Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2025 and 2024
(Unaudited)

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

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

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a) continuous disclosure requirement, if any auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in thousands of Canadian Dollars)
Unaudited

	Note	June 30, 2025	December 31, 2024
Assets			
Current:			
Cash and cash equivalents		$ 5,340	$ 6,574
Trade receivable and other		975	958
Prepaid expenses		322	539
Restricted cash	4	-	653
Royalty and other interests		-	826
		6,637	9,550
Non-Current:			
Exploration and evaluation	2	39,977	41,710
Property, plant and equipment	3	1,257	1,544
Restricted cash	4	117	118
Royalty and other interests		-	2,163
		$ 47,988	$ 55,085
Liabilities and Shareholders' Equity			
Current:			
Accounts payable and accrued liabilities	5	$ 1,463	$ 4,248
Lease liabilities	6	305	338
		1,768	4,586
Non-Current:			
Long term portion of lease liabilities	6	939	1,150
		2,707	5,736
Share capital	7	262,441	262,241
Stock-based payment reserve	7	24,243	24,149
Accumulated other comprehensive income		317	2,465
Deficit		(241,720)	(239,506)
		45,281	49,349
		$ 47,988	$ 55,085

Nature of Operations (Note 1)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Approved by the Board of Directors:

"Abdel (Abby) Badwi"
Abdel (Abby) Badwi, Director

"Shawn Reynolds"
Shawn Reynolds, Director

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

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

Unaudited

	Note	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenue					
Oil sales		$ 380	$ -	$ 705	$ -
Expenses					
Depletion and depreciation	3	(87)	(56)	(203)	(113)
Foreign exchange (loss) gain		(40)	(51)	(9)	287
General and administration		(1,277)	(1,927)	(3,002)	(3,353)
Interest and other income		26	138	61	365
Production costs		(513)	(116)	(1,169)	(229)
Stock-based compensation		(30)	(184)	(94)	(424)
		(1,921)	(2,196)	(4,416)	(3,467)
Other Items					
Exploration expense		(1)	-	(1)	(17)
Gain on sale of royalties	11	1,625	-	1,625	-
Gain (loss) on royalty valuation	11	-	18	(109)	162
Loss on sale of assets		-	-	(18)	-
Interest and penalties recovered	12	-	-	-	361
		1,624	(11)	1,497	973
Net income (loss) for the period		$ 83	$ (2,178)	$ (2,214)	$ (2,961)
Other comprehensive income (loss)					
(Loss) gain on translation of foreign operations		(2,115)	291	(2,148)	902
Net comprehensive loss for the period		$ (2,032)	$ (1,887)	$ (4,362)	$ (2,059)
Earnings (loss) per share – basic	7	$ 0.00	$ (0.01)	$ (0.01)	$ (0.02)
Earnings (loss) per share – diluted	7	$ 0.00	$ (0.01)	$ (0.01)	$ (0.02)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

Unaudited

	Note	Six months ended June 30, 2025	June 30, 2024
Operating Activities			
Net loss for the period		$ (2,214)	$ (2,961)
Changes for non-cash operating items:			
Depletion, depreciation and accretion	3	203	113
Employment severance package		200	-
Foreign exchange gain		(9)	(504)
Loss (gain) on royalty valuation		109	(162)
Loss on sale of assets	3	18	-
Interest on restricted cash		1	79
Sale of royalties		(1,625)	-
Stock-based compensation	7	94	424
		(3,223)	(3,011)
Changes for non-cash working capital accounts:			
Increase in trade receivable and other		(307)	(4)
Decrease in prepaid expenses		217	780
(Decrease) increase in accounts payable and accrued liabilities		(857)	364
Cash used in operating activities		(4,170)	(1,871)
Financing Activity			
Principal repayment of lease liability		(167)	(105)
Cash used in financing activity		(167)	(105)
Investing Activities			
Exploration and evaluation additions	2	(2,343)	(10,702)
Proceeds on sale of assets	3	1	-
Proceeds received on royalty and other interests	11	404	319
Proceeds received on sale of royalties	11	4,412	-
Property and equipment additions	3	-	(6)
Cash provided by (used in) investing activities		2,474	(10,389)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		(28)	103
Net decrease in cash and cash equivalents during the period		(1,891)	(12,262)
Change in restricted cash		657	3,490
Cash and cash equivalents – beginning of the period		6,574	16,436
Cash and cash equivalents – end of the period		$ 5,340	$ 7,664
Supplementary disclosures:			
Interest received		$ 61	$ 286
Cash		$ 5,340	$ 7,524
Cash equivalents		-	140
		$ 5,340	$ 7,664

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

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

Unaudited

	Number of Shares (Note 7)	Share Capital (Note 7)	Stock-Based Payments	Accumulated Other Comprehensive (Loss) Income	Deficit	Total Equity
Balance as at January 1, 2025	225,211,693	$ 262,241	$ 24,149	$ 2,465	$ (239,506)	$ 49,349
Employment severance package	1,250,000	200	-	-	-	200
Stock-based compensation	-	-	94	-	-	94
Comprehensive loss	-	-	-	(2,148)	(2,214)	(4,362)
Balance as at June 30, 2025	226,461,693	$ 262,441	$ 24,243	$ 317	$ (241,720)	$ 45,281
Balance as at January 1, 2024	185,117,793	$ 256,568	$ 23,435	$ (344)	$ (233,175)	$ 46,484
Stock-based compensation	-	-	424	-	-	424
Comprehensive income (loss)	-	-	-	902	(2,961)	(2,059)
Balance as at June 30, 2024	185,117,793	$ 256,568	$ 23,859	$ 558	$ (236,136)	$ 44,849

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

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 in Vancouver, British Columbia, Canada.

These condensed consolidated interim financial statements have been prepared in accordance and comply with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®), specifically IAS 34, Interim Financial Reporting.

The accounting policies applied by the Company in the condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended December 31, 2024. However, as they are prepared on a condensed basis, they may lack certain disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the Company's last annual audited financial statements as at and for year ended December 31, 2024, issued on April 30, 2025.

These condensed consolidated interim financial statements were authorized for issuance on August 29, 2025, by the directors of the Company.

Going Concern

These condensed consolidated interim financial statements have been prepared in accordance with IFRS® on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

While the Company has a positive working capital balance of $4.9 million, there can be no assurance that the positive working capital balance will be sufficient to fund the Company's operations.

The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flow from operations or obtain additional financing to fund its operations. Although the Company raised funds through the issuance of equity securities in 2023 and 2024, there can be no assurance that the Company will be able to raise sufficient funds in the future.

If future financing efforts required to fund the Company's operations are unsuccessful it indicates that material uncertainties may exist that cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments to the carrying value of the assets and liabilities, the reported revenues and expenses, or the balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Note 2 – Exploration and Evaluation

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

		Abu Roash "F"
As at December 31, 2023	$	24,099
Additions		14,748
Foreign exchange movement		2,863
As at December 31, 2024		41,710
Additions		444
Foreign exchange movement		(2,177)
As at June 30, 2025	$	39,977
Carry amounts		
As at December 31, 2024	$	41,710
As at June 30, 2025	**$**	**39,977**

On October 13, 2022, the Company was awarded the 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. During the year ended March 31, 2023, the Company met the two financial conditions, being a signature bonus of US$3.0 million ($4.0 million) paid to BPCO and the 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. During the year ended December 31, 2024, the Company issued letters releasing US$5.5 million ($7.4 million) of the Letter of Guarantee for completion of the majority of the commitments in the first phase of the PSA, leaving a balance of US$0.4 million of the original US$ 6.0 million outstanding. During the six months period ended June 30, 2025, the Company had $nil of the original US$ 6.0 million outstanding as the remaining balance of US$0.4 million was released. 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 3 – 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 December 31, 2023	$ 670	$ 237	$ 907
Additions	1,290	32	1,322
Foreign exchange movements	72	5	77
As at December 31, 2024	2,032	274	2,306
Additions	-	-	-
Disposals	-	(55)	(55)
Foreign exchange movements	(75)	(4)	(79)
As at June 30, 2025	$ 1,957	$ 215	$ 2,172
Accumulated depletion and depreciation			
As at December 31, 2023	$ (321)	$ (116)	$ (437)
Depletion and depreciation	(276)	(39)	(315)
Foreign exchange movements	(9)	(1)	(10)
As at December 31, 2024	(606)	(156)	(762)
Depletion and depreciation	(190)	(13)	(203)
Disposals	-	36	36
Foreign exchange movements	13	1	14
As at June 30, 2025	$ (783)	$ (132)	$ (915)
Carry amounts			
As at December 31, 2024	$ 1,426	$ 118	$ 1,544
As at June 30, 2025	$ 1,174	$ 83	$ 1,257

Note 4 – Restricted Cash

	June 30, 2025	December 31, 2024
GIC in support of Guarantee (1)	$ -	$ 653
Mastercard securities	117	118
	$ 117	$ 771
Current portion of restricted cash	$ -	$ -
Long-term portion of restricted cash	117	117
	$ 117	$ 117

(1) The Company issued a US$6.0 million Letter of Guarantee to BPCO secured by a US$6.0 million ($8.0 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 by September 22, 2025 During the year ended December 31, 2024, the Company issued letters releasing US$5.5 million ($7.4 million) of the Letter of Guarantee for completion of the majority of the commitments in the first phase of the PSA, leaving a balance of US$0.4 million of the original US$ 6.0 million outstanding. During the six months period ended June 30, 2025, the Company issued letters releasing the remaining amount of the Letter of Guarantee.

Note 5 – 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.

	June 30, 2025	December 31, 2024
Accounts payable	$ 1,002	$ 3,756
Accrued liabilities	461	492
	$ 1,463	$ 4,248

Note 6 – Lease Liabilities

The Company has the following lease obligations outstanding:

As at December 31, 2023	$ 410
Additions	1,290
Interest expense	42
Lease payments	(251)
Foreign exchange movement	(3)
As at December 31, 2024	$ 1,488
Interest expense	18
Lease payments	(185)
Foreign exchange movement	(77)
As at June 30, 2025	**$ 1,244**
Current portion of lease liabilities	305
Long-term portion of lease liabilities	939
	$ 1,244

Note 7 – 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 six months ended June 30, 2025:

On January 7, 2025, the Company issued 1,250,000 common shares at $0.16 per share for an employment severance package.

No stock options or warrants were exercised.

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.

Stock Options June 30, 2025

During the six month ended June 30, 2025, no stock options were exercised or granted, and 2,050,000 options expired.

The following is a continuity of outstanding stock options:

	Options	Weighted Average of Exercise Price
Balance as at December 31, 2023	11,525,001	$ 0.53
Exercised during the year	(700,000)	0.60
Balance as at December 31, 2024	10,825,001	$ 0.48
Expired during the period	(2,050,000)	0.42
Balance as at June 30, 2025	8,775,001	$ 0.50

The following table summarizes information about stock options that are outstanding at June 30, 2025:

Number of Options	Price per Share	Expiry Date	Options Exercisable
3,266,667	$0.25	September 1, 2025	3,266,667
625,000	$0.25	September 11, 2025	625,000
50,000	$0.45	June 28, 2026	50,000
333,334	$0.70	December 15, 2027	333,334
2,600,000	$0.70	February 9, 2028	2,600,000
1,000,000 (1)	$0.70	December 17, 2025	1,000,000
900,000	$0.70	July 5, 2028	600,000
8,775,001			8,475,001

(1) – *These were originally granted on February 9, 2023.*

As at June 30, 2025, the weighted average contractual remaining life is 1.31 years.

The Company applies the Black-Scholes option pricing model using the closing market prices on the grant dates and to date the Company has calculated option benefits.

	Risk-free interest rate	Expected stock price volatility	Expected option life in years	Dividend rate
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%	88.00%	5 Years	Nil
February 9, 2023	1.62%	88.05%	5 Years	Nil
July 5, 2023	3.82%	87.17%	5 Years	Nil

c) Warrants

The following is a continuity of outstanding warrants:

	Warrants	Weighted Average of Exercise Price
Balance as at December 31, 2023	-	$ -
Granted during the year	40,093,900	0.25
Balance as at December 31, 2024	40,093,900	$ 0.25
Granted during the period	-	-
Balance as at June 30, 2025	40,093,900	$ 0.25

The following table summarizes information about warrants that are outstanding at June 30, 2025:

Number of Warrants	Price per Share	Expiry Date
40,093,900	$0.25	December 6, 2026
40,093,900		

As at June 30, 2025, the weighted average contractual remaining life is 1.44 years.

d) Broker Warrants

The following is a continuity of outstanding broker warrants:

	Broker Warrants	Weighted Average of Exercise Price
Balance as at December 31, 2023	-	$ -
Granted during the year	2,208,834	0.17
Balance as at December 31, 2024	2,208,834	$ 0.17
Granted during the period	-	-
Balance as at June 30, 2025	2,208,834	$ 0.17

The following table summarizes information about broker warrants that are outstanding at June 30, 2025:

Number of Warrants	Price per Share	Expiry Date
2,208,834	$0.17	December 6, 2026
2,208,834		

As at June 30, 2025, the weighted average contractual remaining life is 1.44 years.

The Company applies the Black-Scholes pricing model using the closing market prices on the grant dates and to date the Company has calculated benefit.

	Risk-free interest rate	Expected price volatility	Expected life in years	Dividend rate
December 6, 2024	4.00%	75.79%	2 Years	Nil

e) Earnings (loss) Per Share

Basic weighted average shares outstanding for the six month period ended June 30, 2025, was 226,413,350 (June 30, 2024: 185,117,793). Basic weighted average shares outstanding for the three month period ended June 30, 2025 was 226,461,693 (June 30, 2024: 185,117,793). Diluted weighted average shares outstanding for the six month period ended June 30, 2025, was 226,413,350 (June 30, 2024: 185,117,793). Diluted weighted average shares outstanding for the three month period ended June 30, 2025, was 226,461,693 (June 30, 2024: 185,117,793). Stock options and share purchase warrants outstanding are not included in the computation of diluted loss per share when the inclusion of such securities would be anti-dilutive.

Note 8 – Related Party Transactions

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:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Stock-based compensation	**10**	85	**40**	221
Management wages and director fees	**145**	277	**290**	554
Total management compensation	**155**	362	**330**	775

Note 9 – 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 but has declared a dividend in kind since the date of incorporation. There have been no changes to the Company's approach to capital management during the period other than the contemplation of a dividend in kind.

Note 10 – 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 trade receivable and other, restricted cash and cash and cash equivalents represent a credit exposure. The Company does not have an allowance for doubtful accounts as at June 30, 2025, and did not provide for any doubtful accounts. During the period ended June 30, 2025, there were no write-offs. As at June 30, 2025, there were no significant amounts impaired.

The carrying amount of royalty payments relate to the New Zealand Taranaki Basin operations of Matahio Energy New Zealand (formerly Tamarind NZ Onshore Limited) ("Matahio"). The Company is due an overriding royalty of 2.5% on all production based on Tamarind's production and sales from its petroleum and natural gas operations under standard industry sale and payment terms. The bulk of Matahio'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 flow, 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. 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. Operational and capital activities related to the transactions primarily in New Zealand dollars and/or USD with some costs also being incurred in CAD.

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 USD.

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 three or six month period ended June 30, 2025, 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:

		June 30, 2025	
	Fair Value Level	Fair Value through Profit or Loss	Amortized Cost
		$	$
Financial assets:			
Cash and cash equivalents		-	5,340
Restricted cash		-	117
Trade receivable and other		-	975
		-	6,432
Financial liabilities:			
Accounts payable and accrued liabilities		-	1,463
		-	1,463

During the period ended June 30, 2025, there were no transfers between level 1, level 2 and level 3.

Note 11 – Assets Held-for-Sale - New Zealand Interests

Background

On September 25, 2019, the Company disposed of substantially all its New Zealand producing assets for cash consideration of US$30 million and retained a 2.5 % gross-overriding royalty on future production (the "NZ Royalty").

Sale of Royalties

The Company entered into a definitive asset sale and purchase agreement dated April 7, 2025, for the sale of the NZ Royalty, which closed on April 22, 2025. The Company completed the sale for total consideration of up to US$2.5 million, comprising (i) cash of US$2.2 million received at closing, and (ii) contingent milestone payments of up to US$0.3 million payable on or before December 31, 2027. Management has assessed the likelihood of realizing the contingent consideration as low and accordingly recorded its fair value as nil in the current period. The contingent portion was not recognized due to low likelihood of realization, based on current production and market.

The Company also entered into a definitive asset sale and purchase agreement dated April 7, 2025, for the sale of its Australian royalty interests (3.0% gross overriding royalty on future potential of production revenue from exploration permits PL 17, ATP 2037 and ATP 2038), which closed on June 6, 2025. The Company completed the sale for total consideration of US$1,000,000, received in cash at closing.

The asset is measured at the lower of its carrying amount and fair value less costs to sell. Management's discounted-cash-flow valuation (see key Level 3 inputs below) indicated that fair value less costs to sell exceeded the previous carrying amount; therefore, no impairment (or gain) was recognised on re-classification.

Movement in carrying amount		
Balance as at December 31, 2024	$	2,989
Payments earned to April 22, 2025		(404)
Loss on royalty valuation as at March 31, 2025		109
Proceeds on sale of royalties		(4,412)
Foreign exchange movement		93
Gain on sale of royalties	$	(1,625)

Note 12 – Interest and Penalties

The Company was assessed penalties and interest of $224 and $326 by Canada Revenue Agency ("CRA") under subsection 247(3) of the Income Tax Act (*Canada*), in connection with transfer pricing for the years ended March 31, 2012, and 2013. TAG's management filed a Notice of Objection to dispute process. TAG paid $276 in the 2018 fiscal year. During the comparative period ended June 30, 2024, the Company's assessed penalties and interest by CRA was resolved and a total of $134 was refunded.