Independent Director	36	33	69
Tom Hickey	Independent Director	36	35	71
Shawn Reynolds	Independent Director	-	53	53
		1,838	620	2,458

As at March 31, 2023, $nil (2022 - $6) payable to a director was included in accounts payable and accrued liabilities.

Note 11 – Capital Management

The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. Management is continually monitoring changes in economic conditions and the risk characteristics of the underlying oil and gas industry. If adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

The Company's share capital is not subject to any external restrictions. The Company has not paid any cash dividends or declared a dividend in kind since the date of incorporation.

Note 12 – Financial Instruments

The nature of the Company's operations exposes the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net loss and comprehensive loss.

This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties to financial instruments do not fulfill their contractual obligations. The Company's exposure to this risk is relative to the following:

Cash and cash equivalents consist of cash bank balances and short-term deposits and restricted cash consists of short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represent a credit exposure. The Company does not have an allowance for doubtful accounts as at March 31, 2023 and 2022 and did not provide for any doubtful accounts. During the year ended March 31, 2023, the Company was required to write-off $nil (2022 – $nil). As at March 31, 2023, there were no significant amounts past due or impaired.

The carrying amount of Royalty and ESP payments relate to the New Zealand Taranaki Basin operations of Tamarind NZ Onshore Limited. The Company is due an overriding Royalty of 2.5% on all production and certain Event Specific Payments based on Tamarind's production and sales from its petroleum and natural gas operations under standard industry sale and payment terms. The bulk of Tamarind's sales are contracted to the multinational OMV, Austrian Petrochemical Company and the Company monitors for any change to the arrangement.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchase and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

c) Market Risk

Market risk is the risk that changes in economic outlook, foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net loss and comprehensive loss. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The company is exposed to risks associated with finding and developing new sources of production in Egypt, North Africa and the Middle East to replace its previous production. Once acquired there is the risk of maintaining and increasing production at economically profitable levels. This will be further complicated by geopolitical turmoil generated by the Russia\Ukraine conflict and changing supply\demand dynamics.

d) Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net loss and comprehensive loss will fluctuate as a result of changes in foreign exchange rates. The Company's Letter of Guarantee and supporting GIC of US$6 million and all of royalties and other interests are denominated in United States dollars and operational and capital activities related to the transactions primarily in New Zealand dollars, and/or United States dollars with some costs also being incurred in Canadian dollars.

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the work commitments in Egypt are expected to be carried out in United States dollars.

e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand.

f) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash and cash equivalents which bear a floating rate of interest. The risk is not considered significant.

The Company did not have any interest rate swaps or financial contracts in place during the year ended March 31, 2023 and any variations in interest rates would not have materially affected net income.

g) Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments are as follows:

	Fair Value Level	March 31, 2023 Fair Value through Profit or Loss	March 31, 2023 Amortized Cost
		$	$
Financial assets:			
Cash and cash equivalents		-	19,458
Restricted cash		-	8,336
Royalty (Note 14)	3	3,503	-
Accounts receivable		-	951
		3,503	28,745
Financial liabilities:			
Accounts payable and accrued liabilities		-	1,586
		-	1,586

	Fair Value Level	March 31, 2022 Fair Value through Profit or Loss	March 31, 2022 Amortized Cost
		$	$
Financial assets:			
Cash and cash equivalents		-	13,316
Restricted cash		-	115
Royalty (Note 14)	3	2,560	-
Accounts receivable		-	222
		2,560	13,653
Financial liabilities:			
Accounts payable and accrued liabilities		-	406
		-	406

During the years ended March 31, 2023 and 2022, there were no transfers between level 1, level 2 and level 3.

Fair Value measurement, valuation techniques and inputs

The Company adopted internal valuation for the Royalty interest payments using the NPV of future expected cash-flow on the 2.5% gross overriding royalty payments from the New Zealand Taranaki Basin operations of Tamarind. Tamarind provides TAG with their expected production profile based on their upcoming development and work over program. TAG uses a price deck published by Factset Research Systems Inc. for the forward price on brent oil and a price for New Zealand Natural Gas based on the information available in the Molynuex Advisors Reserve Report prepared for Tamarind, dated August 30, 2022. The Natural Gas price is based on a combination of a contracted price for approximately two thirds of the production and market price on the balance, which accounts for approximately 8% of the future oil and gas royalty. Tamarind sells its oil on a contract basis to a multinational oil corporation and has a set discount to Brent negotiated on a periodic basis. The following are the inputs used in the valuation calculation:

Twelve month period ended March 31,		2024	2025	2026	2027	2028	2029 – 2033 (1)	Total
Oil Production	bbl	509,588	405,869	315,680	245,084	188,721	441,126	2,106,068
Oil Price	USD	78.30	74.83	72.12	69.33	66.76	65.37	
Discount	USD	6.89	6.89	6.89	6.89	6.89	6.89	
Royalty Rate		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Annual Oil Payment	USD	909,755	689,343	514,804	382,546	282,468	644,926	3,423,843

(1) – Oil price for 2029 to 2033 is 65.37 and oil production and annual oil payments for 2029 – 2033 are the cumulative total.

Twelve month period ended March31,		2024	2025	2026	2027	2028	2029 – 2033 (2)	Total
Gas Production	msfc	517,453	362,019	268,134	212,085	176,232	497,921	2,033,844
Gas Price	USD	11.00	11.00	11.00	11.00	11.00	11.00	
Royalty Rate		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Annual Gas Payment	USD	92,495	64,711	47,929	37,910	31,502	89,003	363,550

(2) – Gas price for 2028 to 2033 remain at 11.00 and gas production and annual gas payments for 2029 – 2033 are the cumulative total.

Note 13 – Interest and Penalties

The Company was assessed penalties and interest of $224 and $326 by Canada Revenue Agency under subsection 247(3) of the Income Tax Act (*Canada*), in connection with transfer pricing for the years ended March 31, 2012 and 2013. During the year ended March 31, 2021, the 2012 amount was adjusted to $134 resulting in a recovery of $88. TAG's management has filed a Notice of Objection to initiate the dispute process. TAG paid $276 in the 2018 fiscal year and accrued the remaining balance of $184. In the 2023 fiscal year, the Company recorded $29 in interest expense, for a total accrued balance of $313. Upon resolution of the dispute, TAG will be required to either pay the remaining accrued amount or will be refunded the amount paid if the Objection is resolved in TAG's favour.

Note 14 –Sale of New Zealand Interests

On September 25, 2019, the Company and certain of its subsidiaries completed a share and asset purchase agreement with Tamarind Resources Pte. Ltd. ("Tamarind"). This arm's length transaction resulted in the sale of substantially all of TAG's Taranaki Basin assets and operations in New Zealand (the "Transaction"). The sale included TAG's 100% working interests in: PMP 38156 (Cheal and Cardiff), PMP 53803 (Sidewinder), PMP 60454 (Supplejack), PEP 51153 (Puka), PEP 57065 (Waitoriki) and TAG's 70% interest in PMP 60291 (Cheal East) and PEP 54877 (Cheal East) (collectively, the "NZ Assets").

The terms of the Transaction consisted of the following:

- Cash payment to TAG of US$30 million at closing (received).
- TAG receiving a 2.5% gross overriding royalty (the "Royalty") on future production from all NZ Assets.
- Up to US$4.5 million in event specific payments ("ESP") on achieving various milestones.

	Royalty	ESP	Total
Balance as at March 31, 2021	$ 2,227	$ 1,775	$ 4,002
Payments earned	(862)	(496)	(1,358)
Gain on royalty and other interests	1,156	123	1,279
Foreign exchange	39	(140)	(101)
Balance as at March 31, 2022	2,560	1,262	3,822
Payments earned	(1,372)	(1,356)	(2,728)
Gain on royalty and other interests	2,229	-	2,229
Foreign exchange	85	94	179
Balance as at March 31, 2023	$ 3,502	$ -	$ 3,502

	Royalty	ESP	Total
This is represented by:			
Current asset	$ 1,197	$ -	$ 1,197
Non-current asset	2,305	-	2,305
	$ 3,502	$ -	$ 3,502

The Royalty has been recorded as a financial asset at its fair value, reduced by the actual payments received and subject to revaluation on an ongoing basis. The Royalty and the event specific payments which remain outstanding are classified as current in respect to the values applicable to the period ending one year from the balance sheet date; the residual balances are classified as non-current.

Note 15 – Income Taxes

A reconciliation of income taxes at statutory rates and the significant components of the Company's deferred income tax assets are as follows:

	2023	2022
Net loss for the year	$ (3,003)	$ (3,077)
Expected income tax expense	(628)	(705)
Net adjustment for amortization, deductible and non-deductible amounts	(645)	(210)
Recognition of previously unrecognized income tax assets	1,273	915
Total income tax expense	$ -	$ -

The components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
Allowable capital losses	$ 15,606	$ 15,594
Non-capital losses	35,773	35,793
	51,379	51,387
Unrecognized deferred tax assets	(51,379)	(51,387)
Net deferred tax	$ -	$ -

The Company's unrecognized temporary differences and unused tax losses consists of the following:

		2023		2022
Deferred income tax assets (liabilities):				
Net property and equipment carrying amounts in excess of tax pools	$	247	$	203
Exploration and evaluation assets		7,662		7,662
Capital and non-capital loss carry forwards and share issue costs		180,097		178,677
Unrecognized deductible temporary differences	$	188,006	$	186,542

The Company has Canadian non-capital losses of approximately $37.3 million, which are available to reduce future taxable income. These expire between 2026 and 2043. Subject to certain restrictions the Company also has mineral property expenditures of approximately $7.7 million available to reduce taxable income in future years.

At March 31, 2023, the Company had losses and deductions of approximately US$1.3 million available to offset future taxable income earned in Cypress. These tax losses may be carried forward indefinitely as long as shareholder continuity is maintained.

At March 31, 2023, the Company had losses and deductions of approximately US$0.2 million available to offset future taxable income earned in Egypt. These tax losses may be carried forward indefinitely as long as shareholder continuity is maintained.

At March 31, 2023, the Company also had losses and deductions of approximately NZ$105.4 million available to offset future taxable income earned in New Zealand. These tax losses may be carried forward indefinitely as long as shareholder continuity is maintained.

Note 16 – Subsequent Events

Between May 10, 2023, to May 24, 2023, the Company issued 770,000 common shares for stock options exercised at a price of $0.50 per share.

On June 26, 2023, the Company issued 2,187,500 common shares for warrants exercised at a price of $0.16 per share.

On July 11, 2023, the Company granted 1,800,000 stock options at a price of $0.70 per share, exercisable for five years and subject to deferred vesting over two years.

On July 19, 2023, the Company issued 1,562,500 shares for warrants exercised at a price of $0.16 per share.