



CARDINAL
ENERGY LTD.

2025
FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cardinal Energy Ltd.

Opinion

We have audited the financial statements of Cardinal Energy Ltd. (the Company), which comprise:

- the balance sheet as at December 31, 2025 and December 31, 2024
- the statement of earnings and comprehensive earnings for the years then ended
- the statement of changes in shareholders' equity for the years then ended
- the statement of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of the impact of estimated proved and probable oil and natural gas reserves on property, plant and equipment ("PP&E")

Description of the matter

We draw attention to note 3, note 4, and note 7 to the financial statements. The Company uses estimated proved and probable oil and natural gas reserves to deplete its petroleum and natural gas assets included in PP&E, to assess for indicators of impairment on the Company's cash generating units ("CGUs") and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of its CGUs.

The Company has \$1,278 million of petroleum and natural gas assets as of December 31, 2025.

The Company identified indicators of impairment as at December 31, 2025 for its Alberta Central CGU and completed an impairment test to estimate the recoverable amount of the Alberta Central CGU. The Company recorded an impairment of \$50.0 million in the Alberta Central CGU as a result of the carrying value being greater than the estimated recoverable amount.

The determination of the estimated recoverable amount involves estimates, including:

- The estimate of proved and probable oil and natural gas reserves
- The discount rates.

The Company depletes its net carrying value of petroleum and natural gas assets using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable oil and natural gas reserves, taking into account estimated forecasted future development costs necessary to bring those reserves into production. Depletion expense on petroleum and natural gas assets was \$106.1 million for the year ended December 31, 2025.

The estimate of proved and probable oil and natural gas reserves includes significant assumptions related to:

- Forecasted oil and natural gas commodity prices
- Forecasted production volumes
- Forecasted operating costs



- Forecasted royalty costs
- Forecasted future development costs.

The Company engages independent third-party reserve evaluators to evaluate the Company's estimate of proved and probable oil and natural gas reserves.

Why the matter is a key audit matter

We identified the assessment of the impact of estimated proved and probable oil and natural gas reserves on PP&E as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures regarding the estimate of proved and probable oil and natural gas reserves and the discount rates. Additionally, the assessment of the recoverable amount of the Alberta Central CGU requires the use of professionals with specialized skills and knowledge in valuation.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

We assessed the depletion expense and impairment test calculations for compliance with IFRS Accounting Standards.

With respect to the estimate of proved and probable oil and natural gas reserves:

- We evaluated the competence, capabilities and objectivity of the independent third-party reserve evaluators engaged by the Company
- We compared forecasted oil and natural gas commodity prices to those published by other independent third-party reserve evaluators
- We compared the 2025 actual production, operating costs, royalty costs and development costs of the Company to those estimates used in the prior year's estimate of proved oil and natural gas reserves to assess the Company's ability to accurately forecast
- We evaluated the appropriateness of forecasted production volumes and forecasted operating costs, royalty costs and future development costs assumptions by comparing to 2025 historical results. We took into account changes in conditions and events affecting the Company to assess the adjustments or lack of adjustments made by the Company in arriving at the assumptions.

We involved valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the appropriateness of the Alberta Central CGU discount rates by comparing the discount rate to market and other external data
- Assessing the reasonableness of the Company's estimate of recoverable amount of the Alberta Central CGU by comparing the Company's estimate to market metrics and other external data.



Other Information

Management is responsible for the other information. Other information comprises:

- the information included in 2025 Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in 2025 Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Timothy Arthur Richards.

Calgary, Canada
March 12, 2026

BALANCE SHEET

As at December 31, (CA\$ thousands)		Note	2025	2024
ASSETS				
Current assets				
Trade and other receivables		\$	53,694	\$ 61,364
Deposits and prepaid expenses			4,162	4,878
Fair value of financial instruments	17		1,205	-
			59,061	66,242
Non-current assets				
Fair value of financial instruments	17		150	-
Exploration and evaluation assets	6		14,982	99,179
Property, plant and equipment	7		1,283,010	1,131,554
Total assets		\$	1,357,203	\$ 1,296,975
LIABILITIES				
Current liabilities				
Trade and other payables		\$	90,963	\$ 109,387
Dividends payable	13		10,187	9,552
Lease liabilities	10		1,751	1,711
Decommissioning obligation	11		7,462	7,125
Fair value of financial instruments	17		-	66
			110,363	127,841
Non-current liabilities				
Lease liabilities	10		2,636	2,989
Bank debt	8		138,610	85,610
Debentures	9		100,034	-
Deferred tax	15		61,869	56,240
Decommissioning obligation	11		108,225	106,036
			411,374	250,875
Total liabilities			521,737	378,716
SHAREHOLDERS' EQUITY				
Share capital	12		1,126,137	1,114,959
Treasury shares	12		(3,410)	(3,650)
Warrants	9,12		1,032	-
Contributed surplus			13,880	13,383
Deficit			(302,173)	(206,433)
Total shareholders' equity			835,466	918,259
Total liabilities and shareholders' equity		\$	1,357,203	\$ 1,296,975
Contractual obligations	19			
Subsequent events	13, 23			

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

Approved on behalf of the Board of Directors,

signed "M. Scott Ratushny"
M. Scott Ratushny
Director

signed "John Gordon"
John Gordon
Director

STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS

For the years ended December 31,			2025		2024
<i>(CA\$ thousands except per share amounts)</i>		Note			
Revenue					
Petroleum and natural gas revenue	16	\$	533,668	\$	605,348
Royalties			(98,917)		(113,747)
Realized (loss) gain on commodity contracts	17		(1,806)		1,110
Unrealized gain (loss) on commodity contracts	17		1,421		(170)
Processing and other revenue	16		4,674		5,774
Other income			-		2,000
			439,040		500,315
Expenses					
Operating			192,053		198,904
Transportation			8,517		8,744
General and administrative			22,528		20,353
Share-based compensation	14		9,732		8,941
Finance	20		19,807		16,090
Impairment	7		50,000		-
Depletion and depreciation	7		108,761		105,083
			411,398		358,115
Earnings before deferred tax			27,642		142,200
Deferred tax expense	15		6,841		33,846
Earnings and comprehensive earnings			\$ 20,801	\$	108,354
Earnings per share					
Basic	12	\$	0.13	\$	0.68
Diluted		\$	0.13	\$	0.68

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(CA\$ thousands except for number of common shares)</i>	<i>Note</i>	Common Shares, net of treasury shares	Share Capital	Treasury Shares	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
As at January 1, 2024		158,095,048	\$ 1,114,300	\$ (10,521)	\$ -	\$ 16,236	\$ (199,327)	\$ 920,688
Settlement of RA ⁽¹⁾ and PA ⁽²⁾	14	1,108,305	659	6,871	-	(13,713)	-	(6,183)
Share-based compensation		-	-	-	-	10,639	-	10,639
Tax adjustment on excess value of RA ⁽¹⁾ and PA ⁽²⁾		-	-	-	-	221	-	221
Dividends (\$0.72 per share)	13	-	-	-	-	-	(115,460)	(115,460)
Earnings for the year		-	-	-	-	-	108,354	108,354
As at December 31, 2024		159,203,353	\$ 1,114,959	\$ (3,650)	\$ -	\$ 13,383	\$ (206,433)	\$ 918,259
As at January 1, 2025		159,203,353	\$ 1,114,959	\$ (3,650)	\$ -	\$ 13,383	\$ (206,433)	\$ 918,259
Purchase of common shares for RA ⁽¹⁾ and PA ⁽²⁾ settlements	12	(264,427)	-	(1,610)	-	-	-	(1,610)
Settlement of RA ⁽¹⁾ and PA ⁽²⁾	14	1,591,039	10,340	1,850	-	(12,300)	-	(110)
Issuance of warrants	9,12	-	-	-	1,065	-	-	1,065
Exercise of warrants	12	120,525	877	-	(33)	-	-	844
Share-based compensation		-	-	-	-	11,597	-	11,597
Tax adjustment on excess value of RA ⁽¹⁾ and PA ⁽²⁾		-	-	-	-	1,200	-	1,200
Share issue costs, net of deferred tax of \$12		-	(39)	-	-	-	-	(39)
Dividends (\$0.72 per share)	13	-	-	-	-	-	(116,541)	(116,541)
Earnings for the year		-	-	-	-	-	20,801	20,801
As at December 31, 2025		160,650,490	\$ 1,126,137	\$ (3,410)	\$ 1,032	\$ 13,880	\$ (302,173)	\$ 835,466

⁽¹⁾ Restricted Bonus Award ("RA")

⁽²⁾ Performance Bonus Award ("PA")

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

STATEMENT OF CASH FLOWS

For the years ended December 31,			
(CA\$ thousands)	Note	2025	2024
Cash provided by (used in)			
Operating activities			
Earnings for the year		\$ 20,801	\$ 108,354
Adjustments for:			
Share-based compensation	14	9,732	8,941
Impairment	7	50,000	-
Depletion and depreciation	7	108,761	105,083
Unrealized (gain) loss on commodity contracts	17	(1,421)	170
Deferred tax expense	15	6,841	33,846
Accretion	9,10,11	10,415	9,047
Decommissioning expenditures	11	(9,964)	(10,222)
Change in non-cash working capital	21	11,655	(7,682)
		206,820	247,537
Investing activities			
Exploration and evaluation expenditures	6	(136,513)	(83,279)
Exploration and evaluation acquisitions	6	(5,000)	-
Property, plant and equipment expenditures	7	(78,339)	(103,281)
Property dispositions	7	606	-
Change in non-cash working capital	21	(22,690)	22,590
		(241,936)	(163,970)
Financing activities			
Issuance of debentures, net of transaction costs	9	100,075	-
Dividends	13	(115,906)	(115,909)
Payment of lease liabilities	10	(2,123)	(1,673)
Share issue costs	12	(51)	-
Purchase of common shares for RA and PA settlements and withholding tax	14	(1,720)	(6,183)
Warrants exercised	12	844	-
Increase in bank debt		53,000	40,690
Change in non-cash working capital	21	997	(492)
		35,116	(83,567)
Change in cash and cash equivalents		-	-
Cash and cash equivalents, beginning of year		-	-
Cash and cash equivalents, end of year		\$ -	\$ -

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

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024
(CA\$ thousands of dollars, except per share amounts or unless otherwise stated)

1 REPORTING ENTITY

Cardinal Energy Ltd. ("Cardinal" or the "Company") was incorporated pursuant to the Business Corporations Act (Alberta) on December 21, 2010 and commenced activity on May 30, 2012. The Company's principal business activity is the acquisition, exploration and production of petroleum and natural gas in the provinces of Alberta, British Columbia and Saskatchewan. Cardinal's principal place of business is located at 600, 400 – 3rd Avenue SW, Calgary, Alberta, Canada, T2P 4H2.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards. A summary of the material accounting policies and method of computation is presented in Note 3.

The financial statements have been prepared on the historical cost basis. The methods used to measure fair values are discussed in Note 5.

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Operating expenses in the statement of earnings and comprehensive earnings are presented as a combination of function and nature in conformity with industry practice. Depletion and depreciation is presented on a separate line by its nature while general and administrative expense is presented on a functional basis. Significant expenses such as salaries and share-based compensation are presented by their nature in the notes to the financial statements.

The financial statements were authorized for issue by the Board of Directors on March 12, 2026.

3 MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in these financial statements.

(a) *Business combinations*

The acquisition method of accounting is used to account for acquisitions of assets that meet the definition of a business under IFRS.

The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at fair value at the acquisition date, except for deferred income taxes. The excess of the cost of an acquisition over the fair value of the identifiable assets and liabilities acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets acquired, the difference is recognized immediately in earnings or loss. Acquisition costs incurred by the Company are expensed in earnings or loss in the period incurred.

(b) *Jointly owned assets*

Many of the Company's crude oil and natural gas activities involve jointly owned assets. The financial statements include the Company's share of these jointly owned assets and its proportionate share of the relevant revenue and related costs.

(c) *Exploration and evaluation assets "E&E"*

E&E assets consist of exploratory projects for crude oil that are carried forward until technical feasibility and commercial viability of the project is established or the assets are determined to be impaired. Technical feasibility and commercial viability of E&E assets is considered achieved when proved reserves are determined to exist and infrastructure to support commercial development is available, as well as obtaining the appropriate internal and external approvals. Costs incurred after obtaining legal right to explore an area and before establishing the technical feasibility and commercial viability of the project are capitalized as E&E assets.

Assets classified as E&E may have sales of crude oil associated with production from test wells prior to the reclassification to property, plant and equipment. These operating results are recognized in the statement of earnings or loss.

Once technical feasibility and commercial viability has been established for a project, the E&E asset is first assessed for impairment and then the carrying value, net of any impairment loss, is reclassified as property, plant and equipment. If a decision is made by management not to continue an E&E project, the E&E is derecognized and all associated costs are charged to the statement of earnings or loss in E&E expense at that time.

(d) *Property, plant and equipment "PP&E"*

i) Recognition and measurement

Items of PP&E, including petroleum and natural gas assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses and are grouped into CGUs for impairment testing. When significant parts of an item of PP&E, including petroleum and natural gas assets, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of PP&E, including petroleum and natural gas assets, are determined by comparing the proceeds from disposal with the carrying amount of PP&E and are recognized in earnings or loss.

ii) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognized as petroleum and natural gas assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in earnings or loss as incurred. Such capitalized petroleum and natural gas assets generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or geotechnical area basis.

iii) Depletion and depreciation

The Company depletes its net carrying value of petroleum and natural gas assets using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable oil and natural gas reserves, taking into account estimated forecasted future development costs necessary to bring those reserves into production. The forecasted future development cost estimates are reviewed by independent third-party reserve

evaluators at least annually. Natural gas volumes are converted to equivalent crude oil volumes based upon the relative energy content of six thousand cubic feet of natural gas to one barrel of crude oil.

Depreciation of other assets is recognized in earnings or loss on a straight-line basis or declining balance over their estimated useful life. Depreciation methods, useful life and residual values are reviewed at each reporting date.

iv) Derecognition

The carrying amount of an item of PP&E is derecognized when no future economic benefits are expected from its use or upon sale to a third party. The gain or loss arising from derecognition is included in earnings or loss and is measured as the difference between the net proceeds, if any, and the carrying amount of the asset.

v) Major maintenance and repairs

Ongoing costs to maintain properties are generally expensed as incurred. The costs of material replacement parts, turnarounds and major inspections are capitalized provided it is probable that future economic benefits in excess of cost will be realized and such benefits are expected to extend beyond the current operating period. The carrying amount of a replaced part is derecognized in accordance with our derecognition policy.

(e) Financial instruments

i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, deposits and prepaid expenses, trade and other payables, dividends payable, bank debt and debentures. Non-derivative financial instruments are recognized initially at fair value less any directly attributable transaction costs.

Other non-derivative financial instruments, such as trade and other receivables, deposits and prepaid expenses, trade and other payables, dividends payable, bank debt and debentures are classified as and measured at amortized cost using the effective interest method, less any impairment losses.

Financial assets and liabilities are offset, and the net amount presented on the balance sheet if, and only if, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii) Derivative financial instruments

The Company enters into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices, power costs, interest rates and the exchange rate between Canadian and United States dollars. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Company considers all financial derivative contracts to be economic hedges.

All financial derivative commodity contracts are classified at fair value through earnings or loss and are recorded on the balance sheet at fair value. Transaction costs are recognized in earnings or loss when incurred.

iii) Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares, net of any tax effects, are recognized as a deduction from shareholders' equity.

(f) *Impairment*

Non-financial assets

The carrying amounts of the Company's property, plant and equipment, which includes petroleum and natural gas assets are reviewed at each reporting date to determine whether there are any internal or external indicators of impairment or impairment reversal. If any such indicator exists, then the recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The estimated recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell ("FVLCS"). FVLCS is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The FVLCS of development and production assets is generally determined as the net present value of estimated future cash flows expected to arise from the continued use of the CGU and its eventual disposition, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the proved and probable oil and natural gas reserves estimated by the Company's independent third-party reserve evaluators.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in earnings or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Right-of-use assets ("ROU") and lease liabilities are re-measured at each reporting period to reflect any contract modifications or reassessments that impact the remaining cash outflows under the contract.

An impairment loss in respect of PP&E recognized in prior periods is assessed at each reporting date for any internal or external indicators that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

(g) *Provisions*

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provisions are made for the estimated cost of site restoration and capitalized in the relevant asset category.

The decommissioning obligation recognized is the present value of management's best estimate of future expenditures required to settle the obligation using a credit-adjusted rate. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as a finance expense in earnings or loss whereas increases or decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligation are charged against the provision to the extent the provision was established.

(h) Revenue

Revenue from the sale of crude oil, natural gas and natural gas liquids is measured based on the consideration specified in contracts with customers and recognizes revenue when it transfers control of the product to the buyer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the delivery mechanism agreed with the customer, often pipelines or other transportation methods.

The Company evaluates its arrangements with third parties and partners to determine if the Company acts as the principal or as an agent. In making this evaluation, management considers if the Company obtains control of the product delivered, which is indicated by the Company having the primary responsibility for the delivery of the product, having the ability to establish prices or having inventory risk. If the Company acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net-basis, only reflecting the fee, if any, realized by the entity from the transaction. Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements. Revenues from processing activities are recognized over time as processing occurs, and generally billed monthly.

(i) Finance expenses

Finance expenses are comprised of interest on the Company's debt and debentures, interest on lease liabilities, accretion of decommissioning obligation, lease liabilities and debentures and other finance expenses, less interest that has been capitalized on qualifying projects. Transaction costs directly attributable to the acquisition of debentures are deferred and amortized to finance expenses over the term of the related debentures using the effective interest rate method. Deferred financing expenses reduce the carrying amount of the related debentures.

(j) Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognized in earnings or loss except to the extent that it relates to items recognized directly in equity.

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect either accounting or taxable income or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) *Earnings per share*

Basic earnings per share is calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as RAs, PAs, warrants, options and other dilutive instruments.

(l) *Borrowing costs*

Borrowing costs attributable to the acquisition, construction or production of qualifying assets that require greater than a year to be ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest and financing expense in the statement of earnings or loss in the period in which they are incurred.

(m) *Future accounting changes – IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* (“IFRS 18”) to replace IAS 1 *Presentation of Financial Statements*. IFRS 18 sets out requirements for the presentation and disclosure of information in the financial statements including a new structure for the statement of earnings and comprehensive earnings, disclosure of management-defined performance measures and enhanced principles on aggregation and disaggregation. This standard is effective for annual reporting period beginning on or after January 1, 2027, including for interim financial statements. Cardinal is currently evaluating the impact on its financial statements.

4 USE OF JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The timely preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in these estimates could be material. Estimates are more difficult to determine, and the range of potential outcomes can be wider, in periods of higher volatility and uncertainty. The impacts of geopolitical events such as the tariffs between Canada and the United States of America, regional conflicts, especially in oil producing areas, can materially impact energy markets, interest and inflation rates and supply chains resulting in higher levels of volatility and uncertainty. Management has, to the extent reasonable, incorporated known facts and circumstances into the estimates made, however, actual results could differ from those estimates and those differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical and Other Judgements

i) *Identification of cash generating units*

Cardinal's assets are aggregated into CGUs for the purpose of calculating impairment. CGUs are based on an assessment of the unit's ability to generate largely independent cash inflows. The determination of these CGUs was based on management's judgement in regard to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality.

ii) Impairment of exploration and evaluation assets

E&E assets are assessed for impairment when they are reclassified to PP&E as petroleum and natural gas interests, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, E&E are allocated to the related CGU when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as the reclassification to producing assets (petroleum and natural gas assets in PP&E).

iii) Impairment of property, plant and equipment

Judgements are required to assess when internal or external indicators of impairment, or indicators of impairment reversal, exist and impairment testing is required. In determining the recoverable amount of PP&E, which includes petroleum and natural gas assets, impairment tests are based on estimates of proved and probable oil and natural gas reserves which are based upon a number of significant assumptions, such as forecasted production volumes, forecasted oil and natural gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Key and Other Sources of Estimation Uncertainty

i) Reserve estimates

The Company uses estimated proved and probable oil and natural gas reserves to deplete its petroleum and natural gas assets included in PP&E, to assess for indicators of impairment on the Company's CGUs and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of its CGUs. Estimates of proved and probable oil and natural gas reserves are based upon a number of significant assumptions, such as forecasted production volumes, forecasted oil and natural gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. Cardinal engaged independent third-party reserve evaluators to evaluate the Company's estimates of proved and probable oil and natural gas reserves at December 31, 2025 and 2024. Reserve adjustments are made annually based on actual volumes produced, the results from capital expenditure programs, revisions to previous estimates, new discoveries and acquisitions and dispositions made during the year.

Proved oil and natural gas reserves are those forecasted quantities of oil and natural gas determined to be economically recoverable under existing economic and operating conditions with a high degree of certainty, of at least 90 percent, that those quantities will be equaled or exceeded. Probable oil and natural gas reserves are those forecasted quantities of petroleum and natural gas determined to be economically recoverable under existing economic and operating conditions with a moderate degree of certainty, of at least 50 percent, that those quantities will be equaled or exceeded. Cardinal reports production and reserve quantities in accordance with Canadian practices and specifically in accordance with Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

Cardinal cautions users of this information that the process of estimating proved and probable oil and natural gas reserves is subject to a level of uncertainty. The proved and probable oil and natural gas reserves are based on current and forecast economic and operating conditions; therefore, changes can be made to future assessments as a result of a number of factors, which can include forecasted oil and natural gas commodity prices, new technology, changing economic conditions, future reservoir performance and development activity.

ii) E&E assets

The accounting for E&E assets requires management to make judgements as to whether these investments have discovered a sufficient amount of economically recoverable reserves, which requires the quantity and realizable value of such reserves to be estimated and could be impacted by a shift in demand as global energy markets transition to a lower carbon-based economy. Previous estimates are sometimes revised as new information becomes available.

E&E assets remain capitalized as long as sufficient progress is being made in assessing whether the recovery of the reserves is technically feasible and commercially viable. The concept of “sufficient progress” is a judgemental area, and it is possible to have E&E assets remain classified as such for several years while additional E&E activities are carried out or Cardinal seeks government, regulatory or internal approval for development plans. E&E assets are subject to ongoing management review to confirm the continued intent to establish the technical feasibility and commercial viability of the discovery. Important factors considered when management is making this assessment include changes to project economics, expected capital investments and production costs, results of other operators in the region and access to infrastructure and potential infrastructure expansions.

iii) Property, plant and equipment

Petroleum and natural gas assets included in PP&E are depleted using the unit-of-production method based on estimated proved and probable oil and natural gas reserves determined using a number of significant assumptions, such as forecasted oil and natural gas commodity prices, forecasted production volumes, forecasted operating costs, forecasted royalty costs and forecasted future development costs. The estimate of proved and probable oil and natural gas reserves and the discount rate is part of the depletion calculation and the impairment test.

iv) Business combinations

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of petroleum and natural gas properties based upon the estimation of recoverable quantities of proved and probable oil and natural gas reserves being acquired. An acquisition date fair value of petroleum and natural gas properties involves significant estimates, including the estimate of proved and probable oil and natural gas reserves and the related cash flows and the discount rates.

v) Decommissioning obligation

Cardinal recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the balance sheet date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management considering current costs, technology and enacted legislation.

vi) Taxation

The calculation of deferred income taxes is based on a number of assumptions including estimating the future periods in which temporary differences, tax losses and other tax credits will reverse to ensure the appropriate estimate of the substantively enacted tax rates at the time of reversal and the likelihood of deferred tax assets being realized.

IFRS requires the Company, at each reporting date, to make certain judgements on uncertain tax positions by relevant tax authorities. Judgements include determining whether the Company will “more likely than not” be successful in defending its tax positions by considering information from relevant tax interpretations and tax laws

in Canada. As such, this recognition threshold is subject to management's judgement and may impact the carrying value of the Company's deferred tax assets and liabilities at the end of the reporting period.

5 DETERMINATION OF FAIR VALUE

A number of the Company's accounting policies and disclosures require the determination of fair value. Fair value has been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The Company classifies the fair value of financial instruments assets and liabilities according to the following fair value hierarchy based on the number of observable inputs used to value the instrument:

Level 1 - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Fair value is based on inputs for the asset or liability that are not based on observable market data.

(a) *PP&E*

The fair value of PP&E recognized in a business combination is based on market value. The market value of PP&E is the estimated amount for which PP&E could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of petroleum and natural gas properties (included in PP&E) is estimated with reference to the estimate of proved and probable oil and natural gas reserves expected to be derived from petroleum and natural gas assets based on reserve reports evaluated by independent third-party reserve evaluators. The risk-adjusted discount rate is specific to the asset with reference to general market conditions.

(b) *Trade and other receivables, deposits and prepaid expenses, trade and other payables and dividends payable*

The fair value of trade and other receivables, trade and other payables, deposits and prepaid expenses and dividends payable is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2025 and 2024, the fair value of these balances approximated their carrying value due to their short term to maturity.

(c) *Bank debt and debentures*

The fair value of bank debt approximates its carrying value as it bears a floating rate of interest and the margin charged by the lenders is indicative of current credit spreads. The debentures bear interest at a fixed rate that the Company would expect to pay for similar financing transactions and accordingly the fair value approximated the carrying value. Subsequent to initial recognition, fair value is determined based on the trading values on the Toronto Stock Exchange at the reporting date.

(d) *Financial instruments*

Financial instruments are recorded on the balance sheet at fair value at each reporting period with the change in fair value being recognized as an unrealized gain or loss in the statement of earnings and comprehensive earnings. The fair value of forward contracts and swaps is determined by discounting the difference between the contracted

prices and published forecasted oil and natural gas commodity prices as at the balance sheet date, using the remaining contracted volumes and a credit adjusted interest rate. The fair value of options and collars is based on option models that use published information with respect to volatility, prices and interest rates.

6 EXPLORATION AND EVALUATION ASSETS

Cardinal's E&E consists of undeveloped land and exploration projects which are pending technical feasibility and commercial viability.

	2025		2024	
As at January 1	\$	99,179	\$	15,322
Additions		130,552		82,293
Transfers to PP&E		(227,822)		-
Capitalized interest		7,405		1,958
Acquisitions		5,064		-
Changes in decommissioning obligation		604		(394)
As at December 31	\$	14,982	\$	99,179

During the second quarter of 2025, Cardinal acquired additional undeveloped land for \$5.0 million with associated decommissioning obligations of \$0.1 million.

For the year ended December 31, 2025, Cardinal capitalized \$1.4 million (2024 – \$1.1 million) of general and administrative expenses and \$0.7 million (2024 – \$0.7 million) of share-based compensation expenses within E&E assets.

For the year ended December 31, 2025, \$227.8 million (2024 – nil) of E&E assets were transferred to PP&E related to the Reford project as the project reached technical feasibility and commercial viability in the fourth quarter of 2025. Included in these costs were capitalized interest of \$9.4 million, capitalized general and administrative expenses of \$2.8 million and capitalized share-based compensation expenses of \$1.4 million.

Cardinal tested the E&E assets for impairment prior to transferring to PP&E and concluded there was no impairment.

The remaining E&E assets consist of undeveloped land and long-term development projects in Saskatchewan that the Company will continue to evaluate in the future. As at December 31, 2025 and 2024, there were no indicators of impairment for the Company's remaining E&E assets.

7 PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Right-of-use assets	Corporate assets	Total
Cost				
As at January 1, 2024	\$ 1,986,888	\$ 6,409	\$ 5,906	\$ 1,999,203
Additions	103,863	1,130	800	105,793
Dispositions	-	(615)	-	(615)
Changes in decommissioning obligation	15,810	-	-	15,810
As at December 31, 2024	2,106,561	6,924	6,706	2,120,191
Additions	79,847	1,883	(125)	81,605
Transfers from E&E assets	227,822	-	-	227,822
Dispositions	(7,741)	(1,875)	-	(9,616)
Changes in decommissioning obligation	5,422	-	-	5,422
As at December 31, 2025	\$ 2,411,911	\$ 6,932	\$ 6,581	\$ 2,425,424
Accumulated depletion and depreciation				
As at January 1, 2024	\$ (878,420)	\$ (1,428)	\$ (4,263)	\$ (884,111)
Depletion and depreciation	(102,729)	(1,710)	(644)	(105,083)
Disposition	-	557	-	557
As at December 31, 2024	(981,149)	(2,581)	(4,907)	(988,637)
Depletion and depreciation	(106,105)	(2,052)	(604)	(108,761)
Disposition	3,296	1,688	-	4,984
Impairment	(50,000)	-	-	(50,000)
As at December 31, 2025	\$ (1,133,958)	\$ (2,945)	\$ (5,511)	\$ (1,142,414)
Net book value				
As at December 31, 2024	\$ 1,125,412	\$ 4,343	\$ 1,799	\$ 1,131,554
As at December 31, 2025	\$ 1,277,953	\$ 3,987	\$ 1,070	\$ 1,283,010

For the year ended December 31, 2025, \$227.8 million (2024 – nil) of E&E assets were transferred to PP&E related to the Reford project.

For the year ended December 31, 2025, Cardinal capitalized \$2.0 million (2024 – \$1.6 million) of general and administrative expenses and \$1.2 million (2024 – \$1.0 million) of share-based compensation, within property, plant and equipment.

During the year ended December 31, 2025, the Company disposed of non-core assets for total cash proceeds of \$0.6 million after closing adjustments with associated decommissioning obligations of \$3.8 million.

The calculation of depletion for the year ended December 31, 2025 includes forecasted future development costs of \$710.0 million (2024 – \$244.2 million) associated with the development of the Company's proved and probable oil and natural gas reserves. The increase is due to the transfer of the Reford project from E&E to PP&E as the project has achieved technical feasibility and commercial viability.

Impairment

The Company identified indicators of impairment as at December 31, 2025 for its Alberta Central CGU and completed an impairment test to estimate the recoverable amount of the Alberta Central CGU. The Company recorded an impairment of \$50.0 million in the Alberta Central CGU as a result of the carrying value being greater than the estimated recoverable amount. The estimated recoverable amount of Cardinal's Alberta Central CGU at

December 31, 2025 was \$339.0 million. The Company did not identify any further indicators of impairment for its other CGUs.

The recoverable value of the Company's CGUs were estimated as the value in use based on the net present value of before tax cash flows from crude oil and natural gas proved plus probable reserves estimated by Cardinal's independent third-party reserve evaluators discounted between 10% and 20% depending on the reserves composition. The recoverable amount is sensitive to forecasted oil and natural gas prices, discount rate, production volumes, royalty rates, operating costs and future capital expenditures. In determining the appropriate discount rate, Cardinal considered various characteristics and risks of the assets.

The following table outlines forecasted oil and natural gas prices and exchange rates used in the Company's impairment test as at December 31, 2025. The forecasted oil and natural gas prices are based on those used by the independent third-party external reserve evaluators at December 31, 2025 and are a key assumption in assessing the recoverable amount.

	WTI (US \$/bbl) ⁽¹⁾	WCS (CAD \$/bbl) ⁽¹⁾	AECO (CAD \$/mmbtu) ⁽¹⁾	Exchange rate (US/CAD)
2026	\$ 59.92	\$ 65.12	\$ 3.00	0.73
2027	\$ 65.10	\$ 70.43	\$ 3.30	0.74
2028	\$ 70.28	\$ 76.90	\$ 3.49	0.74
2029	\$ 71.93	\$ 78.71	\$ 3.58	0.74
2030	\$ 73.37	\$ 80.29	\$ 3.65	0.74
Thereafter (inflation percentage and exchange rate)	2.0%	2.0%	2.0%	0.74

(1) Three Consultants' average, GLJ Petroleum Consultants, McDaniels & Associates Consultants and Sproule Associates prices forecasts, effective January 1, 2026.

In Alberta Central, a one percent change in the discount rate or a five percent change in the forward price over the life of the reserves would result in changes in impairment of \$14.9 million and \$36.3 million, respectively.

The external reserve evaluators also assess many other financial assumptions regarding royalty rates, operating costs and future development costs along with several other non-financial assumptions that affect reserve volumes. Management considered these assumptions for the impairment test at December 31, 2025, however, it should be noted that all estimates are subject to uncertainty.

8 BANK DEBT

The Company's reserve-based revolving credit facility of \$240.0 million is comprised of a \$175.0 million Syndicated Tranche A Facility ("Tranche A"), a \$40.0 million Syndicated Tranche B Facility ("Tranche B") and a \$25.0 million non-syndicated operating line credit facility (together the "Facilities"). The Facilities are available on a revolving basis until May 31, 2026. Tranche A and the non-syndicated operating line credit facility may be extended for a further 364 day period, subject to approval by the syndicate. If not extended, Tranche A and the non-syndicated operating line credit facility will cease to revolve, the applicable margins will increase by 0.5% and all outstanding advances will be repayable on May 31, 2027. Tranche B has a maturity date of May 31, 2026, of which the Company has nil outstanding.

The available lending limits of the Facilities are reviewed semi-annually based on the syndicate's interpretation of the Company's reserves, future commodity prices and costs. As the available lending limit of the Facilities is based on the syndicate's interpretation of the Company's reserves and future commodity prices and costs, there can be no assurance that the amount of the Facilities will not decrease at the next scheduled review. On a redetermination date, lenders could reduce the borrowing base to below amounts drawn, in which case, any short fall would have to be repaid within 60 days. The next scheduled review date for the Facilities will be on or before May 31, 2026.

Advances under Tranche A and Tranche B are available by way of prime rate loans, which bear interest at the banks' prime lending rate plus 2.00% to 5.25% and 3.50% to 6.75%, respectively, and the Canadian Overnight Repo Rate Average ("CORRA") and/or the Secured Overnight Financing Rate ("SOFR") loans, which are subject to fees and margins ranging from 3.00% to 6.25% and 4.50% to 7.75%, respectively. Interest and standby fees on the undrawn amounts of the Facilities depend upon certain ratios. The Facilities are secured by a demand debenture pursuant to which a security interest is granted over all of the Company's assets. There are no financial covenants related to the Facilities, provided that Cardinal is not in default of the terms of the Facilities.

Letters of credit for \$2.6 million were outstanding at December 31, 2025 (2024 – \$1.7 million) that reduced the amount otherwise available to be drawn on the operating line credit facility.

Cardinal was in compliance with the terms of the Facilities at December 31, 2025. For the year ended December 31, 2025, the effective interest rate on the Company's bank debt was 6.2% (2024 – 8.0%).

9 DEBENTURES

On January 3, 2025, the Company issued \$60 million in senior subordinated unsecured debentures ("7.75% Debentures"). The 7.75% Debentures bear interest at a rate of 7.75% per annum, payable semi-annually and have a maturity date of March 31, 2030. As part of the offering, the Company issued 3,900,000 warrants entitling each holder to acquire one common share of Cardinal at a price of \$7.00 per common share on or before January 3, 2028. The 7.75% Debentures will not be redeemable by the Company before March 31, 2028. On and after March 31, 2028 and prior to March 31, 2029, the 7.75% Debentures will be redeemable, in whole or in part, from time to time at the Company's option at a redemption price equal to 103.875% of the principal amount of the 7.75% Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after March 31, 2029 and prior to March 31, 2030, the 7.75% Debentures will be redeemable, in whole or in part, from time to time at the Company's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The 7.75% Debentures were initially recognized at fair value, net of directly related transaction costs (\$2.9 million), of \$56.1 million with \$1.1 million allocated to the warrants.

On March 4, 2025, an additional \$45 million in senior subordinated unsecured debentures ("8.25% Debentures") were issued. The 8.25% Debentures bear interest at a rate of 8.25% per annum, payable semi-annually and have a maturity date of September 30, 2030. The 8.25% Debentures will not be redeemable by the Company before September 30, 2028. On and after September 30, 2028 and prior to September 30, 2029, the 8.25% Debentures will be redeemable, in whole or in part, from time to time at the Company's option at a redemption price equal to 104.125% of the principal amount of the 8.25% Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after September 30, 2029 and prior to September 30, 2030, the 8.25% Debentures will be redeemable, in whole or in part, from time to time at the Company's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The 8.25% Debentures were initially recognized at fair value, net of directly related transaction costs (\$2.0 million), of \$43.0 million.

The Company shall provide not more than 60 nor less than 30 days' prior notice of redemption of the 7.75% Debentures and 8.25% Debentures. The Company has the option to satisfy its obligations to repay the principal amount of and premium, if any, on the 7.75% Debentures and 8.25% Debentures due at redemption or on maturity of the 7.75% Debentures and 8.25% Debentures by issuing and delivering that number of freely tradeable common shares of the Company to the 7.75% Debentures and 8.25% Debentures holders in accordance with the terms of the debenture indenture that will govern the terms of the 7.75% Debentures and 8.25% Debentures.

	7.75% Debentures	8.25% Debentures	Total
As at January 1, 2025	-	-	-
Issuance	60,000	45,000	105,000
Transaction costs	(2,868)	(2,057)	(4,925)
Allocated to warrants	(1,065)	-	(1,065)
Accretion	724	300	1,024
As at December 31, 2025	\$ 56,791	\$ 43,243	\$ 100,034

For the year ended December 31, 2025, Cardinal recognized \$4.6 million of interest (2024 – nil) related to the 7.75% Debentures and \$3.1 million of interest (2024 – nil) related to the 8.25% Debentures. At December 31, 2025, the fair value of the 7.75% Debentures was \$61.0 million (2024 – nil) and the fair value of the 8.25% Debentures was \$45.9 million (2024 – nil), which was determined based on the trading values on the Toronto Stock Exchange at the reporting date.

The 7.75% Debentures and 8.25% Debentures have been classified as a financial liability and were initially recorded at fair value net of transaction costs. The liability will accrete up to the principal balance at maturity. The accretion and interest are expensed on the statement of earnings and comprehensive earnings.

10 LEASE LIABILITIES

	2025	2024
As at January 1	\$ 4,700	\$ 5,182
Additions	1,883	1,130
Dispositions	(187)	(66)
Accretion	114	127
Finance cost	203	251
Lease payments	(2,326)	(1,924)
As at December 31	\$ 4,387	\$ 4,700

The Company had future commitments relating to lease liabilities as follows:

As at December 31,	2025	2024
Less than 1 year	\$ 1,970	\$ 1,992
1 – 3 years	1,976	1,968
4 – 5 years	914	951
Thereafter	-	451
Total undiscounted future lease payments	4,860	5,362
Amounts representing financing	(473)	(662)
Present value of net lease payments	4,387	4,700
Less: current portion of lease liabilities	(1,751)	(1,711)
Non-current portion of lease liabilities	\$ 2,636	\$ 2,989

The Company has lease liabilities for contracts related to office space, vehicles and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Discount rates for leases outstanding during the year ended December 31, 2025 were between 5% and 9% (2024 – between 6% and 9%), depending on the duration of the lease term.

11 DECOMMISSIONING OBLIGATION

	2025	2024
As at January 1	\$ 113,161	\$ 98,383
Liabilities incurred	962	664
Liabilities acquired	64	-
Liabilities disposed	(3,839)	-
Change in estimates	6,026	15,416
Decommissioning expenditures	(9,964)	(10,222)
Accretion	9,277	8,920
As at December 31	\$ 115,687	\$ 113,161

The Company's decommissioning obligation results from its ownership interest in petroleum and natural gas assets including well sites and facilities. At December 31, 2025, the total estimated amount to settle Cardinal's decommissioning obligation was \$411.1 million (2024 – \$406.6 million) on an uninflated and undiscounted basis and \$826.6 million (2024 – \$731.5 million) on an inflated and undiscounted basis. The majority of the costs are expected to be incurred over the next 50 years.

The decommissioning obligation was determined by applying an inflation factor of 1.98% (2024 – 1.82%) and discounting the inflated amount using Cardinal's credit-adjusted rate of 8.0% (2024 – 8.0%). The \$6.0 million (2024 – \$15.4 million) change in estimates for the year ended December 31, 2025 is a result of the change in the inflation rate and estimated future abandonment and reclamation costs and the timing thereof.

12 SHARE CAPITAL

At December 31, 2025, the Company was authorized to issue an unlimited number of common voting shares without nominal or par value. Holders of common shares are entitled to one vote per share.

Treasury Shares

RAs and PAs may be settled in cash, common shares issued from treasury or common shares acquired by an independent trustee in the open market for such purposes. During the year ended December 31, 2025, the trustee purchased 264,427 common shares for \$1.6 million (2024 – nil) for the settlement of future vesting RAs and PAs.

During the year ended December 31, 2025, the Company utilized 274,698 (2024 – 1,008,133) treasury shares and issued 1,316,341 (2024 – 100,172) common shares to settle vesting RAs and PAs. As at December 31, 2025, 525,247 (2024 – 535,518) common shares remained classified as treasury shares to be potentially used for future settlements.

Warrants

	Number of warrants
As at January 1, 2025	-
Issued	3,900,000
Exercised	(120,525)
As at December 31, 2025	3,779,475

On January 3, 2025, as part of the 7.75% Debentures offering, Cardinal issued 3,900,000 warrants with an exercise price of \$7.00 per warrant for one common share. The warrants entitle the holder to acquire one common share on or before January 3, 2028. The warrants were ascribed a value of \$1.1 million (see Note 9).

Earnings per share

For the years ended December 31,	2025	2024
Earnings for the year	\$ 20,801	\$ 108,354
Earnings per share		
Basic	\$ 0.13	\$ 0.68
Diluted	\$ 0.13	\$ 0.68
Weighted average number of common shares		
Basic	160,243,718	158,916,583
Diluted	161,907,883	160,402,317

The weighted average number of common shares is adjusted for treasury shares purchased and held by the trustee.

For the year ended December 31, 2025, 6,187 RAs (2024 – 24,375) and 3,779,475 warrants (2024 – nil) were excluded from the calculation of diluted earnings per share as their effect was anti-dilutive.

13 DIVIDENDS

During the year ended December 31, 2025, \$116.5 million (\$0.72 per common share) (2024 – \$115.5 million) of dividends were declared, of which \$106.4 million (2024 – \$105.9 million) was paid in cash and \$10.2 million (2024 – \$9.6 million) was recognized as a liability at December 31, 2025. The dividend payable was settled on January 15, 2026. In the year ended December 31, 2025, the Company also paid dividends of \$9.6 million which was recognized as a liability at December 31, 2024.

On February 17, 2026, the Company paid a dividend of \$9.6 million (\$0.06 per common share) to shareholders of record on January 30, 2026.

On February 9, 2026, the Company announced that a dividend of \$0.06 per common share would be paid on March 16, 2026 to shareholders of record on February 27, 2026. The total amount of dividends declared at February 27, 2026 was \$10.4 million.

14 SHARE-BASED COMPENSATION

The maximum number of common shares issuable under the Company's bonus award plan, in aggregate, cannot exceed five percent of the outstanding common shares. The Company's common shares traded at a weighted average share price of \$7.11 per common share (2024 – \$6.67 per common share) during the year ended December 31, 2025.

Bonus Awards

The Company has a bonus award plan whereby RAs and PAs may be granted to directors, officers, employees and other service providers. Awards granted according to the plan vest equally over three years from the date of grant and expire on December 15th of the third year following the year in which the award was granted. In the case of PAs, the award value is adjusted for a payout multiplier which can range from 0.0 to 2.0 and is dependent on the performance of the Company relative to pre-defined corporate performance measures for a particular period. Awards are adjusted for dividends declared, either with a cash payment or incremental common shares, and are to be settled with either cash, common shares or a combination thereof at the Company's discretion.

	Number of PAs	Number of RAs
As at January 1, 2024	1,043,259	1,844,379
Granted	485,355	1,007,815
Settled	(597,313)	(984,596)
Adjustment for dividends declared	-	683
Forfeited	-	(162,182)
Expired	-	(4,898)
As at December 31, 2024	931,301	1,701,201
Granted	603,765	1,126,182
Settled	(500,445)	(850,016)
Adjustment for dividends declared	52,047	60,556
Forfeited	(59,282)	(27,189)
As at December 31, 2025	1,027,386	2,010,734

For the year ended December 31, 2025, upon the vesting of 850,016 (2024 – 984,596) RAs and 500,445 (2024 – 597,313) PAs, when taking into account the performance multiplier for PAs, the Company utilized 274,698 (2024 – 1,008,133) treasury shares and issued 1,316,341 (2024 – 100,172) common shares and made payments totalling \$0.1 million (2024 – \$6.2 million) for withholding taxes.

The fair value of the granted awards was determined based on the value of the Company's common shares at each grant date. For the year ended December 31, 2025, the weighted average market price of the Company's common shares used to value the RAs granted was \$6.49 (2024 – \$6.84) and PAs granted was \$6.50 (2024 – \$6.90).

Share-based Compensation

For the year ended December 31, 2025, \$9.7 million (2024 – \$8.9 million) of share-based compensation was expensed and \$1.9 million (2024 – \$1.7 million) was capitalized.

15 DEFERRED TAX

The Company recorded \$6.8 million (2024 – \$33.8 million) of deferred tax expense for the year ended December 31, 2025.

Reconciliation of effective tax expense:

For the years ended December 31,	2025	2024
Earnings before deferred tax	\$ 27,642	\$ 142,200
Expected tax rate	23.8%	23.8%
Expected deferred tax expense	6,579	33,844
Permanent items	283	25
Change in unrecognized tax benefits	(21)	(23)
Deferred tax expense	\$ 6,841	\$ 33,846

The following tables provide a continuity of the deferred tax liability:

	As at January 1, 2024	Recognized in earnings	Equity	As at December 31, 2024
PP&E and E&E	\$ (109,790)	\$ (22,019)	\$ -	\$ (131,809)
Non-capital losses	58,992	(14,499)	-	44,493
Deductible bonus awards	3,501	(735)	221	2,987
Decommissioning obligation	23,415	3,517	-	26,932
Lease liabilities	1,233	(114)	-	1,119
Debt issue costs and other	59	(37)	-	22
Unrealized loss (gain) on commodity contracts	(25)	41	-	16
Total liability	\$ (22,615)	\$ (33,846)	\$ 221	\$ (56,240)

	As at January 1, 2025	Recognized in earnings	Equity	As at December 31, 2025
PP&E and E&E	\$ (131,809)	\$ (3,266)	\$ -	\$ (135,075)
Non-capital losses	44,493	(3,686)	-	40,807
Deductible bonus awards	2,987	184	1,200	4,371
Decommissioning obligation	26,932	602	-	27,534
Lease liabilities	1,119	(75)	-	1,044
Debentures	-	(10)	-	(10)
Debt issue costs and other	22	(236)	12	(202)
Unrealized loss (gain) on commodity contracts	16	(354)	-	(338)
Total liability	\$ (56,240)	\$ (6,841)	\$ 1,212	\$ (61,869)

The approximate amount of tax pools available to Cardinal as at December 31, 2025 is \$1.2 billion (2024 – \$1.2 billion). The estimate of tax pools includes non-capital losses ("NCLs") of approximately \$364 million (2024 – \$379 million), including the \$192 million discussed below, that can be used to offset taxable income in future periods which expire between 2036 and 2041.

A deferred tax asset was not recognized in respect of temporary differences related to successor tax pools of \$93 million (2024 – \$97 million) or the \$192 million (2024 – \$192 million) discussed below as there is not sufficient certainty regarding future utilization.

In 2021, Cardinal received a notice of reassessment from the Canada Revenue Agency ("CRA") wherein the CRA reduced certain non-capital loss tax pools of approximately \$192 million carried forward in the tax return filed for the year ended December 31, 2015. Cardinal disagrees with CRA's position and has appealed the reassessment and will continue defending its position and has included the balance in the \$1.2 billion of tax pools above.

16 REVENUE

Cardinal sells its production pursuant to variable-priced 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. Commodity prices are based on market indices that are determined on a monthly or daily basis. Under its contracts, the Company is required to deliver fixed or variable volumes of crude oil, natural gas and natural gas liquids to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue relates specifically to the Company's efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained.

Crude oil, natural gas and natural gas liquids are sold under contracts of varying price and volume terms of up to one year. Revenues are typically collected on the 25th day of the month following production.

The following table details the Company's petroleum and natural gas sales by product, and processing and other revenue generated by processing third-party volume at facilities where the Company has an ownership interest:

For the years ended December 31,	2025		2024	
Crude oil	\$	515,486	\$	586,092
NGL		10,053		11,133
Natural gas		8,129		8,123
Petroleum and natural gas revenue	\$	533,668	\$	605,348
Processing and other revenue	\$	4,674	\$	5,774

Included in accounts receivable at December 31, 2025 is \$44.5 million (2024 – \$51.2 million) of accrued petroleum and natural gas revenue.

17 FINANCIAL RISK MANAGEMENT

Cardinal's financial assets and liabilities consist of trade and other receivables, trade and other payables, dividends payable, fair value of financial instruments, bank debt and debentures.

Fair value of financial instruments assets and liabilities arise from the use of derivative financial instruments.

The Company classifies fair value according to the following fair value hierarchy based on the number of observable inputs used to value the instrument:

Level 1 - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Fair value is based on inputs for the asset or liability that are not based on observable market data.

Derivative financial instruments are recorded on the balance sheet at fair value at each reporting period with the change in fair value being recognized as an unrealized gain or loss in the statement of earnings. The fair value of forward contracts and swaps is determined by discounting the difference between the contracted prices/rates and published forward price curves as at the balance sheet date, using the remaining contracted volumes/term and a credit adjusted interest rate. The fair value of options and collars is based on option models that use published information with respect to volatility, prices and interest rates.

The Company does not apply hedge accounting for these contracts. The Company's production is usually sold using "spot" or near-term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price. However, the Company may give consideration in certain circumstances to the appropriateness of entering into long-term, fixed price marketing contracts. The Company does not enter into commodity contracts other than to meet the Company's expected sale requirements.

As at December 31, 2025 and 2024, the only assets or liabilities measured at fair value were the fair value of financial instruments which are classified as level 2 financial instruments.

Carrying amount and fair value of financial assets and liabilities

Trade and other receivables and deposits and prepaid expenses are classified as financial assets at amortized cost and are reported at amortized cost. Trade and other payables, dividends payable, debentures and bank debt are classified as financial liabilities at amortized cost and are reported at amortized cost. The fair values of trade and other receivables, trade and other payables, dividends payable and fair value of financial instruments approximate

their carrying amount due to the short-term maturity of these instruments. The fair value of bank debt approximates the carrying amount due to the floating rate of interest and the margin charged by the syndicate is indicative of current credit spreads. See Note 9 for the fair value of debentures.

Risk management

Cardinal is exposed to normal market risks inherent in the oil and natural gas business, including, but not limited to, commodity price risk, foreign currency rate risk, credit risk, liquidity risk, interest rate risk and climate change risk. The Company seeks to mitigate these risks through various business processes and management controls and from time to time by using various derivative financial instruments and physical delivery sales contracts.

Commodity price risk

The Company is exposed to commodity price risk on petroleum and natural gas sales. Commodity prices for crude oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar, but also by world economic events that dictate the levels of supply and demand.

At December 31, 2025, the Company had the following commodity financial derivative contracts outstanding:

Type of instrument	Remaining term	Average quantity	Average strike price	Fair value
AECO Collar	January 2026 – March 2026	2,500 gj/d	Floor \$ 2.00 Ceiling \$ 3.31	2
AECO Swap	January 2026 – February 2026	500 gj/d	\$ 3.22	10
AECO Swap	January 2026 – March 2026	2,500 gj/d	\$ 2.99	64
AECO Swap	January 2026 – December 2026	2,500 gj/d	\$ 2.99	402
AECO Swap	April 2026 – October 2026	5,000 gj/d	\$ 3.01	759
AECO Swap	November 2026 – December 2027	2,500 gj/d	\$ 2.99	118
				\$ 1,355

Cardinal limits its credit risk by executing counterparty risk procedures which include transacting only with members of the syndicate for our credit facilities or institutions with high credit ratings and by obtaining financial security in certain circumstances. Based on December 31, 2025 forecasted commodity prices, a \$0.10 per gigajoule change in the price of natural gas would have changed the unrealized gain by \$0.4 million (2024 – \$0.1 million).

Currency risk

Prices for oil are determined in global markets and are generally denominated in United States dollars. Natural gas prices obtained by the Company are predominantly influenced by North American supply and demand. The exchange rate effect is not quantified but generally a decrease in the value of the \$CAD as compared to the \$USD will increase the prices received by the Company for its petroleum and natural gas revenue.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Cardinal's receivables from petroleum and natural gas marketers, who comprised approximately 83% of the balance at December 31, 2025 (2024 – 84%), and joint interest partners. As at December 31, 2025, the Company's trade and other receivables balance was \$53.6 million (2024 – \$61.4 million) and \$1.7 million (2024 – \$2.5 million) was outstanding for greater than 90 days.

Receivables from petroleum and natural gas marketers are normally collected on the 25th day of the month following production and Cardinal has not experienced any material collection issues with its petroleum and natural gas marketers. Four (2024 – six) of Cardinal's external marketers comprised 63% of the revenue received for the year ended December 31, 2025 (2024 – 73%).

The fair value of financial instruments assets and trade and other receivables represent the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The financial liabilities on the balance sheet consist of trade and other payables, dividends payable, bank debt and debentures. Trade and other payables and dividends payable are considered due within one year. Bank debt (see Note 8) is considered due in 2027 and the debentures are due in 2030 (see Note 9). The Company anticipates it will continue to have adequate liquidity to fund its financial liabilities. The Company has had no defaults or breaches on its financial liabilities as at December 31, 2025.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The interest charged on outstanding bank debt fluctuates with the interest rates posted by the lender. Had the interest rate been 25 basis points higher (or lower) throughout the year ended December 31, 2025, earnings before tax would have been affected by approximately \$0.2 million (2024 – \$0.2 million) based on the average bank debt outstanding.

Climate change risk

Cardinal has considered the impact of climate change and related risks on the amounts recorded in the financial statements for the year ended December 31, 2025. This includes, but is not limited to, the Company's impairment assessment, current assets and liabilities, PP&E and decommissioning obligations. Cardinal will continue to monitor climate change and the potential impacts.

18 CAPITAL MANAGEMENT

The Company's capital structure includes shareholders' equity, bank debt, debentures, the unused portion of its credit facilities and adjusted working capital deficiency (working capital excluding the current portion of fair value of financial instruments, decommissioning obligation and lease liabilities).

As at December 31,	2025	2024
Shareholders' equity	835,466	918,259
Bank debt	138,610	85,610
Debentures	100,034	-
Undrawn component of Facilities	98,743	187,732
Adjusted working capital deficiency	43,294	52,697

Cardinal manages its capital to provide a flexible structure to support production maintenance, capital programs, other operational strategies and shareholder returns. Maintaining a strong financial position enables Cardinal to enhance business opportunities and supports Cardinal's strategy of providing shareholder return through growth of the business, dividend payments and reducing its cost structure.

The key measures that the Company utilizes in evaluating its capital structure are the credit available from the Facilities in relation to the Company's budgeted capital expenditures program and the ratio of net debt to adjusted funds flow. This ratio is calculated as net debt, defined as the sum of bank debt, debentures and adjusted working capital deficiency (working capital adjusted for the current portion of fair value of financial instruments, decommissioning obligation and lease liabilities), divided by adjusted funds flow calculated as cash flow from operating activities before changes in non-cash working capital and decommissioning obligation expenditures for the prior 12-month period. Net debt, adjusted working capital and adjusted funds flow are capital management measures.

To manage its capital structure, Cardinal considers its net debt to adjusted funds flow ratio, its capital expenditures program, E&E expenditures, the current level of credit available from the Facilities, the level of credit that may be

attainable due to increases in petroleum and natural gas reserves and new debt and equity if available on favorable terms. The Company prepares an annual capital and E&E expenditure budget, which is monitored quarterly and updated as necessary.

For the years ended December 31,	2025	2024
Bank debt	\$ 138,610	\$ 85,610
Debentures	100,034	-
Adjusted working capital deficiency	43,294	52,697
Net debt	\$ 281,938	\$ 138,307
Cash provided from operating activities	\$ 206,820	\$ 247,537
Change in non-cash working capital	(11,655)	7,682
Funds flow	\$ 195,165	\$ 255,219
Decommissioning obligation expenditures	9,964	10,222
Adjusted funds flow	\$ 205,129	\$ 265,441
Net debt to adjusted funds flow	1.4	0.5

Cardinal's ratio of net debt to adjusted funds flow as at December 31, 2025 was 1.4 to 1, higher than the ratio at December 31, 2024 of 0.5 to 1 and above the Company's target of 1.0. This ratio increased as the Company incurred significant upfront construction and development costs throughout the year for its first steam-assisted gravity drainage ("SAGD") project which was completed in the fourth quarter of 2025. The Company will continue to monitor this ratio to endeavor to achieve the targeted range.

19 CONTRACTUAL OBLIGATIONS

At December 31, 2025, the Company had contractual obligations as follows:

	2026	2027	2028	2029	2030	Thereafter
Trade and other payables	\$ 90,963	\$ -	\$ -	\$ -	\$ -	\$ -
Dividend payable	10,187	-	-	-	-	-
Lease liabilities	1,970	1,245	731	463	451	-
Bank debt	-	138,610	-	-	-	-
Power purchase commitment ⁽¹⁾	11,904	11,904	-	-	-	-
Debentures ⁽²⁾	8,363	8,363	8,385	8,363	108,923	-
Total contractual obligations	\$ 123,387	\$ 160,122	\$ 9,116	\$ 8,826	\$ 109,374	\$ -

⁽¹⁾ Amounts represent the portion of the Company's power cost that has been fixed.

⁽²⁾ Amounts include interest for the 7.75% Debentures and 8.25% Debentures and the principal due in 2030.

20 FINANCE

For the years ended December 31,	2025	2024
Interest – bank debt	\$ 5,467	\$ 7,366
Interest – debentures	7,677	-
Capitalized interest	(7,405)	(1,958)
Other finance charges, net	3,450	1,384
Interest – leases	203	251
Accretion	10,415	9,047
Finance	\$ 19,807	\$ 16,090

21 SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended December 31,	2025	2024
Source (use) of cash		
Trade and other receivables	\$ 7,670	\$ (8,122)
Deposits and prepaid expenses	716	(786)
Trade and other payables	(18,424)	23,324
Change in non-cash working capital	\$ (10,038)	\$ 14,416
Allocated to operating activities	\$ 11,655	\$ (7,682)
Allocated to investing activities	(22,690)	22,590
Allocated to financing activities	997	(492)
	\$ (10,038)	\$ 14,416
Interest paid	\$ 11,239	\$ 7,617

22 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. Cardinal's key management personnel consist of its directors and executive officers.

The following table summarizes the compensation paid or payable to key management personnel during the years ended December 31, 2025 and 2024:

For the years ended December 31,	2025	2024
Salaries, fees and short-term employee benefits	\$ 5,923	\$ 6,142
Share-based compensation	6,711	6,436
Total key management compensation	\$ 12,634	\$ 12,578

23 SUBSEQUENT EVENTS

On February 4, 2026, the Company completed a bought deal offering (the "Offering") of common shares ("Common Shares"). In connection with the Offering, Cardinal issued 12.1 million Common Shares, inclusive of the full exercise on the over-allotment option, at an issue price of \$8.65 per Common Share for total gross proceeds of approximately \$104.7 million.