AKITA Drilling Ltd.
Interim Statements of Financial Position

Unaudited $ Thousands		March 31 2023	December 31 2022
ASSETS			
Current Assets			
Cash		$ 8,069	$ 13,311
Accounts receivable	Note 10	54,165	46,868
Prepaid expenses and other		4,347	1,599
		66,581	61,778
Non-current Assets			
Other long-term assets		1,504	1,551
Investments in joint ventures	Note 9	4,434	2,887
Right-of-use assets	Note 7	1,783	1,515
Property, plant and equipment	Note 8	195,867	200,550
TOTAL ASSETS		$ 270,169	$ 268,281
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		$ 23,852	$ 29,461
Deferred revenue		171	206
Current portion of lease obligations	Note 13	1,021	990
Current portion of long-term debt	Note 12	1,620	-
		26,664	30,657
Non-current Liabilities			
Risk management contracts	Note 10	501	290
Deferred income taxes		562	644
Share-based compensation plans	Note 15	477	558
Employee Future Benefits		3,938	3,964
Lease obligations	Note 13	998	803
Long-term debt	Note 12	89,592	93,514
Total Liabilities		122,732	130,430
SHAREHOLDERS' EQUITY			
Class A and Class B shares	Note 14	146,306	146,306
Contributed surplus		5,770	5,693
Accumulated other comprehensive income		1,746	1,760
Deficit		(6,385)	(15,908)
Total Equity		147,437	137,851
TOTAL LIABILITIES AND EQUITY		$ 270,169	$ 268,281

The accompanying notes are an integral part of these interim financial statements.

AKITA Drilling Ltd.
Interim Statements of Net Income (Loss) and Comprehensive Income (Loss)

Unaudited $ Thousands except per share amounts		For the Three Months Ended March 31 2023	2022
REVENUE	Note 4	$ 65,000	$ 44,986
COSTS AND EXPENSES			
Operating and maintenance		45,426	36,254
Depreciation and amortization	Note 8	7,062	7,690
Selling and administrative		4,670	4,360
Total Costs and Expenses		57,158	48,304
Revenue Less Costs and Expenses		7,842	(3,318)
EQUITY INCOME FROM JOINT VENTURES	Note 9	2,184	1,296
OTHER INCOME (LOSS)			
Interest income		85	1
Interest and financing expense	Note 5	(2,231)	(1,069)
Unrealized loss on risk management contracts	Note 10	(211)	-
Gain on sale of assets		1,550	-
Net other gains		222	31
Total Other Loss		(585)	(1,037)
Income (Loss) Before Income Taxes		9,441	(3,059)
Income tax recovery		(82)	(126)
NET INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS		9,523	(2,933)
OTHER COMPREHENSIVE LOSS			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation adjustment		(14)	(165)
Total Other Comprehensive Loss		(14)	(165)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS		$ 9,509	$ (3,098)
NET INCOME (LOSS) PER CLASS A AND CLASS B SHARE	Note 3		
Basic		$ 0.24	$ (0.07)
Diluted		$ 0.24	$ (0.07)

The accompanying notes are an integral part of these interim financial statements.

AKITA Drilling Ltd.
Interim Statements of Changes in Shareholders' Equity

Unaudited $ Thousands	Class A Non-Voting Shares	Class B Common Shares	Total Class A and Class B Shares	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
	Attributable to the Shareholders of the Company						
BALANCE AT DECEMBER 31, 2021	$ 144,898	$ 1,366	$ 146,264	$ 5,452	$ (35)	$ (20,196)	$ 131,485
Net loss for the period	-	-	-	-	-	(2,933)	(2,933)
Foreign currency translation adjustment	-	-	-	-	(165)	-	(165)
Stock options expense	-	-	-	49	-	-	49
BALANCE AT MARCH 31, 2022	$ 144,898	$ 1,366	$ 146,264	$ 5,501	$ (200)	$ (23,129)	$ 128,436
Net income for the period	-	-	-	-	-	7,221	7,221
Foreign currency translation adjustment	-	-	-	-	1,133	-	1,133
Remeasurement of pension liability	-	-	-	-	827	-	827
Stock options exercised	42	-	42	(9)	-	-	33
Stock options expense	-	-	-	201	-	-	201
BALANCE AT DECEMBER 31, 2022	$ 144,940	$ 1,366	$ 146,306	$ 5,693	$ 1,760	$ (15,908)	$ 137,851
Net income for the period	-	-	-	-	-	9,523	9,523
Foreign currency translation adjustment	-	-	-	-	(14)	-	(14)
Stock options expense	-	-	-	77	-	-	77
BALANCE AT MARCH 31, 2023	$ 144,940	$ 1,366	$ 146,306	$ 5,770	$ 1,746	$ (6,385)	$ 147,437

The accompanying notes are an integral part of these interim financial statements.

AKITA Drilling Ltd.
Interim Statements of Cash Flows

Unaudited		For the Three Months Ended March 31	
$ Thousands		2023	2022
OPERATING ACTIVITIES			
Net Income (loss)		$ 9,523	$ (2,933)
Non-cash items included in net income (loss):			
Depreciation and amortization	Note 8	7,062	7,690
Deferred income tax recovery		(82)	(126)
Defined benefit pension plan expense		-	5
Stock options expense	Note 15	77	49
Share-based compensation expense (recovery)		(82)	311
Gain on sale of assets		(1,550)	-
Unrealized loss on risk management contracts	Note 10	211	-
Change in non-cash working capital	Note 11	(13,356)	(3,423)
Equity income from joint ventures	Note 9	(2,184)	(1,296)
Post-employment benefits paid		(86)	(69)
Interest expense		2,231	1,069
Interest paid		(2,178)	(1,030)
Net Cash From (Used In) Operating Activities		(414)	247
INVESTING ACTIVITIES			
Capital expenditures	Note 8	(2,504)	(6,412)
Change in non-cash working capital related to capital	Note 11	(2,325)	448
Net distributions from investments in joint ventures	Note 9	637	511
Proceeds from sale of assets		2,027	-
Net Cash Used In Investing Activities		(2,165)	(5,453)
FINANCING ACTIVITIES			
Change in debt	Note 12	(2,380)	8,283
Change in lease obligations		(269)	(233)
Net Cash From (Used In) Financing Activities		(2,649)	8,050
Effect of Foreign Exchange on Cash		(14)	(165)
Increase (Decrease) In Cash		(5,242)	2,679
Cash, beginning of year		13,311	1,773
CASH, END OF PERIOD		$ 8,069	$ 4,452

The accompanying notes are an integral part of these interim financial statements.

Notes Contents

BUSINESS AND ENVIRONMENT

1. General Information

AKITA Drilling Ltd. and its subsidiaries (the "Company" or "AKITA") provide contract drilling services, primarily to the oil and gas industry, in Canada and the United States ("US"). The Company owns and operates 35 drilling rigs (33.65 net of joint venture ownership).

The Company conducts certain rig operations via joint ventures with First Nations, Métis or Inuit partners whereby rig assets are jointly owned. While joint venture interests are at least 50% owned by the Company, in each case the joint venture is governed on a joint basis.

The Company is a limited liability company incorporated and domiciled in Alberta, Canada. The address of its registered office is 1000, 333 - 7th Avenue SW, Calgary, Alberta. The Company is listed on the Toronto Stock Exchange. The Company is controlled by Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family.

2. Basis of Preparation

The unaudited interim condensed consolidated financial statements ("interim financial statements") for the three months ended March 31, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to interim financial reports including International Accounting Standard ("IAS") 34, "Interim Financial Reporting", and should be read in conjunction with the audited annual consolidated financial statements, including the notes thereof, for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The accounting policies applied in these interim financial statements are the same as those applied in the Company's 2022 Annual Report.

These interim financial statements were approved by the Company's Audit Committee on behalf of the Board of Directors on May 2, 2023.

Consolidation

The financial statements of the Company consolidate the accounts of AKITA and its subsidiaries which are entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to direct the relevant activities of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealized gains and losses from inter-company transactions are eliminated on consolidation.

Functional and Presentation Currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and its Canadian subsidiaries is the Canadian dollar ("CAD") while the functional currency of its US subsidiaries is the US dollar ("USD").

The interim financial statements are presented in CAD, which is the Company's presentation currency.

Foreign Currency Translation

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognized in the statement of net income and comprehensive income.

(ii) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of net income and comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in Other Comprehensive Income (“OCI”).

Estimates and Judgments

The preparation of these interim financial statements requires management to make estimates and judgments. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Actual results could differ materially from these estimates. Estimates and judgments which are material to the interim financial statements are found in the following notes:

- Note 4 - Revenue
- Note 7 – Right-of-Use Assets
- Note 8 - Property, Plant and Equipment
- Note 10 – Financial Instruments

RESULTS FOR THE QUARTER

3. Net Income (Loss) per Share

	For the Three Months Ended March 31 2023	March 31 2022
Net income (loss) ($Thousands)	$ 9,523	$ (2,933)
Weighted average outstanding shares	39,650,191	39,608,191
Incremental shares for diluted income (loss) per share calculation (1)	393,674	-
Weighted average outstanding shares for income (loss) per share - diluted	40,043,865	39,608,191
Income (loss) per share - basic	$ 0.24	$ (0.07)
Income (loss) per share - diluted	$ 0.24	$ (0.07)

(1) For the first quarter of 2022 the outstanding shares that would have been issued under the Stock Option Plan were excluded in calculating the weighted average number of diluted shares outstanding as the Company incurred a net loss during the quarter and therefore the shares were considered anti-dilutive.

4. Revenue

IFRS 15, "Revenue from Contracts with Customers" – Accounting Policies

Revenue is recognized when the Company satisfies a performance obligation by transferring promised goods or services to a customer and the amount recorded is measured at the fair value of the consideration received. A typical contract with a customer includes performance obligations to provide drilling services and rig equipment, which are satisfied over time. Once determined, the transaction price will be allocated to each performance obligation based on stand-alone selling prices. Where stand-alone selling prices are not directly observable, the Company will make an estimate based on expected cost-plus margin.

Where possible, the Company will apply the practical expedient not to disclose the transaction price for unsatisfied performance if the performance obligation is part of a contract that has an original expected duration of one year or less. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

The receipt of unearned contract revenue is recorded as deferred revenue until the contracted passage of time has occurred. Contract cancellation revenue is recognized when both parties to the contract have agreed upon an amount, collection is probable, and the Company does not have any further services to render in order to earn the estimated revenue.

Significant Estimates and Judgments – Relative Stand-Alone Selling Price

The majority of the Company's contracts contain both a lease and a service element. IFRS 15, "Revenue from Contracts with Customers" requires that contract revenue be presented separately from lease revenue. In this case, the transaction price will be allocated to each of the lease and service elements based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

The Company's revenue streams are comprised of the following:

$Thousands	For the Three Months Ended March 31 2023	March 31 2022
Contract drilling services	$ 26,954	$ 24,785
Rig lease revenue	38,046	20,201
Total revenue	$ 65,000	$ 44,986

5. Interest and Financing Expense

The following table summarizes the components of interest and financing expense.

$Thousands	For the Three Months Ended March 31 2023	March 31 2022
Interest expense	$ 2,204	$ 1,004
Interest expense, lease obligations	39	26
Interest expense, pension	53	39
Financing recovery, risk management contracts	(65)	-
Total interest and financing expense	$ 2,231	$ 1,069

6. Segmented Information

The Company operates one operating segment, providing contract drilling services primarily to the oil and gas industry. From time to time, the Company is involved in other forms of drilling related to potash mining and the development of storage caverns. The Company determines its operating segments based on internal information regularly reviewed by management to allocate resources and assess performance.

Geographical information is presented in the following tables:

	For the Three Months Ended March 31, 2023			For the Three Months Ended March 31, 2022		
$Thousands	Canada	US	Total	Canada	US	Total
Revenue	$ 19,427	$ 45,573	$ 65,000	$ 16,242	$ 28,744	$ 44,986
Revenue less costs and expenses	$ (169)	$ 8,011	$ 7,842	$ (1,811)	$ (1,507)	$ (3,318)

	As at March 31, 2023			As at March 31, 2022		
$Thousands	Canada	US	Total	Canada	US	Total
Property, plant and equipment	$ 54,945	$ 140,922	$ 195,867	$ 61,040	$ 149,489	$ 210,529

LONG-TERM ASSETS

7. Right-of Use Assets

IFRS 16 “Leases” - Accounting Policies

The Company leases various offices, yards, rig equipment, vehicles and office equipment. Lease contracts are typically made for fixed periods of two to five years, but may have extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease right-of-use (“ROU”) assets arising from a lease are initially measured on a present value basis. The initial measurement of the ROU assets is comprised of the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

ROU assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense in the statement of net income and comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are comprised of office and IT software.

ROU assets are reviewed for internal and external indicators of impairment at each reporting date or when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. If indicators of impairment exist, the recoverable amount of the ROU asset is estimated as the greater of value-in-use (“VIU”) and fair value less costs of disposal (“FVLCOD”). VIU is estimated as the present value of the future cash flows expected to arise from the continuing use of the ROU asset. FVLCOD is determined by estimating the discounted after-tax future net cash flows. If the recoverable amount of the ROU asset is less than the carrying amount, an impairment loss is recognized.

Continuity of ROU Assets

$Thousands	Land and Property	Office Equipment and Software	Vehicles	Total
Balance as at December 31, 2021	$ 1,007	$ 822	$ -	$ 1,829
Amortization expense	(112)	(98)	-	(210)
Balance as at March 31, 2022	895	724	-	1,619
Additions	-	245	304	549
Amortization expense	(336)	(296)	(21)	(653)
Balance as at December 31, 2022	559	673	283	1,515
Additions	-	388	118	506
Amortization expense	(112)	(107)	(19)	(238)
Balance as at March 31, 2023	$ 447	$ 954	$ 382	$ 1,783

Significant Estimates and Judgments

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

8. Property, Plant and Equipment

Accounting Policies

Property, plant and equipment ("PP&E") is recognized at cost less accumulated depreciation and impairment.

Cost includes expenditures directly attributable to the acquisition of the asset. The cost of assets constructed by the Company includes the cost of all materials and services used in the construction and direct labour on the project. Costs cease to be capitalized as soon as the asset is ready for productive use. Subsequent costs associated with equipment upgrades that result in increased capabilities or performance enhancements of PP&E are capitalized. Costs incurred to repair or maintain PP&E are charged to expense as incurred. The carrying amount of a replaced asset is derecognized when replaced.

The PP&E cash generating units ("CGUs") are reviewed for internal and external indicators of impairment at each reporting date or when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Internal and external factors such as (i) a significant change in the market capitalization of the Company's share price; (ii) changes in conditions of drilling rig assets, (iii) changes in oil and gas prices in the market, (iv) changes in forecasted activity or earnings and (v) changes in interest rates or other market rates of return, are evaluated by management in determining whether there are any indicators of impairment or impairment reversal.

If indicators of impairment exist, the recoverable amount of the CGU is estimated as the greater of VIU and FVLCOD. VIU is estimated as the present value of the future cash flows expected to arise from the continuing use of a CGU. FVLCOD is determined by estimating the discounted after-tax future net cash flows or through the use of external equipment appraisals obtained from independent third party valuation experts, less an estimated cost to sell. If the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognized. An impairment loss is allocated to the CGU and then to reduce the carrying amounts of the assets in the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indicators that the impairment losses may no longer exist or may have decreased. In the event that an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized on the asset in prior periods. The amount of the reversal is recognized in net earnings.

Significant Estimates and Judgments

Depreciation is recognized on PP&E excluding land. Depreciation methods and rates have been selected so as to amortize the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period.

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The depreciation methodologies for the Company's major PP&E classes are as follows:

Equipment Class	Depreciation Method	Depreciation Rates
Drilling rigs	Straight-line	10 to 20 years
Major inspection and overhaul expenditures	Straight-line	3 to 5 years
Drill pipe and other ancillary drilling equipment	Straight-line	2 to 8 years
Furniture, fixtures and equipment	Straight-line	10 years
Buildings	Straight-line	10 to 20 years

The salvage values for the drilling rig equipment ranges from zero to 10% depending on the specific rig component. There are no salvage values for the remaining equipment classes.

Impairment of Assets

The Company did not identify any changes in the indicators of asset impairment or any new indicators of asset impairment during the first quarter of 2023. Therefore, no further assessment on asset impairment was performed as there have been no changes in circumstances that indicate that the carrying amount of PP&E does not exceed its recoverable amount as at March 31, 2023.

Continuity of Property, Plant and Equipment

Cost $Thousands	Land and Buildings	Drilling Rigs	Other	Total
Balance as at December 31, 2021	$ 7,135	$ 572,608	$ 9,639	$ 589,382
Additions	-	6,368	44	6,412
Balance as at March 31, 2022	7,135	578,976	9,683	595,794
Additions	-	11,553	17	11,570
Disposals	-	(179)	-	(179)
Balance as at December 31, 2022	7,135	590,350	9,700	607,185
Additions	-	2,504	-	2,504
Disposals	-	(690)	-	(690)
Balance as at March 31, 2023	$ 7,135	$ 592,164	$ 9,700	$ 608,999

Accumulated Depreciation $Thousands	Land and Buildings	Drilling Rigs	Other	Total
Balance as at December 31, 2021	$ 2,408	$ 366,999	$ 8,506	$ 377,913
Depreciation expense	62	7,092	198	7,352
Balance as at March 31, 2022	2,470	374,091	8,704	385,265
Disposals	-	(139)	-	(139)
Depreciation expense	185	20,890	434	21,509
Balance as at December 31, 2022	2,655	394,842	9,138	406,635
Disposals	-	(214)	-	(214)
Depreciation expense	49	6,585	77	6,711
Balance as at March 31, 2023	$ 2,704	$ 401,213	$ 9,215	$ 413,132

Net Book Value $Thousands	Land and Buildings	Drilling Rigs	Other	Total
As at December 31, 2021	$ 4,727	$ 205,609	$ 1,133	$ 211,469
As at March 31, 2022	$ 4,665	$ 204,885	$ 979	$ 210,529
As at December 31, 2022	$ 4,480	$ 195,508	$ 562	$ 200,550
As at March 31, 2023	$ 4,431	$ 190,951	$ 485	$ 195,867

At March 31, 2023, the Company had $2,499,000 in PP&E that was not being depreciated as these assets were under construction (December 31, 2022 - $172,000).

In addition to depreciation on its PP&E, the Company had amortization expense of $351,000 for the three month period ended March 31, 2023 (March 31, 2022 - $338,000).

9. Investments in Joint Ventures

The Company conducts certain rig operations via joint ventures with First Nations, Métis or Inuit partners whereby rig assets are jointly owned. Currently there are eight different First Nations, Métis or Inuit groups with equity investments in six of AKITA's rigs. These equity investments are facilitated through joint venture agreements. Each joint venture operates the rig with the joint venture partners owning a share of each rig directly. The equity ownership of the rigs for each First Nations, Métis or Inuit partner varies between rigs and groups and ranges from 5% to 50% per group per rig. All joint ventures operate in Canada.

While joint venture interests are at least 50% owned by the Company, in each case the joint venture is governed on a joint basis.

The Company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting whereby the Company's share of individual assets and liabilities are recognized as an investment in the joint venture account on the consolidated Statements of Financial Position, and revenues and expenses are recognized as equity income from joint ventures on the consolidated Statements of Income and Comprehensive Income.

The following table lists the Company's active joint ventures.

Active Joint Ventures	AKITA Ownership Interest
Akita Wood Buffalo Joint Venture 25	85%
Akita Wood Buffalo Joint Venture 26	85%
Akita Wood Buffalo Joint Venture 27	85%
Akita Wood Buffalo Joint Venture 28	70%
Akita Mistiyapew Aski Joint Venture 56	90%
Akita Equtak Joint Venture 61	50%

Continuity of Investments in Joint Ventures

$Thousands		Investments in Joint Ventures
Balance as at December 31, 2021	$	2,376
Net income for the three month period ended March 31, 2022		1,296
Distributions for the three month period ended March 31, 2022		(511)
Balance as at March 31, 2022		3,161
Net income for the nine month period ended December 31, 2022		4,658
Distributions for the nine month period ended December 31, 2022		(4,932)
Balance as at December 31, 2022		2,887
Net income for the three month period ended March 31, 2023		2,184
Distributions for the three month period ended March 31, 2023		(637)
Balance as at March 31, 2023	$	4,434

Summarized Joint Venture Financial Information

The following summarized financial information is the aggregate of the amounts included in the IFRS financial statements of the joint ventures which include both the Company's and the joint venture partners' interests.

	As at March 31, 2023			As at March 31, 2022		
$Thousands	AKITA %	JV Partner %	Total	AKITA %	JV Partner %	Total
Cash	$ 1,355	$ 336	$ 1,691	$ 1,053	$ 261	$ 1,314
Other current assets	6,017	1,562	7,579	4,189	1,045	5,234
Non-current assets	55	-	55	55	-	55
Total assets	7,427	1,898	9,325	5,297	1,306	6,603
Total liabilities	2,993	765	3,758	2,136	617	2,753
Net assets	$ 4,434	$ 1,133	$ 5,567	$ 3,161	$ 689	$ 3,850

	For the Three Months Ended March 31, 2023			For the Three Months Ended March 31, 2022		
$Thousands	AKITA %	JV Partner %	Total	AKITA %	JV Partner %	Total
Revenue	$ 7,782	$ 1,954	$ 9,736	$ 5,903	$ 1,471	$ 7,374
Operating and maintenance expenses	5,494	1,373	6,867	4,516	1,124	5,640
Selling and administrative expenses	104	24	128	91	22	113
Net income and comprehensive income	$ 2,184	$ 557	$ 2,741	$ 1,296	$ 325	$ 1,621

Related Party Transactions

The Company is related to its joint ventures. All related party transactions were made in the normal course of business with regular payment terms and have been recorded at the amounts agreed upon with the related parties. The joint ventures' transactions and period balances with AKITA are presented in the following tables:

	For the Three Months Ended	
$Thousands	March 31 2023	March 31 2022
Operating costs	$ 1,212	$ 1,005
Selling and administrative costs	$ 27	$ 113

$Thousands	As at March 31 2023	31 2022
Due to AKITA from joint venture partners	$ 1,801	$ 1,709
Due to AKITA from joint ventures	$ 1,021	$ 741

WORKING CAPITAL

10. Financial Instruments

IFRS 9, "Financial Instruments" - Accounting Policies

Due to the short-term nature of the Company's financial instruments, fair values approximate carrying values unless otherwise stated.

The Company recognizes cash received or paid via electronic transfer as at the bank settlement date.

The Company discloses its financial instruments within a hierarchy prioritizing the inputs to fair value measurements at the following three levels:

- 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.

Classification and measurement

The Company classifies its financial instruments in the following measurement categories depending on the Company's business model for managing financial assets and the contractual terms of the cash flows:

(i) Financial assets at amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses), together with foreign exchange gains and losses. As at March 31, 2023, the Company's financial assets in this category include cash and accounts receivable.

(ii) Financial liabilities at amortized cost:

Financial liabilities that are measured at amortized cost are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables and accrued liabilities to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest rate method. As at March 31, 2023, the Company's financial liabilities in this category include accounts payable and accrued liabilities and its operating loan facility.

(iii) Fair value through other comprehensive income ("FVOCI"):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses) and impairment expenses are presented as a separate line item on the statement of profit or loss. As at March 31, 2023, the Company held no financial instruments in this category.

(iv) Fair value through profit or loss ("FVPL"):
Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains (losses) in the period in which it arises. Financial assets at FVPL are financial assets held for trading. Derivatives are also categorized as held for trading and measured at FVPL unless they are designated as hedges. As at March 31, 2023, the Company's financial instruments in this category include its interest rate swap.

Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial Instrument Risk Exposure and Management

The Company is exposed to the following risks associated with its financial instruments.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's trade and other receivables. The credit risk is managed via the Company's credit-granting procedures which include an evaluation of the customer's financial condition and payment history. In certain circumstances the Company may require customers to make advance payment prior to the provision of services, issue a letter of credit or take other measures to reduce credit risk.

For trade receivables, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit-risk characteristics and analyzed. Accounts receivable are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company and a failure to make contractual payments for a period greater than 180 days past due.

The terms of the Company's contracts generally require payment within 30 days. The Company continuously monitors the recoverability of its accounts receivables balances and subject to agreed payment terms, generally considers the balance to be overdue when it ages over 90 days. In management's judgment there is no significant credit risk exposure in the balances outstanding as presented in the following table:

$Thousands		As at March 31 2023		As at December 31 2022
Within 30 days	$	33,847	$	34,308
31 to 60 days		18,987		12,196
61 to 90 days		1,342		732
Over 90 days		764		407
Estimated credit losses		(775)		(775)
Total accounts receivable	$	54,165	$	46,868

Significant Estimates and Judgments – Estimated Credit Losses

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company mitigates liquidity risk through management of its working capital balance, monitoring actual and forecasted cash flows and using its operating loan facility when necessary. At March 31, 2023, this risk was limited by a positive working capital balance of $39.9 million and $18.4 million available in the Company's undrawn banking facility.

If future results do not meet the Company's expectations there is a risk that the Company could be offside with its financial covenants in its banking facility and lose the ability to draw on the facility to meet its financial obligations or have to repay the amounts outstanding on the facility. The Company maintains a positive working relationship with the banks in its syndicated facility and on July 17, 2020, entered into an amending agreement with its lenders in the syndicate to provide a five quarter covenant relief period. The facility was further amended quarterly to add additional quarters of covenant relief to June 30, 2023 (Note 12). On March 30, 2023, the Company elected to end its covenant relief period.

Maturity information regarding the Company's long-term debt is presented in the following table:

$Thousands		Less than 1 Year		1-3 Years		Total
Bank credit facility - principal	$	1,620	$	89,592	$	91,212
Bank credit facility - interest		6,580		5,250		11,830
Total	**$**	**8,200**	**$**	**94,842**	**$**	**103,042**

Maturity information regarding the Company's lease obligations is presented in the following table:

$Thousands		Less than 1 year		2-3 years		4-5 years		Total
Lease obligations	$	1,021	$	795	$	203	$	2,019
Lease obligations - interest		112		87		15		214
Total	**$**	**1,133**	**$**	**882**	**$**	**218**	**$**	**2,233**

Foreign currency exchange - transaction risk

Foreign currency exchange transaction risk is the risk that future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company's geographical divisional operations are primarily denominated in their local currency with limited exposure to foreign currency exchange transaction risk through capital expenditures or financial instruments. From time to time the company may enter into forward currency contracts to manage this risk.

Foreign currency exchange - translation risk

The Company is exposed to foreign currency exchange translation risk as revenues, expenses and working capital from its US operations are denominated in US dollars. In addition, the Company's foreign subsidiaries are subject to unrealized foreign currency exchange translation gains or losses on consolidation.

Interest rate risk

The Company is exposed to changes in interest rates on borrowings under its operating loan facility which is subject to floating interest rates. To mitigate this risk the company entered into an interest rate swap with its principal banker as the agent on the syndication along with two other Canadian banks. The term of the interest rate swap is June 15, 2022 to June 15, 2026 and the notional amount of the swap is $50,000,000. The fixed rate is 4.24% while the floating rate is indexed to the Canadian Dollar Offered Rate ("CDOR"). At period end the interest rate swap is valued at fair value with any unrealized gain (loss) recorded as other income (loss) on the consolidated statement of net income. For the quarter ended March 31, 2023, the Company recorded an unrealized loss of $211,000. The fair value measurement of the risk management contract has a fair value hierarchy of Level 3.

Commodity risk

The Company is exposed to the effects of fluctuating crude oil and natural gas prices as well as the resultant changes in the exploration and development budgets of its customers.

11. Change in Non-Cash Working Capital

	For the Three Months Ended	
$Thousands	March 31 2023	March 31 2022
Change in non-cash working capital:		
Accounts receivable	$ (7,297)	$ (9,254)
Prepaid expenses and other	(2,748)	(2,253)
Accounts payable and accrued liabilities	(5,601)	8,555
Deferred revenue	(35)	(23)
Total change in non-cash working capital	$ (15,681)	$ (2,975)
Pertaining to:		
Operating activities	$ (13,356)	$ (3,423)
Investing activities	(2,325)	448
Total change in non-cash working capital	$ (15,681)	$ (2,975)

DEBT AND EQUITY

12. Debt

Operating Loan Facility

The Company has a syndicated credit agreement with the Company's principal banker as the agent on the syndication along with three other Canadian banks. The operating loan facility totals $110,000,000. The Credit facility was extended by one year to September 2024 on July 15, 2022. The credit agreement was amended on July 17, 2020, to include a covenant relief period that extended to June 30, 2021. The facility has been further amended to add additional quarters of covenant relief to June 30, 2023. In March of 2023, the Company ended the covenant relief period and has reverted to the original terms of the credit facility. The interest rate on the Company's credit facility ranges from 175 to 300 basis points over prime interest rates depending on the Funded Debt[(1)] to EBITDA[(1)] Ratio. Security for this facility includes all present and after-acquired personal property and a first floating charge over all other present and after-acquired property including real property. The financial covenants are:

1. The Funded Debt[(1)] to EBITDA[(1)] Ratio: the Company shall ensure that the Funded Debt[(1)] to EBITDA[(1)] Ratio shall not be more than 3.00:1.00.

   The Funded Debt[(1)] to EBITDA[(1)] Ratio shall be calculated quarterly on the last day of each Fiscal Quarter on a rolling four quarter basis;

2. The EBITDA[(1)] to Interest Expense[(1)] Ratio: the Company shall ensure that the EBITDA[(1)] to Interest Expense[(1)] Ratio shall not be less than 3.00:1.00.

   The EBITDA[(1)] to Interest Expense[(1)] Ratio shall be calculated quarterly on the last day of each Fiscal Quarter on a rolling four quarter basis.

At March 31, 2023, the Company was in compliance with its covenants with a Funded Debt[(1)] to EBITDA[(1)] Ratio of 1.39:1.00, and an EBITDA[(1)] to Interest Expense[(1)] Ratio of 7.72:1.00.

The facility also includes a borrowing base calculation which is the sum of:

- (i) 75% of Eligible Accounts Receivable[(1)]; plus
- (ii) 50% of the net book value of all Eligible Rig Assets[(1)]; less
- (iii) Priority Payables[(1)] of the Loan Parties.

At March 31, 2023, the Company's borrowing base totaled $103,524,000.

The credit facility includes a $10,000,000 operating line of credit that is classified as current, given the Company expects to settle the balance within a normal operating cycle. The maturity date aligns with the total credit facility. At March 31, 2023, the current portion of debt was $1,620,000 (December 31, 2022 - nil).

The balance outstanding under the credit loan facility, net of unamortized loan fees, is classified as long-term debt as the credit agreement has no required repayment obligations prior to the end of the loan facility term. The Company borrowed $90,000,000 from this facility as at March 31, 2023 (December 31, 2022 - $94,000,000).

---

(1) Readers should be aware that EBITDA, Funded Debt, Interest Expense, Tangible Net Worth, Eligible Accounts Receivable, Priority Payables and Eligible Rig Assets have specifically set out definitions in the loan facility agreement and are not necessarily defined by or consistent with either GAAP or determinations by other users for other purposes.

Continuity of Debt

$Thousands	For the Three Months Ended March 31 2023	2022
Balance as at December 31	$ 93,514	$ 86,156
Drawn on credit facility	1,620	10,000
Repayment of debt	(4,000)	(1,717)
Net deferred loan fees	78	82
Balance as at March 31	$ 91,212	$ 94,521

$Thousands	As at March 31 2023	2022
Current portion	$ 1,620	$ -
Long-term portion	89,592	94,521
Balance as at March 31	$ 91,212	$ 94,521

13. Lease Obligations

IFRS 16 “Leases” - Accounting Policies

The Company leases various offices, yards, rig equipment, vehicles and office equipment. Lease contracts are typically made for fixed periods of two to five years, but may have extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease obligations arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The discount rates range from 5.01% to 9.95%.

Continuity of Lease Obligations

$Thousands	Land and Property	Office Equipment and Software	Vehicles	Total
Balance as at December 31, 2021	$ 1,486	$ 829	$ -	$ 2,315
Change in lease obligations	(172)	(61)	-	(233)
Balance as at March 31, 2022	1,314	768	-	2,082
Change in lease obligations	(524)	(295)	(19)	(838)
Lease additions	-	245	304	549
Balance as at December 31, 2022	790	718	285	1,793
Change in lease obligations	(180)	(80)	(19)	(279)
Lease additions	-	388	117	505
Balance as at March 31, 2023	$ 610	$ 1,026	$ 383	$2,019

$Thousands	Land and Property	Office Equipment and Software	Vehicles	Total
Current portion	$ 588	$ 353	$ 80	$1,021
Long-term portion	22	673	303	998
Balance as at March 31, 2023	$ 610	$ 1,026	$ 383	$2,019

Lease Expense

The Company recorded $39,000 in interest expense related to its lease obligations for the three month period ended March 31, 2023 (March 31, 2022 - $26,000).

14. Share Capital

Authorized:

- An unlimited number of Series Preferred shares, issuable in series, designated as First Preferred shares, no par value
- An unlimited number of Series Preferred shares, issuable in series, designated as Second Preferred shares, no par value
- An unlimited number of Class A Non-Voting shares, no par value
- An unlimited number of Class B Common shares, no par value

Issued:

- All issued shares are fully paid

The shares outstanding at March 31, 2023 and December 31, 2022 are presented in the following table:

Number of Shares	Class A Non-Voting	Class B Common	Total
Shares outstanding	37,996,407	1,653,784	39,650,191

Each Class B Common share may be converted into one Class A Non-Voting share at the shareholder's option.

The holders of Class A Non-Voting Shares have no right to participate if a takeover bid is made for Class B Common Shares unless:

- an offer to purchase Class B Common Shares is made to all or substantially all holders of Class B Common Shares;
- at the same time, an offer to purchase Class A Non-Voting Shares on the same terms and conditions is not made to the holders of Class A Non-Voting Shares; and
- holders of more than 50% of the Class B Common Shares do not reject the offer in accordance with the terms of AKITA's articles of incorporation.

If these three pre-conditions are met, then the holders of Class A Non-Voting Shares will be entitled to exchange each Class A Non-Voting Share for one Class B Common Share for the purpose of depositing the resulting Class B Common Shares pursuant to the terms of the takeover bid.

The Class A Non-Voting Shares and Class B Common Shares rank equally in all other respects.

Incremental costs attributable to the issue of new shares or options are recorded as a reduction in equity, net of income taxes.

Shares repurchased by the Company are recorded as a reduction of shareholders' equity based upon the consideration paid, including any directly incremental costs, net of income taxes. All shares repurchased by the Company are cancelled upon repurchase.

PERSONNEL

15. Share-Based Compensation Plans

The Company has four share-based compensation plans. Stock options qualify as an equity-settled share-based compensation plan, the deferred share units ("DSUs") and share appreciation rights ("SARs") qualify as cash-settled share-based compensation plans and the performance share units ("PSUs") are cash-settled or equity-settled at the discretion of the Company. For all four of the share-based compensation plans, associated services received are measured at fair value and are calculated by multiplying the number of options, DSUs, SARs or PSUs expected to vest with the fair value of one option, DSU, SAR or PSU as of the grant date.

Stock Options

Subject to the approval of the Company's Board of Directors, the Company's Corporate Governance, Nomination, Compensation and Succession Committee may designate directors, officers, employees and other persons providing services to the Company to be granted options to purchase Class A Non-Voting shares.

The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of the grant. Each tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using either the Binomial or the Black Scholes option pricing model. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

The following table summarizes the stock options reserved, granted and available for future issuance:

Number of options	March 31 2023	March 31 2022	December 31 2022
Reserved under the current stock option plan	6,500,000	3,100,000	6,500,000
Balance at beginning of year	3,633,500	365,500	365,500
Added to stock option plan (1)	-	-	3,400,000
Expired	-	-	298,000
Granted	-	-	(430,000)
Available for future issuance	3,633,500	365,500	3,633,500

(1) On May 10, 2022, the Company's stock option plan was replenished, and 3,400,000 shares were added to the shares reserved for future issuance under the current stock option plan.

The following table is a summary of the Company's stock option plan:

	2023		2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding as at January 1	1,422,500	$ 1.63	1,332,500	$ 2.14
Granted	-	-	-	-
Options outstanding as at March 31	1,422,500	$ 1.63	1,332,500	$ 2.14
Granted			430,000	$ 1.69
Exercised			(42,000)	$ 0.77
Expired			(298,000)	$ 4.12
Options outstanding as at December 31			1,422,500	$ 1.63
Options exercisable as at March 31	691,500	$ 2.05	531,000	$ 2.88
Options exercisable as at December 31			652,000	$ 1.94

The following table summarizes the Company's outstanding stock options at March 31:

		2023			2022		
Vesting Period (Years)	Exercise Price	Number Outstanding	Remaining Contractual Life (Years)	Number Exercisable	Number Outstanding	Remaining Contractual Life (Years)	Number Exercisable
5	$ 5.62	42,500	5.5	42,500	162,500	6.5	130,000
5	$ 3.93	197,500	5.9	197,500	327,500	6.9	162,000
5	$ 0.44	322,500	5.2	193,500	352,500	6.2	141,000
5	$ 1.01	430,000	6.0	172,000	490,000	7.0	98,000
5	$ 1.69	430,000	7.7	86,000			
Weighted Average Contractual Life			6.3			6.7	

Deferred Share Units

The Company has a cash-settled share-based long-term incentive compensation plan for certain employees. Each DSU granted equates to one Class A Non-Voting share and entitles the holder to receive a cash payment equal to the Company's share price on the payment date. DSU holders are entitled to share in dividends which are credited as additional DSUs at each dividend payment date. DSUs vest immediately but are not exercisable until resignation or retirement from management and/or the Board of Directors.

Units issued under the Company's DSU plan are measured at fair value using the intrinsic value method when granted and subsequently re-measured at each reporting date using the Company's Class A Non-Voting share price at the reporting date with the associated expense (recovery) recognized in general and administrative expense. The Company assumes a zero forfeiture rate.

A summary of the Company's DSU plan is presented in the following table:

	2023		2022	
	Number of Deferred Share Units	Fair Value ($000's)	Number of Deferred Share Units	Fair Value ($000's)
DSUs outstanding as at January 1	258,526	$ 447	349,882	$ 329
Redemed in the quarter	(4,947)	(7)	-	-
Change in fair value		(65)		311
DSUs outstanding as at March 31	253,579	$ 375	349,882	$ 640
Granted			74,850	125
Redeemed			(166,206)	(309)
Change in fair value				(9)
DSUs outstanding as at December 31			258,526	$ 447

	As at March 31 2023		As at December 31 2022	
Allocated to:	Number of Deferred Share Units	Fair Value ($000's)	Number of Deferred Share Units	Fair Value ($000's)
Accounts payable and accrued liabilities	-	$ -	4,947	$ 8
Non-current liabilities	253,579	375	253,579	439
Deferred share units outstanding	253,579	$ 375	258,526	$ 447

Performance Share Units

The Company has granted PSUs to certain employees under its Performance Share Unit Plan. PSUs are time-vested whole-share units that entitle employees to receive, upon vesting, either one Class A Non-Voting share of AKITA or a cash payment equal to the value of one Class A Non-Voting share of AKITA. The number of PSUs eligible to vest is determined by a multiplier that ranges from zero percent to 100 percent and is based on the Company achieving key pre-determined performance measures. PSUs vest after three years.

Units issued under the Company's PSU plan are measured at fair value using the intrinsic value method when granted and subsequently re-measured at each reporting date using the Company's Class A Non-Voting share price at the reporting date with the associated expense (recovery) recognized in selling and administrative expense. The Company assumes a zero forfeiture rate and that all performance measurements will be met.

A summary of the Company's PSU plan is presented in the following table:

	2023		2022	
	Number of Performance Share Units	Fair Value ($000's)	Number of Performance Share Units	Fair Value ($000's)
PSUs outstanding as at January 1	68,862	$ 119		
Change in fair value		(17)		
PSUs outstanding as at March 31	68,862	102		
Granted			68,862	115
Change in fair value				4
PSUs outstanding as at December 31			68,862	$ 119

As at March 31, 2023, the total long-term share-based compensation plan liability is $477,000 (December 31, 2022 - $558,000).

Share-Based Compensation Expense

The fair value of the services received is recognized as selling and administrative expense. In the case of equity-settled share-based payment plans, the selling and administrative expense results in a corresponding increase in contributed surplus over the vesting period of the respective plan. When stock options are exercised, shares are issued and the amount of the proceeds, together with the amount recorded in contributed surplus, is recognized in share capital. For cash-settled share-based payment plans, a corresponding liability is recognized. The fair value of the cash-settled share-based payment plans is remeasured at each Statement of Financial Position date through the Statement of Net Income and Comprehensive Income until settlement.

Share-based compensation expense consists of the following:

	For the Three Months Ended March 31	
$ Thousands	2023	2022
Stock option expense	$ 77	$ 49
PSU recovery	(17)	
DSU expense (recovery)	(65)	311
Total share-based compensation expense (recovery)	$ (5)	$ 360

OTHER NOTES

16. Commitments and Contingencies

From time to time, the Company enters into drilling contracts with its customers that are for extended periods. At March 31, 2023, the Company had no drilling rigs with multi-year contracts.

The Company has entered into a two year contract with a related party to provide sponsorship and advertising at an annual cost of $350,000.

At March 31, 2023, the Company had capital expenditure commitments of $3,383,000 (March 31, 2022 - $3,216,000 and December 31, 2022 – $740,000).

17. New and Upcoming Accounting Standards

Certain new or amended standards or interpretations have been issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee. One amendment became applicable for the current reporting period and the Company had to change its accounting policies as a result. The amendment below was applied and did not have a material impact on the consolidated financial statements:

- IAS 12, "Income Taxes", has been amended to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The following amendments have not yet been early adopted and are not expected to have a material impact on the consolidated financial statements. They are effective for reporting periods beginning on or after January 1, 2024:

- IAS 1, "Presentation of Financial Statements", has been amended to clarify how to classify debt and other liabilities as either current or non-current.
- IAS 1, "Presentation of Financial Statements", has been amended to clarify how to determine that an entity has the right to defer settlement for a liability arising from a loan arrangement for at least twelve months after the reporting period.

There are no other standards and interpretations that have been issued, but are not yet effective, that the Company anticipates will have a material effect on the financial statements once adopted.