



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)**

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Financial Position

| As at | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| <i>(Cdn\$ thousands, unaudited)</i> | | |
| Assets | | |
| Current assets | | |
| Accounts receivable | \$ 24,380 | \$ 10,830 |
| Prepaid expenses and deposits | 2,453 | 433 |
| Product inventory | 3,219 | 1,002 |
| Risk management contracts (note 14) | 9,895 | 8,796 |
| | 39,947 | 21,061 |
| Property, plant and equipment (note 3a, 4) | 368,579 | 202,203 |
| Exploration and evaluation (note 5) | 23,768 | 32,301 |
| Deferred tax asset (note 12) | — | 15,043 |
| Risk management contracts (note 14) | 542 | 545 |
| Total assets | \$ 432,836 | \$ 271,153 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 65,838 | \$ 33,932 |
| Bank syndicate term loan (note 10) | 20,000 | — |
| Decommissioning obligations (note 6) | 285 | 77 |
| | 86,123 | 34,009 |
| Revolving bank debt (note 10) | 72,153 | 29,317 |
| Term Loan (note 11) | 18,988 | — |
| Decommissioning obligations (note 6) | 13,505 | 8,516 |
| Deferred tax liability (note 12) | 7,885 | — |
| Total liabilities | 198,654 | 71,842 |
| Equity | | |
| Share capital (note 7b) | 153,855 | 143,033 |
| Share purchase warrants (note 7b) | 2,000 | 2,000 |
| Contributed surplus (note 8) | 4,234 | 3,410 |
| Retained earnings | 74,093 | 50,868 |
| Total equity | 234,182 | 199,311 |
| Total liabilities and equity | \$ 432,836 | \$ 271,153 |
| Commitments (note 3b) | | |
| Subsequent events (note 3b, 10, 11, 14, 16) | | |

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.**Condensed Interim Consolidated Statements of Income and Comprehensive Income**

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|-----------|------------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(Cdn\$ thousands, except per share amounts, unaudited)</i> | | | | |
| Revenue | | | | |
| Oil (note 9) | \$ 43,682 | \$ 25,777 | \$ 109,303 | \$ 61,744 |
| Royalties | (5,259) | (2,389) | (12,529) | (5,648) |
| | 38,423 | 23,388 | 96,774 | 56,096 |
| Realized gain (loss) on risk management contracts (note 14) | 168 | (1,944) | (578) | (1,018) |
| Unrealized gain (loss) on risk management contracts (note 14) | 11,418 | (3,209) | 1,096 | (3,356) |
| | 50,009 | 18,235 | 97,292 | 51,722 |
| Expenses | | | | |
| Production and operating | 4,634 | 1,670 | 9,978 | 5,180 |
| Transportation | 4,202 | 2,284 | 10,581 | 6,457 |
| General and administrative | 2,668 | 1,634 | 7,094 | 4,995 |
| Share based payments (note 8) | 824 | 777 | 2,203 | 1,946 |
| Exploration and evaluation (note 5) | 13 | 7 | 288 | 6,915 |
| Depletion and depreciation (note 4) | 13,118 | 6,948 | 30,759 | 19,290 |
| Transaction costs (note 3a) | 2,010 | — | 2,010 | — |
| | 22,540 | 4,915 | 34,379 | 6,939 |
| Finance expense (note 13) | (2,134) | (324) | (4,354) | (1,184) |
| Income before income tax | 20,406 | 4,591 | 30,025 | 5,755 |
| Taxes | | | | |
| Deferred tax (expense) recovery (note 12) | (5,396) | (649) | (6,800) | 3,283 |
| Net income and comprehensive income | \$ 15,010 | \$ 3,942 | \$ 23,225 | \$ 9,038 |
| Net income per share (note 7c) | | | | |
| Basic | \$ 0.23 | \$ 0.06 | \$ 0.37 | \$ 0.15 |
| Diluted | \$ 0.23 | \$ 0.06 | \$ 0.36 | \$ 0.15 |

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Changes in Equity

| | Share Capital | | Share | Contributed | Retained | Total |
|---|---------------|-------------------|-----------------|-----------------|------------------|------------------|
| | (thousands) | (\$thousands) | purchase | surplus | earnings | Equity |
| | | | warrants | | | |
| <i>(Cdn\$ thousands, except share amounts, unaudited)</i> | | | | | | |
| Balance at December 31, 2023 | 62,456 | \$ 143,033 | \$ 2,000 | \$ 3,410 | \$ 50,868 | \$ 199,311 |
| Net income | — | — | — | — | 23,225 | 23,225 |
| Common shares issued, net of issue costs (note 3a, 7b) | 5,000 | 10,350 | — | — | — | 10,350 |
| Common shares issued, share-based payment plan (note 7b) | 137 | 472 | — | (1,379) | — | (907) |
| Share-based payments (note 8) | — | — | — | 2,203 | — | 2,203 |
| Balance at September 30, 2024 | 67,593 | \$ 153,855 | \$ 2,000 | \$ 4,234 | \$ 74,093 | \$234,182 |

| | Share Capital | | Share | Contributed | Retained | Total |
|---|---------------|-------------------|-----------------|-----------------|------------------|------------------|
| | (thousands) | (\$thousands) | purchase | surplus | earnings | Equity |
| | | | warrants | | | |
| <i>(Cdn\$ thousands, except share amounts, unaudited)</i> | | | | | | |
| Balance at December 31, 2022 | 54,826 | \$ 123,383 | \$ 2,000 | \$ 1,805 | \$ 32,307 | \$ 159,495 |
| Net income | — | — | — | — | 9,038 | 9,038 |
| Flow-through shares issued, net of issue costs (note 7b) | 7,000 | 19,621 | — | — | — | 19,621 |
| Deferred premium on flow-through shares (note 7b) | — | (1,540) | — | — | — | (1,540) |
| Common shares issued, share-based payment plan (note 7b) | 587 | 1,316 | — | (1,316) | — | — |
| Share-based payments (note 8) | — | — | — | 1,946 | — | 1,946 |
| Balance at September 30, 2023 | 62,413 | \$ 142,780 | \$ 2,000 | \$ 2,435 | \$ 41,345 | \$188,560 |

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.
Condensed Interim Consolidated Statements of Cash Flows

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|----------|------------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(Cdn\$ thousands, unaudited)</i> | | | | |
| Cash flows from operating activities | | | | |
| Net income | \$ 15,010 | \$ 3,942 | \$ 23,225 | \$ 9,038 |
| Adjustments to add (deduct) non-cash items: | | | | |
| Depletion and depreciation (note 4) | 13,118 | 6,948 | 30,759 | 19,290 |
| Share-based payments (note 8) | 824 | 777 | 2,203 | 1,946 |
| Deferred tax expense (recovery) (note 12) | 5,396 | 649 | 6,800 | (3,283) |
| Unrealized (gain) loss on risk management contracts (note 14) | (11,418) | 3,209 | (1,096) | 3,356 |
| Non-cash finance expense (note 13) | 99 | 32 | 232 | 92 |
| Exploration and evaluation expense (note 5) | — | (3) | 22 | 6,795 |
| Decommissioning obligations settled (note 6) | (122) | (3) | (270) | (3) |
| Change in non-cash working capital | (2,934) | (594) | (5,489) | (803) |
| Net cash flows from operating activities | 19,973 | 14,957 | 56,386 | 36,428 |
| Cash flows from (used in) financing activities | | | | |
| Payment for share-based compensation (note 8) | — | — | (574) | 19,950 |
| Term loan, net of issue costs (note 11) | 18,964 | — | 18,964 | (237) |
| Change in revolving bank debt (note 10) | 61,322 | (2,828) | 62,836 | (2,550) |
| Repayment of acquired bank debt (note 3a) | (14,215) | — | (14,215) | — |
| Net cash flows from (used in) financing activities | 66,071 | (2,828) | 67,011 | 17,163 |
| Cash flows used in investing activities | | | | |
| Development and production asset expenditures (note 4) | (28,348) | (11,177) | (58,115) | (30,429) |
| Corporate expenditures (note 4) | (52) | — | (2,969) | — |
| Exploration and evaluation expenditures (note 5) | (8,250) | (153) | (12,285) | (14,782) |
| Acquisition (note 3a) | (62,732) | — | (62,732) | — |
| Change in non-cash working capital | 13,338 | (799) | 12,704 | (10,330) |
| Net cash flows used in investing activities | (86,044) | (12,129) | (123,397) | (55,541) |
| Change in cash and cash equivalents | — | — | — | (1,950) |
| Cash and cash equivalents, beginning of period | — | — | — | 1,950 |
| Cash and cash equivalents, end of period | \$ — | \$ — | \$ — | \$ — |

See accompanying notes to the condensed interim consolidated financial statements.

RUBELLITE ENERGY CORP.
Notes to the Condensed Interim Consolidated Financial Statements (unaudited)
For the three and nine months ended September 30, 2024
(All tabular amounts are in Cdn\$ thousands, except where otherwise noted)

1. REPORTING ENTITY

Rubellite Energy Corp. (the "Company") is an oil exploration and production company headquartered in Calgary, Alberta and is the Company resulting from the amalgamation on October 31, 2024 of Ukalta LP Inc. (a then wholly-owned subsidiary of Rubellite Energy Inc.) and 1121838 Alberta Ltd. (a then wholly-owned subsidiary of Perpetual Energy Inc.) (note 16).

The address of the Company's registered office is 3200, 605 – 5 Avenue S.W., Calgary, Alberta, T2P 3H5.

The condensed interim consolidated financial statements presented for the three and nine months ended September 30, 2024 represent the results of Rubellite Energy Inc. and its wholly owned subsidiaries: Ukalta LP Inc., Ukalta GP Inc., and Ukalta Limited Partnership.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's financial statements as at and for the year ended December 31, 2023 which were prepared in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The accounting policies, basis of measurement, critical accounting judgements and significant estimates used to prepare the annual consolidated financial statements as at and for the year ended December 31, 2023 have been applied in the preparation of these condensed interim consolidated financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on November 12, 2024.

3. ACQUISITION AND DISPOSITIONS

a) 2024 Acquisitions

Effective August 2, 2024, Rubellite acquired all of the issued and outstanding common shares of Buffalo Mission Energy Corp. ("Buffalo Mission") for a total purchase price of \$96.6 million, inclusive of \$23.5 million of Buffalo Mission's assumed net debt⁽¹⁾, which consisted of \$62.7 million in cash and the issuance of 5.0 million of common shares of Rubellite to certain shareholders of Buffalo Mission valued at \$10.4 million using Rubellite's closing share price on August 2, 2024 of \$2.07 per share (the "BMEC Acquisition"). Rubellite funded the transaction through; an expanded credit facility which increased from \$60.0 million to \$100 million (note 10), a \$20.0 million bank syndicate term loan which matures on December 15, 2024 (note 10), and a new Term Loan placed, directly or indirectly, with certain directors and officers of Rubellite and the Company's significant shareholder for \$20.0 million which bears interest at 11.5% (note 11).

The BMEC Acquisition has been accounted for as a business combination using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at the estimated fair value on the acquisition date of August 2, 2024. There were \$2.0 million of transaction costs incurred by the Company which were expensed through the consolidated statement of income and comprehensive income. The assets acquired in this transaction will be included in the heavy oil cash generating unit ("CGU").

The preliminary purchase price, based on management's estimates of fair values, is as follows:

| Assets acquired | | |
|-------------------------------------|-----------|---------------|
| Oil and gas interests (note 4) | \$ | 110,780 |
| Net working capital ⁽¹⁾ | | (21,204) |
| Deferred tax liabilities | | (15,795) |
| Decommissioning provisions (note 6) | | (699) |
| Net assets acquired | \$ | 73,082 |
| Consideration | | |
| Cash | \$ | 62,732 |
| Share (note 7b) | | 10,350 |
| Total consideration paid | \$ | 73,082 |

(1) Assumed net debt excluded inventory and other items which are included in net working capital.

The Company used estimated proved and probable reserves from an independent third-party reserve evaluation to estimate the acquisition date fair value of oil and gas interests acquired. For the purposes of estimating the acquisition date fair value of the oil and gas interests acquired, the Company engaged its independent third-party reserve evaluator to provide an estimate of proved and probable oil and gas reserves as at August 2, 2024. The estimated proved and probable oil and gas reserves and related cash flows were discounted using rates between 15% and 30%. The fair value of decommissioning obligations was initially estimated using a credit adjusted risk-free rate of 11.5% and an implied inflation rate of 1.8%.

Oil and gas revenue of \$10.8 million and net income of \$6.2 million are included in the consolidated statements of income and comprehensive income since the closing of the BMEC Acquisition on August 2, 2024. If the BMEC Acquisition had occurred on January 1, 2024 the estimated contributed revenues would have been \$48.2 million and estimated net income before tax would have been \$29.1 million.

b) 2023 Acquisitions and Dispositions

Effective November 8, 2023, Rubellite acquired Clearwater assets within the Greater Figure Lake area, as well as undeveloped land in the Nixon area of Northeast Alberta for net cash proceeds of \$33.2 million. The acquisition was accounted for as a business combination using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at their estimated fair value on the acquisition date of November 8, 2023. All of the assets acquired were included within the Company's heavy oil CGU.

During 2023, the Company disposed of a 1.5% non-convertible gross overriding royalty ("GORR") on certain of its Figure Lake lands, which reverts to a 1.0% GORR after payout, for cash consideration of \$8.0 million, resulting in a gain of \$1.3 million. The Company has a drilling commitment on the GORR lands that must be fulfilled by June 30, 2026 (the "Commitment Date"). In the event the Company fails to fulfill the drilling commitment, the Company is required to pay \$0.1 million per well not spud by the Commitment Date. As at September 30, 2024, the Company has drilled twelve (12.0 net) of the 59 wells that are required to meet the drilling commitment. Subsequent to September 30, 2024, the Company has drilled an additional one (1.0 net) well for a total of thirteen (13.0 net) wells required to meet the drilling commitment.

4. PROPERTY, PLANT AND EQUIPMENT

| | Development and Production Assets | | Corporate Assets | | Total |
|--|-----------------------------------|-----------------|------------------|--------------|--------------------|
| Cost | | | | | |
| December 31, 2022 | \$ | 151,309 | \$ | — | \$ 151,309 |
| Additions | | 43,660 | | — | 43,660 |
| Transfer from exploration and evaluation (note 5) | | 22,606 | | — | 22,606 |
| Acquisitions (note 3b) | | 28,647 | | — | 28,647 |
| Dispositions (note 3b) | | (5,801) | | — | (5,801) |
| Change in decommissioning obligations related to PP&E (note 6) | | 4,735 | | — | 4,735 |
| December 31, 2023 | \$ | 245,156 | \$ | — | \$ 245,156 |
| Additions | | 58,115 | | 2,969 | 61,084 |
| Transfer from exploration and evaluation (note 5) | | 20,796 | | — | 20,796 |
| Acquisitions (note 3a) | | 110,780 | | — | 110,780 |
| Change in decommissioning obligations related to PP&E (note 6) | | 4,560 | | — | 4,560 |
| September 30, 2024 | \$ | 439,407 | \$ | 2,969 | \$ 442,376 |
| Accumulated depletion | | | | | |
| December 31, 2022 | \$ | (15,360) | \$ | — | \$ (15,360) |
| Depletion | | (27,593) | | — | (27,593) |
| December 31, 2023 | \$ | (42,953) | \$ | — | \$ (42,953) |
| Depletion and depreciation ⁽¹⁾ | | (30,631) | | (213) | (30,844) |
| September 30, 2024 | \$ | (73,584) | \$ | (213) | \$ (73,797) |
| Carrying amount | | | | | |
| December 31, 2023 | \$ | 202,203 | \$ | — | \$ 202,203 |
| September 30, 2024 | \$ | 365,823 | \$ | 2,756 | \$ 368,579 |

(1) During the period ended September 30, 2024, depletion includes \$0.1 million which has been capitalized to inventory (September 30, 2023 - nominal amount).

As at September 30, 2024, future development costs of \$176.9 million (December 31, 2023 - \$145.1 million) associated with proved and probable oil and gas reserves were included in the depletion calculation and an estimated \$4.4 million (December 31, 2023 - \$3.4 million) of salvage value for production equipment and \$5.4 million (December 31, 2023 - nil) related to assets under construction were excluded. Depletion expense was \$30.6 million (December 31, 2023 - \$27.6 million) on development and production assets for the nine months ended September 30, 2024.

During the nine months ended September 30, 2024, the Company added \$2.8 million of corporate assets (December 31, 2023 - nil) related to leasehold improvements for the shared office space under the Management and Operating Services Agreement ("MSA") in place with Perpetual (note 15). Depreciation expense was \$0.2 million (December 31, 2023 - nil) on corporate assets for the nine months ended September 30, 2024.

a) Impairment

There were no indicators of impairment related to the Company's CGU as at September 30, 2024 and December 31, 2023.

During the third quarter of 2024, the Company transferred \$17.8 million of E&E to PP&E, bringing the total amount transferred during 2024 to \$20.8 million. The Company performed the required impairment test to estimate the recoverable amount of the CGU and it was determined that the recoverable amount of the CGU exceeded its carrying value, resulting in no impairment.

The Company transferred \$22.6 million of E&E to PP&E during 2023 and performed the required impairment test to estimate the recoverable amount of the CGU. It was determined that the recoverable amount of the CGU exceeded its carrying value, resulting in no impairment.

5. EXPLORATION AND EVALUATION

| | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Balance, beginning of period | \$ 32,301 | \$ 30,252 |
| Acquisitions (note 3b) | — | 4,526 |
| Dispositions (note 3b) | — | (899) |
| Additions | 12,285 | 27,870 |
| Transfer to property, plant, and equipment (note 4a) | (20,796) | (22,606) |
| Exploration and evaluation expense | (22) | (6,842) |
| Balance, end of period | \$ 23,768 | \$ 32,301 |

During the three and nine months ended September 30, 2024, an incremental nominal amount and \$0.3 million, respectively was charged directly to exploration and evaluation ("E&E") expense in the consolidated statements of income and comprehensive income (three and nine months ended September 30, 2023 - nominal amount and \$6.9 million, respectively).

Impairment of E&E assets

E&E assets are tested for impairment when internal or external indicators of impairment exist as well as upon reclassification to oil and gas interests in PP&E. At September 30, 2024, the Company conducted an assessment of indicators of impairment for the Company's E&E assets. In performing the assessment, management has determined that there were no indicators of impairment.

6. DECOMMISSIONING OBLIGATIONS

The following table summarizes changes in decommissioning obligations:

| | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Balance, beginning of period | \$ 8,593 | \$ 3,733 |
| Liabilities settled | (270) | (3) |
| Obligations incurred | 1,459 | 2,143 |
| Obligations acquired (note 3a, 3b) | 699 | 385 |
| Change in rate on acquisition (note 3a, 3b) ⁽¹⁾ | 3,287 | 1,611 |
| Revisions to estimates | (186) | 596 |
| Accretion (note 13) | 208 | 128 |
| Total decommissioning obligations, end of period | \$ 13,790 | \$ 8,593 |
| Decommissioning obligations - current | \$ 285 | \$ 77 |
| Decommissioning obligations - non-current | 13,505 | 8,516 |
| Total decommissioning obligations | \$ 13,790 | \$ 8,593 |

(1) The decommissioning obligations acquired were initially valued using a credit adjusted risk-free rate of 11.5% on the acquisition date and revalued at period end using a risk free rate of 3.1%.

Decommissioning obligations are estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities, and the estimated timing of the costs to be incurred in future periods.

The increase in the provision due to the passage of time, which is referred to as accretion, is recognized as non-cash finance expense in the consolidated statements of income and comprehensive income. Decommissioning obligations are further adjusted at each period end date for changes in the risk-free interest rate, after considering additions and dispositions of PP&E. Decommissioning obligations are also adjusted for revisions to future cost estimates and the estimated timing of costs to be incurred in future periods.

The following significant assumptions were used to estimate the Company's decommissioning obligations:

| | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Undiscounted obligations | \$ 18,583 | \$ 11,443 |
| Average risk-free rate | 3.1% | 3.0% |
| Inflation rate | 1.6% | 1.6% |
| Expected timing of settling obligations | 1 to 25 years | 1 to 25 years |

7. SHARE CAPITAL

a) Authorized

Authorized capital consists of an unlimited number of common shares.

b) Issued and outstanding

| | September 30, 2024 | | December 31, 2023 | |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
| | Shares (thousands) | Amount (\$thousands) | Shares (thousands) | Amount (\$thousands) |
| Balance, beginning of period | 62,456 | \$ 143,033 | 54,826 | \$ 123,383 |
| Flow-through shares issued pursuant to private placement | — | — | 7,000 | 19,950 |
| Deferred premium on flow-through shares | — | — | — | (1,540) |
| Common shares issued, net of issue costs (note 3a) | 5,000 | 10,350 | — | — |
| Issued pursuant to share-based plans | 137 | 805 | 630 | 1,436 |
| Share issue costs ⁽¹⁾ | — | (333) | — | (196) |
| Balance, end of period | 67,593 | \$ 153,855 | 62,456 | \$ 143,033 |

(1) Share issue costs for the period ended September 30, 2024 are net of \$0.3 million of deferred tax (December 31, 2023 - \$0.1 million).

As of September 30, 2024, there were 4.0 million Rubellite common share purchase warrants exercisable at \$3.00 per share which expire in September 2026. Subsequent to September 30, 2024, as a result of the completion of the Recombination Transaction, the Share Purchase Warrants are no longer outstanding (note 16).

On August 2, 2024, in conjunction with the closing of the acquisition of Buffalo Mission, Rubellite issued 5.0 million common shares to certain shareholders of Buffalo Mission, which were valued at \$10.4 million using the Company's share price on the closing date of the transaction of \$2.07 per share.

On March 28, 2023, the Company issued 7.0 million flow-through shares at \$2.85 per share, through a private placement for gross proceeds of \$20.0 million. Certain directors and officers of the Company subscribed for \$13.3 million of the flow-through shares issued. Rubellite incurred share issuance costs of \$0.2 million, net of deferred taxes.

c) Per share information

| (thousands, except per share amounts) | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|----------|---------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income | \$ 15,010 | \$ 3,942 | \$ 23,225 | \$ 9,038 |
| Weighted average common shares outstanding – basic | 65,834 | 61,956 | 63,592 | 59,640 |
| Weighted average common shares outstanding – diluted | 66,571 | 62,597 | 64,599 | 60,325 |
| Net income per share – basic | \$ 0.23 | \$ 0.06 | \$ 0.37 | \$ 0.15 |
| Net income per share – diluted | \$ 0.23 | \$ 0.06 | \$ 0.36 | \$ 0.15 |

Per share amounts have been calculated using the weighted average number of common shares outstanding. For the three and nine month period ended September 30, 2024, 7.1 million common shares and 6.8 million common shares, respectively (three and nine months ended September 30, 2023 - 7.1 million common shares) issuable upon the exercise and/or settlement of warrants, share options, restricted share units and performance share units were excluded from the diluted weighted average number of common shares outstanding as they were anti-dilutive.

8. SHARE-BASED PAYMENTS

The following tables summarize information about options and performance and restricted share awards outstanding:

Compensation awards

| (thousands) | Share options | Performance share units | Restricted share units | Total |
|---------------------------|---------------|-------------------------|------------------------|--------------|
| December 31, 2022 | 1,670 | 348 | 371 | 2,389 |
| Granted | 1,080 | 486 | 411 | 1,977 |
| Exercised | (31) | (370) | (233) | (634) |
| Forfeited | (23) | — | (19) | (42) |
| December 31, 2023 | 2,696 | 464 | 530 | 3,690 |
| Granted | 20 | 492 | 16 | 528 |
| Exercised ⁽¹⁾ | (9) | (351) | (7) | (367) |
| Forfeited | (22) | — | (15) | (37) |
| September 30, 2024 | 2,685 | 605 | 524 | 3,814 |

(1) During the three and nine months ended September 30, 2024 nil and 0.2 million, respectively, of performance share rights were exercised for a cash payment of \$0.6 million (three and nine months ended September 30, 2023 - nil).

During the three and nine months ended September 30, 2024, the Company granted nil and 0.5 million, respectively, of share-based compensation awards, comprised of share options, performance share units and restricted share units.

The components of share-based compensation expense are as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|------------------------------------|----------------------------------|---------------|---------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Share options | \$ 266 | \$ 307 | \$ 820 | \$ 834 |
| Restricted share units | 163 | 261 | 519 | 567 |
| Performance share units | 395 | 209 | 864 | 545 |
| Share-based payment expense | \$ 824 | \$ 777 | \$ 2,203 | \$ 1,946 |

a) Share options

Rubellite's share option plan provides a long-term incentive to directors, executive officers, employees or consultants associated with the Company's long-term performance. The Board of Directors administers the share option plan and determines participants, number of share options and terms of vesting. The exercise price of the share options granted shall not be less than the value of the weighted average trading price for the Company's common shares for the five trading days immediately preceding the date of grant. Share options granted vest evenly over four years, commencing on the first anniversary, with expiry occurring five years after issuance.

The Company uses the Black-Scholes pricing model to calculate the estimated fair value of the share options at the date of grant. The following assumptions were used to arrive at the estimate of fair value as at the grant date:

| | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Dividend yield (%) | — | — |
| Forfeiture rate (%) | 5.00 | 5.00 |
| Expected volatility (%) | 57.69 | 64.00 |
| Risk-free interest rate (%) | 3.31 | 4.12 |
| Contractual life (years) | 5.0 | 5.0 |
| Weighted average share price at grant date | \$ 2.24 | \$ 2.09 |
| Weighted average fair value at grant date | \$ 1.20 | \$ 1.11 |

b) Performance share units

The Company has an equity-settled performance share unit plan for the Company's executive officers. Performance share units granted under the performance share units plan vest two years after the date upon which the performance units were granted. The performance units that vest and become redeemable for equivalent common shares are a multiple of the performance units granted, dependent upon the achievement of certain performance metrics over the vesting period. Vested performance units can be settled in cash or in common shares of the Company at the discretion of the Board of Directors. Performance units are forfeited if participants of the performance share units plan leave the organization other than through retirement or termination without cause prior to the vesting date.

The fair value of a performance share unit award is determined at the date of grant by using the closing price of common shares multiplied by the estimated performance multiplier. As at September 30, 2024, a performance factor of 1.9 was applied to performance share units that vested in the second quarter of 2024, a performance factor of 1.5 and 1.0 have been assumed for unvested performance share units granted in 2023 and 2024, respectively. Fluctuations in share-based payments may occur due to changes in estimates of performance outcomes. The amount of share-based payment expense is reduced by an estimated forfeiture rate of 5% for outstanding awards. The weighted average fair value per share of performance share rights granted during the nine month period ended September 30, 2024 was \$2.52 per award.

c) Restricted share units

The Company has a restricted share unit plan for directors, officers, employees or consultants. The restricted share units vest evenly over a two year period after the date upon which the restricted share units were granted. The restricted share units that vest can be settled in cash or in common shares, at the discretion of the Company.

This fair value is recognized as share-based payment expense with a corresponding increase to contributed surplus. The weighted average fair value per share of performance share rights granted during the period ended September 30, 2024 was \$2.27 per award.

9. OIL REVENUE

The Company sells its heavy crude oil production pursuant to fixed or variable price contracts. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under the contracts, the Company is required to deliver fixed or variable volumes of crude oil as may be applicable to the contract counterparty. Oil revenue is recognized when a unit of production is delivered to the contract counterparty. The amount of oil revenue recognized is based on the agreed transaction price, whereby any variability in oil revenue relates specifically to the Company's efforts to transfer production, therefore the resulting oil revenue is allocated to the sales production delivered in the period during which the variability occurs. As a result, none of the variable oil revenue is considered constrained.

The Company's properties currently produce heavy crude oil and volumes are mostly sold under floating contracts of varying price and volume terms of up to one year. Oil revenues are typically collected on the 25th day of the month following production and delivery to sales points. Included in accounts receivable at September 30, 2024 is \$14.8 million of oil revenue related to September 2024 sales production (December 31, 2023 - \$7.5 million of oil revenue related to December 2023 sales production). At September 30, 2024, two commodity purchasers accounted for 82 percent of revenue recorded in accounts receivable, related to September 2024 sales production, none of which is considered to be a credit risk as Rubellite enters into sales contracts with established creditworthy counterparties.

10. REVOLVING BANK DEBT

During the period ended September 30, 2024 the Company's first lien credit facility had its borrowing limit increased to \$100.0 million (December 31, 2023 - \$57.0 million) and was extended with an initial term to May 31, 2025. The initial term may be extended for a further twelve months to May 31, 2026 subject to lender approval. If not extended by May 31, 2025, all outstanding advances would be repayable on May 31, 2026.

On August 2, 2024, the Company's lenders provided a \$20.0 million (December 31, 2023 - nil) bank syndicate term loan that matures on or before December 15, 2024, and bears interest at the lenders prime rate or Canadian Overnight Repo Rate Average ("CORRA") rates, plus applicable margins and standby fees. CORRA margins applicable to the bank syndicate term loan range between 4.3% and 7.8%.

As at September 30, 2024, \$72.2 million was drawn against the credit facility and the \$20.0 million bank syndicate term loan was outstanding, resulting in total bank debt of \$92.2 million (December 31, 2023 - \$29.3 million). Letters of credit outstanding at period end were \$2.4 million (December 31, 2023 - \$0.4 million). Borrowings under the credit facility bear interest at the lenders' prime rate or CORRA rates, plus applicable margins and standby fees. The applicable CORRA margins range between 2.8% and 6.3%. The effective aggregate interest rate on the credit facility and bank syndicate term loan at September 30, 2024 was 8.6% per annum. For the period ended September 30, 2024, if interest rates changed by 1% with all other variables held constant, the impact on annual cash finance expense and net income and comprehensive income would be \$0.7 million.

The credit facility is secured by general first lien security agreements covering all present and future property of the Company.

At September 30, 2024, the credit facility was not subject to any financial covenants and the Company was in compliance with all customary non-financial covenants.

Subsequent to September 30, 2024, in conjunction with the closing of the Recombination Transaction (note 16) on October 31, 2024, the Company's credit facility has been increased to \$140.0 million and the existing \$20.0 million bank syndicate term loan has been repaid out of the expanded \$140.0 million credit facility. The initial revolving term remains unchanged at May 31, 2025 and may be extended for a further twelve months to May 31, 2026. The next semi-annual borrowing base redetermination is scheduled on or before May 31, 2025.

11. TERM LOAN

| | Maturity date | Interest rate | September 30, 2024 | | December 31, 2023 | |
|-----------|----------------|---------------|--------------------|-----------------|-------------------|-----------------|
| | | | Principal | Carrying Amount | Principal | Carrying amount |
| Term loan | August 2, 2029 | 11.5% | \$ 20,000 | \$ 18,988 | \$ — | \$ — |

On August 2, 2024, Rubellite entered into a senior secured second-lien term loan ("Term Loan") which was placed, directly or indirectly, with certain directors and officers of Rubellite and the Company's significant shareholder for \$20.0 million. The Term Loan bears interest at 11.5% annually with interest payments to be paid quarterly and matures in five years from the date of issue, and can be repaid by the Company without penalty at any time.

During the three and nine months ending September 30, 2024, Rubellite paid \$0.4 million in cash interest payments to the holders of the Term Loan (three and nine months ended September 30, 2023 - nil).

At September 30, 2024, the Term Loan has been recorded at the present value of future cash flows, net of \$1.0 million in issue and discount costs which are amortized over the remaining term using a weighted average effective interest rate of 12.9%.

The Term Loan is not subject to any financial covenants and the Company was in compliance with all customary non-financial covenants.

At September 30, 2024, entities controlled or directed by the Company's Chief Executive Officer ("CEO") hold \$18.4 million of the outstanding Term Loan.

Subsequent to September 30, 2024, in conjunction with the closing of the Recombination Transaction, the Term Loan converted to a third-lien obligation of the Company (note 16).

12. DEFERRED TAXES

The following table summarizes the continuity of the net deferred tax asset (liability) of the Company:

| | December 31, 2023 | Recognized in earnings | Recognized in equity | Acquisitions | September 30, 2024 |
|--|-------------------|------------------------|----------------------|--------------------|--------------------|
| Assets (liabilities): | | | | | |
| Property, plant and equipment | \$ 2,235 | \$ (4,675) | \$ — | \$ (15,794) | \$ (18,234) |
| Decommissioning obligations | 1,977 | 1,195 | — | — | 3,172 |
| Fair value of derivatives | (2,148) | (252) | — | — | (2,400) |
| Share and debt issue costs | 562 | 327 | (333) | — | 556 |
| Non-capital losses | 12,417 | (3,396) | — | — | 9,021 |
| Total deferred tax assets (liability) | \$ 15,043 | \$ (6,801) | \$ (333) | \$ (15,794) | \$ (7,885) |

13. FINANCE EXPENSE

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|---------------|---------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest expense | \$ 1,663 | \$ 292 | \$ 3,750 | \$ 1,092 |
| Interest on Term Loan | 372 | — | 372 | — |
| Total cash finance expense | 2,035 | 292 | 4,122 | 1,092 |
| Amortization of debt issue costs (note 11) | 24 | — | 24 | — |
| Accretion (note 6) | 75 | 32 | 208 | 92 |
| Total non-cash finance expense | 99 | 32 | 232 | 92 |
| Finance expense | \$ 2,134 | \$ 324 | \$ 4,354 | \$ 1,184 |

14. FINANCIAL RISK MANAGEMENT

The following table summarizes the mark to market value of outstanding risk management contract assets (liabilities):

| | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Financial oil contracts | \$ 10,072 | \$ 7,882 |
| Financial foreign exchange contracts | 365 | 1,459 |
| Risk management contracts | \$ 10,437 | \$ 9,341 |
| Risk management contracts – current asset | 9,895 | 8,796 |
| Risk management contracts – non-current asset | 542 | 545 |
| Risk management contracts | \$ 10,437 | \$ 9,341 |

The following table details the gains (losses) on risk management contracts:

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Unrealized gain (loss) on oil contracts | \$ 11,169 | \$ (3,262) | \$ 2,190 | \$ (3,458) |
| Unrealized gain (loss) on foreign exchange contracts | 249 | 53 | (1,094) | 102 |
| Unrealized gain (loss) on financial derivatives | \$ 11,418 | \$ (3,209) | \$ 1,096 | \$ (3,356) |
| Realized gain (loss) on oil contracts | 156 | (2,015) | (668) | (1,138) |
| Realized gain on foreign exchange contracts | 12 | 71 | 90 | 120 |
| Realized gain (loss) on financial derivatives | \$ 168 | \$ (1,944) | \$ (578) | \$ (1,018) |
| Change in fair value of derivatives | \$ 11,586 | \$ (5,153) | \$ 518 | \$ (4,374) |

At September 30, 2024, the Company entered into the following oil risk management contracts:

| Remaining Period | Type of Contract | Sell/Buy | Quantity (bbl/d) | Pricing Point | Contract Price (\$/bbl) |
|---------------------|-------------------------|----------|------------------|------------------------|-------------------------|
| Oct 2024 - Dec 2024 | Fixed Swap | Sell | 1,300 | WTI | USD 78.25 |
| Jan 2025 - Mar 2025 | Fixed Swap | Sell | 1,900 | WTI | USD 74.58 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 1,400 | WTI | USD 73.13 |
| Jul 2025 - Sep 2025 | Fixed Swap | Sell | 1,600 | WTI | USD 72.20 |
| Oct 2025 - Dec 2025 | Fixed Swap | Sell | 400 | WTI | USD 74.86 |
| Oct 2024 | Fixed Swap | Sell | 1,950 | WTI | CAD 104.52 |
| Nov 2024 - Dec 2024 | Fixed Swap | Sell | 1,750 | WTI | CAD 104.48 |
| Jan 2025 - Mar 2025 | Fixed Swap | Sell | 2,100 | WTI | CAD 99.58 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 1,650 | WTI | CAD 99.43 |
| Jul 2025 - Sp 2025 | Fixed Swap | Sell | 400 | WTI | CAD 103.43 |
| Oct 2024 | Fixed Differential Swap | Sell | 1,950 | WCS - WTI Differential | USD (15.47) |
| Nov 2024 - Dec 2024 | Fixed Differential Swap | Sell | 2,200 | WCS - WTI Differential | USD (15.30) |
| Jan 2025 - Mar 2025 | Fixed Differential Swap | Sell | 2,400 | WCS - WTI Differential | USD (14.65) |
| Apr 2025 - Jun 2025 | Fixed Differential Swap | Sell | 2,400 | WCS - WTI Differential | USD (14.41) |
| Jul 2025 - Dec 2025 | Fixed Differential Swap | Sell | 1,900 | WCS - WTI Differential | USD (14.71) |
| Oct 2024 | Fixed Differential Swap | Sell | 1,800 | WCS - WTI Differential | CAD (21.61) |
| Nov 2024 - Dec 2024 | Fixed Differential Swap | Sell | 1,600 | WCS - WTI Differential | CAD (21.50) |
| Jan 2025 - Mar 2025 | Fixed Differential Swap | Sell | 2,100 | WCS - WTI Differential | CAD (20.82) |
| Apr 2025 - Jun 2025 | Fixed Differential Swap | Sell | 1,650 | WCS - WTI Differential | CAD (18.94) |
| Jul 2025 - Sep 2025 | Fixed Differential Swap | Sell | 400 | WCS - WTI Differential | CAD (21.35) |
| Oct 2024 - Dec 2024 | Fixed Swap | Sell | 200 | WCS | CAD 84.33 |
| Jan 2025 - Mar 2025 | Fixed Swap | Sell | 200 | WCS | CAD 80.00 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 400 | WCS | CAD 80.20 |
| Jul 2025 - Dec 2025 | Fixed Swap | Sell | 200 | WCS | CAD 80.00 |

As at September 30, 2024, if future WTI and WCS oil prices changed by \$5.00 per bbl with all other variables held constant, net income and comprehensive income for the period would change by \$4.8 million due to changes in the fair value of risk management contracts.

Subsequent to September 30, 2024, the Company entered into the following oil risk management contracts:

| Remaining Period | Type of Contract | Sell/Buy | Quantity (bbl/d) | Pricing Point | Contract Price (\$/bbl) |
|---------------------|-------------------------|----------|------------------|------------------------|-------------------------|
| Jan 2025 - Mar 2025 | Fixed Swap | Sell | 500 | WTI | USD \$73.75 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 500 | WTI | USD 73.45 |
| Jan 2025 - Mar 2025 | Fixed Swap | Sell | 200 | WTI | CAD 99.15 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 250 | WTI | CAD 97.40 |
| Jul 2025 - Sep 2025 | Fixed Swap | Sell | 1,000 | WTI | CAD 97.07 |
| Jul 2025 - Sep 2025 | Fixed Differential Swap | Sell | 500 | WCS - WTI Differential | USD (12.70) |
| Jan 2025 - Mar 2025 | Fixed Differential Swap | Sell | 200 | WCS - WTI Differential | CAD (18.65) |
| Apr 2025 - Jun 2025 | Fixed Differential Swap | Sell | 250 | WCS - WTI Differential | CAD (17.30) |
| Jul 2025 - Sep 2025 | Fixed Differential Swap | Sell | 1,000 | WCS - WTI Differential | CAD (17.07) |
| Jan 2025 - Mar 2025 | Fixed Swap | Sell | 200 | WCS | CAD 80.45 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 250 | WCS | CAD 80.15 |
| Apr 2025 - Jun 2025 | Fixed Swap | Sell | 200 | WCS | CAD 80.20 |
| Jul 2025 - Sep 2025 | Fixed Swap | Sell | 500 | WCS | CAD 80.00 |

At September 30, 2024, the Company entered into the following CAD/USD foreign exchange swaps:

| Contract | Notional amount | Term | Price (CAD\$/US\$) |
|-----------------------------------|------------------------|----------------------|--------------------|
| Average rate forward (CAD\$/US\$) | \$1,775,000 US\$/month | Oct 1 - Dec 31, 2024 | 1.3659 |
| Average rate forward (CAD\$/US\$) | \$1,711,000 US\$/month | Jan 1 - Mar 31, 2025 | 1.3642 |
| Average rate forward (CAD\$/US\$) | \$1,000,000 US\$/month | Apr 1 - Dec 30, 2025 | 1.3660 |

As at September 30, 2024, if future CAD\$/US\$ exchange rate changed by \$0.05 with all other variables held constant, net income and comprehensive income for the period would change by \$0.8 million due to changes in the fair value of risk management contracts.

Subsequent to September 30, 2024, the Company entered into the following CAD/USD foreign exchange swaps:

| Contract | Notional amount | Term | Price (CAD\$/US\$) |
|-----------------------------------|------------------------|-----------------------|--------------------|
| Average rate forward (CAD\$/US\$) | \$700,000 US\$/month | Nov 1 - Dec 31, 2024 | 1.3650 |
| Average rate forward (CAD\$/US\$) | \$2,650,000 US\$/month | Jan 1 - Mar 31, 2025 | 1.3619 |
| Average rate forward (CAD\$/US\$) | \$2,400,000 US\$/month | Apr 1 - June 30, 2025 | 1.3614 |
| Average rate forward (CAD\$/US\$) | \$1,750,000 US\$/month | Jul 1 - Sep 30, 2025 | 1.3602 |

Fair value of financial assets and liabilities

The Company's fair value measurements are classified into one of the following levels of the fair value hierarchy:

Level 1 – inputs represent unadjusted quoted prices in active markets for identical assets and liabilities. An active market is characterized by a high volume of transactions that provides pricing information on an ongoing basis.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These valuations are based on inputs that can be observed or corroborated in the marketplace, such as market interest rates or forecasted commodity prices.

Level 3 – inputs for the asset or liability are not based on observable market data.

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

The fair value of cash, accounts receivable, prepaid expenses and deposits, and accounts payable and accrued liabilities approximate their carrying amounts due to their short terms to maturity. They are classified as amortized cost, level 1.

The fair value of risk management contracts are classified as fair value through profit and loss ("FTPL"), level 2.

The fair value of financial assets and liabilities, excluding working capital, is attributable to the following fair value hierarchy levels:

| As of September 30, 2024 | Gross | Netting ⁽¹⁾ | Carrying Amount | Fair value | | |
|---|-----------|------------------------|-----------------|------------|-----------|---------|
| | | | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Fair value through profit and loss | | | | | | |
| Risk management contracts | \$ 12,288 | \$ (1,851) | \$ 10,437 | \$ — | \$ 10,437 | \$ — |
| Financial liabilities | | | | | | |
| Financial liabilities at amortized cost | | | | | | |
| Revolving bank debt | (72,153) | — | (72,153) | (72,153) | — | — |
| Bank syndicate term loan | (20,000) | — | (20,000) | (20,000) | — | — |
| Term loan | (18,988) | — | (18,988) | (18,988) | — | — |
| Fair value through profit and loss | | | | | | |
| Risk management contracts | (1,851) | 1,851 | — | — | — | — |

(1) Risk management contract assets and liabilities presented in the condensed interim consolidated statement of financial position are shown net of offsetting assets or liabilities where the arrangement provides for the legal right and intention for net settlement exists.

15. RELATED PARTIES

Rubellite and Perpetual are considered related parties due to the existence of a Management and Operating Services Agreement (the "MSA"). Further, certain officers and directors are key management of and have significant influence over Rubellite while also being key management of and having deemed control over Perpetual. Under the MSA Rubellite reimburses Perpetual for certain technical and administrative services provided to Rubellite split on a relative production basis. Effective June 1, 2024, the MSA was amended to split shared costs on a 80% Rubellite and 20% Perpetual basis. During the three and nine month period ended September 30, 2024, Rubellite was billed by Perpetual for net transactions, which are considered to be normal course of oil and gas operations totaling \$3.2 million and \$11.5 million, respectively (three and nine ended September 30, 2023 - \$1.6 million and \$4.7 million, respectively). Included within this amount are \$1.6 million and \$7.3 million (three and nine ended September 30, 2023 - \$0.9 million and \$2.5 million, respectively) of costs charged to Rubellite through the MSA. The Company recorded accounts payable of \$5.1 million owing to Perpetual as at September 30, 2024 (December 31, 2023 - accounts payable of \$1.9 million), which included \$2.8 million related to the corporate asset additions for leasehold improvements recorded during the second quarter of 2024.

16. SUBSEQUENT EVENTS

Subsequent to September 30, 2024, on October 31, 2024 (the "Acquisition Date") Rubellite and Perpetual closed the all-share, Recombination Transaction.

On the Acquisition Date, holders of Rubellite common shares ("Rubellite Shares") received one (1) common share of the recombined company ("New Shares") for each Rubellite Share held, holders of Perpetual common shares ("Perpetual Shares") received one (1) New Share for every five (5) Perpetual Shares held, and Perpetual's outstanding senior notes (\$26.2 million in face value) were converted into 11.6 million New Shares based on the five-day volume weighted average price ("VWAP") for the Rubellite Shares prior to the announcement of \$2.25 per share.

The total consideration issued by Rubellite consisted of a total of 25.4 million common shares issued at a price of \$2.04 per common share based on the Company's closing share price on October 31, 2024 for total consideration of \$51.8 million as well as the assumption of

Perpetual's net working capital on close. Management is in the process of assessing the financial and operational impacts of the Recombination Transaction.

The recombined company, Rubellite Energy Corp., continues to trade as RBY on the Toronto Stock Exchange.

On the acquisition date, Rubellite's syndicate of four banks have provided a new credit facility for the recombined company with a borrowing limit of \$140.0 million (the "Expanded Credit Facility"). In addition, the \$20.0 million bank-syndicate term loan was repaid on October 31, 2024, out of the Expanded Credit Facility. The initial revolving term remains unchanged at May 31, 2025 and may be extended for a further twelve months to May 31, 2026. The next annual borrowing base redetermination is scheduled on or before May 31, 2025.

In addition to the Expanded Credit Facility, the Company's existing \$20.0 million five year second lien Term Loan that was placed, directly or indirectly, with certain directors and officers of Rubellite and the Company's significant shareholder was amended to become a third lien obligation of the Company and remains an outstanding obligation of Rubellite.