



TSX Venture – MAH

New York OTC Venture Marketplace – MKSEF

MANAGEMENT'S DISCUSSION AND ANALYSIS
Report for the year ended December 31, 2024

This Management's Discussion and Analysis ("MD&A") for Marksmen Energy Inc. and its wholly owned subsidiary Marksmen Energy, USA Inc. ("Marksmen or the Company") is for the year ended December 31, 2024. It has been prepared with information available up to June 16, 2025 and should be read in conjunction with Marksmen Energy Inc.'s consolidated audited financial statements for the year-ended, December 31, 2024. All values in this MD&A are expressed in Canadian currency ("CAD") unless specifically noted as USA currency ("USD"). Certain information regarding Marksmen contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

Basis of Presentation

The financial data presented below has been prepared in accordance with International Financial Reporting Standards ("IFRS").

Application of Accounting Estimates

The significant accounting policies used by Marksmen are disclosed in Note 3 of the audited consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Management reviews its estimates on a periodic basis. The emergence of new information and changed circumstance may result in actual results or changes to estimated amounts that differ materially from current estimates.

Non-IFRS

This MD&A includes the following measures that are from time to time used by the Company, but do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies:

"Funds from operations" - should not be considered an alternative to, or more meaningful than "cash flow from operating activities" as determined in accordance with IFRS as an indicator of the Company's financial performance. Funds from operations is determined by adding non-cash expenses to the net income or loss for the year, deducting decommissioning liability expenditures and does not include the change in working capital applicable to operating activities. Management believes that in addition to cash flow from operating activities, funds from operations is a useful supplemental measure as it provides an indication of the results generated by Marksmen's principal business activities before the consideration of how such activities are financed.

“Operating netback” - Operating netbacks are calculated by deducting royalties and operating costs, including transportation costs, from revenues.

“Working capital” – Working capital includes total current assets and total current liabilities. The working capital ratio is calculated by deducting total current liabilities from total current assets.

Barrel of Oil Equivalent

Where amounts are expressed on a barrel of oil equivalent (“boe”) basis, natural gas volumes have been converted to boe at a ratio of 6,000 cubic feet of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Boe figures may be misleading, particularly if used in isolation.

Forward-Looking Statements

This Management’s Discussion and Analysis may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Company’s current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of drilling and exploration being equivalent to or better than anticipated or historical results and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

Such risks and other factors may include, but are not limited to: the early stage development of the Company and its projects; general business, economic, competitive, political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the natural resources industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Introduction

Marksmen Energy Inc. is engaged in the acquisition, exploration, development and production of oil and gas properties primarily in Ohio, USA. The Company no longer has any production in Alberta.

Due to financial constraints, Marksmen was not able to meet its deadline to file its year end 2024 annual audited financial statements and the management discussion and analysis on or before April 29, 2025, as required by the Alberta Securities Commission (“ASC”). Therefore, the Company voluntarily applied for an extension for filing with the ASC and the ASC did agree to issue a MCTO to Marksmen pursuant to its policies. Therefore, both Marksmen’s CEO and CFO are cease traded in Marksmen securities until all appropriate year end 2024 and first quarter 2025 filings have been completed. Under the conditions of the MCTO Marksmen must file its year end documents by June 16, 2025 and the first quarter of 2025 documents by June 30, 2025.

Operations in Ohio were less successful than management expectations resulting in lower production and revenue. This is discussed in greater detail in various sections of this MD&A. Nor was the Company able to acquire oil or gas producing properties in Alberta or Ohio that made economic sense within Marksmen’s investment constraints. Therefore, alternative business opportunities were explored.

In 2024, Marksmen was introduced to T1 Technology Corporation (“T1”), a private company incorporated in Alberta. There have been a number of business meetings between the parties to discuss a business arrangement that would benefit both companies. Subsequent to year end 2024, a letter of intent was signed on April 30, 2025, outlining the terms of conditions of an arms length reverse takeover transaction. There are a number of milestones that are required to be met before a successful transaction is concluded.

T1 Technology Corporation, formerly AGvisorPRO Inc., is an innovative Canadian company leveraging artificial intelligence (“AI”) to transform the agriculture equipment sector. Based in Calgary, T1 Technology operates two main platforms: AGvisorPRO, which connects farmers with verified experts to solve real-time agricultural challenges, and VisorPRO that is a business-to-business AI driven solution that revolutionizes customer support and technical service for equipment dealerships and original equipment manufacturers. VisorPRO is being rapidly adopted by farm equipment dealerships across North America and Australia, with expansion into other industries underway. T1 Technology’s founder and CEO, Robert Saik, is a renowned Professional Agrologist and entrepreneur with over 40 years of experience, having founded more than 15 companies in agri-tech and agri-retail, and is widely recognized for his leadership and vision in advancing agricultural innovation.

Marksmen is pleased with the strong relationship that the Company is forging with T1 and looks forward to a positive impact for all the loyal shareholders of Marksmen in 2025 and beyond.

Selected Annual Information in \$CAD

	Year Ended Dec 31, 2024	Year Ended Dec 31, 2023	Year Ended Dec 31, 2022
Oil Production - bbls	3,567	8,232	9,699
Natural Gas Liquids - bbls	-	35	5
Natural Gas - Boe (6 mcf= 1 bbl of oil equivalent)	-	589	269
Barrel of oil equivalent (Boe)	3,567	8,821	9,968
Petroleum revenue	\$ 371,420	\$ 844,932	\$ 1,203,873
Royalties	\$ (47,254)	\$ (113,096)	\$ (155,619)
Production and operating expenses	\$ (198,812)	\$ (299,936)	\$ (189,468)
Income from operations	\$ 125,354	\$ 431,900	\$ 858,786
Net loss	\$ (1,669,338)	\$ (4,844,915)	\$ (647,571)
Currency translation adjustment	\$ 55,207	\$ (44,071)	\$ 243,003
Net loss and comprehensive loss	\$ (1,614,131)	\$ (4,888,986)	\$ (404,568)
Cash-flow provided by (used in) operating activities	\$ (404,178)	\$ (347,572)	\$ (120,181)
Cash-flow used in investing activities	\$ 222,728	\$ (879,044)	\$ (1,286,436)
Cash-flow provided by financing activities	\$ 182,113	\$ 981,551	\$ 1,070,274
Cash on hand end of year	\$ 88,795	\$ 88,938	\$ 338,319
Exploration and evaluation assets	\$ -	\$ 1,022,721	\$ 1,464,934
Property and equipment assets	\$ 427,180	\$ 640,347	\$ 3,936,903
	\$ 427,180	\$ 1,663,068	\$ 5,401,837
Total assets	\$ 627,119	\$ 1,966,325	\$ 5,970,355
Total liabilities	\$ 2,429,899	\$ 2,337,088	\$ 2,801,268
Total shareholder's (deficit) equity	\$ (1,802,780)	\$ (370,763)	\$ 3,169,087
Total liabilities and (deficit) equity	\$ 627,119	\$ 1,966,325	\$ 5,970,355
Common shares outstanding - basic	211,398,380	192,073,380	177,222,666
Common shares outstanding - weighted average	198,937,451	188,441,083	167,260,583

Quarterly Financial Information in \$CAD

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Quarterly Information								
Light oil - bbls	725	784	1,140	918	1,620	1,368	2,350	2,894
Natural Gas Liquids - bbls	-	-	-	-	9	1	10	15
Natural Gas - boe (6 mcf : 1 bbl)	-	-	-	-	-	11	163	97
Barrels of oil equivalent (boe)	725	784	1,140	918	1,629	1,380	2,523	3,006
Production - boe/day	8.1	8.7	12.7	10.2	18.1	15.3	28.0	33.4
West Texas reference price/barrel \$USD	\$ 70.69	\$ 76.24	\$ 82.00	\$ 78.00	\$ 78.41	\$ 82.00	\$ 73.76	\$ 76.08
Petroleum and natural gas sales	\$ 70,506	\$ 80,035	\$ 123,806	\$ 97,073	\$ 175,609	\$ 147,456	\$ 229,768	\$ 292,099
Royalties	\$ (9,041)	\$ (10,244)	\$ (15,826)	\$ (12,143)	\$ (23,090)	\$ (18,650)	\$ (30,714)	\$ (40,642)
Operating Costs	\$ (47,249)	\$ (39,468)	\$ (66,880)	\$ (45,215)	\$ (82,347)	\$ (101,821)	\$ (62,268)	\$ (53,500)
Income from operations	\$ 14,216	\$ 30,323	\$ 41,100	\$ 39,715	\$ 70,172	\$ 26,985	\$ 136,786	\$ 197,957
Net income (Loss)	\$ (1,264,030)	\$ (152,979)	\$ (134,376)	\$ (117,953)	\$ (3,848,389)	\$ (205,386)	\$ (326,516)	\$ (464,624)
Total assets	\$ 627,119	\$ 1,855,592	\$ 1,901,481	\$ 1,879,741	\$ 1,966,325	\$ 5,699,905	\$ 5,679,310	\$ 5,978,517
Total liabilities	\$ 2,429,899	\$ 2,399,628	\$ 2,474,900	\$ 2,330,073	\$ 2,337,088	\$ 2,196,203	\$ 2,210,461	\$ 2,213,910
Total shareholder's equity	\$ (1,802,780)	\$ (544,036)	\$ (573,419)	\$ (450,332)	\$ (370,763)	\$ 3,503,702	\$ 3,468,849	\$ 3,764,607
Total liabilities and equity	\$ 627,119	\$ 1,855,592	\$ 1,901,481	\$ 1,879,741	\$ 1,966,325	\$ 5,699,905	\$ 5,679,310	\$ 5,978,517
Common shares outstanding	211,398,380	211,398,380	192,073,380	192,073,380	211,398,380	191,873,380	189,383,380	187,483,380

Production – Ohio

Ohio Production	2024		2023		Change
	Barrels of oil	3,567.0	Barrels of oil	7,225.0	
Natural Gas - Mcf	-	-	Natural Gas - Mcf	635.0	(635.0)
Natural Gas (barrels of oil equivalent)	-	-	Natural Gas (barrels of oil equivalent)	105.8	(105.8)
Barrels of oil equivalent (Boe)	-	3,567.0	Barrels of oil equivalent (Boe)	7,330.8	(3,763.8)
Boe / day	-	9.8	Boe / day	20.1	(10.3)

Expectations to increase production in Ohio in 2024 in Pickaway County were not realized, and there was a drop off in production of 3,674 barrels compared to 2023. Subsequently, in May of 2025, two wells had workovers performed that has increase production, with one or two more workovers being planned for June or July of 2025.

Operations Summary – Ohio

Production	Q1 2024		Q2 2024		Q3 2024		Q4 2024		Total 2024	Total 2023		Change
	2024	2024	2024	2024	2024	2024	2024	2024		2023	2023	
Oil - bbls	918.0	1,140.0	784.0	725.0	3,567.0	-	-	-	7,225.0	7,225.0	(3,658.0)	
Natural Gas - mcf	-	-	-	-	-	-	-	-	635.0	635.0	(635.0)	
Natural Gas - boe (6 mcf = 1 bbl)	-	-	-	-	-	-	-	-	105.8	105.8	(105.8)	
Boe	918.0	1,140.0	784.0	725.0	3,567.0	-	-	-	7,330.8	7,330.8	(3,763.8)	
Boe/day	10.2	12.7	8.7	8.1	9.9	-	-	-	20.4	20.4	(10.5)	
Operations												
Revenue - Oil	\$ 70,314	\$ 90,621	\$ 58,626	\$ 50,007	\$ 269,568	\$ 546,883	\$ 548,756	\$ 75,57	\$ 277,315	\$ 279,188	\$ 2,713	
Revenue - Natural Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,873	\$ (71,616)	\$ 74.86	\$ (1,873)	\$ 37,119	\$ 37,119	
Royalty expense	\$ 70,314	\$ 90,621	\$ 58,626	\$ 50,007	\$ 269,568	\$ 477,140	\$ 477,140	\$ 74.86	\$ (242,069)	\$ 37,119	\$ 37,119	
	\$ (8,996)	\$ (11,583)	\$ (7,504)	\$ (6,414)	\$ (34,497)							
	\$ 61,318	\$ 79,038	\$ 51,122	\$ 43,593	\$ 235,071							
Operating Costs	\$ (32,125)	\$ (48,994)	\$ (28,909)	\$ (25,871)	\$ (135,899)	\$ (174,274)	\$ (174,274)	\$ 74.86	\$ 38,375	\$ 38,375	\$ 0.72	
Income from Field Operations	\$ 29,193	\$ 30,044	\$ 22,213	\$ 17,722	\$ 99,172	\$ 302,866	\$ 302,866	\$ 74.86	\$ (203,694)	\$ (203,694)	\$ 0.10	
Revenue / boe	\$ 76.59	\$ 79.49	\$ 74.78	\$ 68.98	\$ 75.57	\$ 74.86	\$ 74.86	\$ 74.86	\$ 0.72	\$ 0.72	\$ 0.72	
Royalties / boe	\$ (9.80)	\$ (10.16)	\$ (9.57)	\$ (8.85)	\$ (9.67)	\$ (9.77)	\$ (9.77)	\$ (9.77)	\$ 0.10	\$ 0.10	\$ 0.10	
Operating costs / boe	\$ (34.99)	\$ (42.98)	\$ (36.87)	\$ (35.68)	\$ (38.10)	\$ (23.77)	\$ (23.77)	\$ (23.77)	\$ (14.33)	\$ (14.33)	\$ (14.33)	
Operating Netback / boe	\$ 31.80	\$ 26.35	\$ 28.33	\$ 24.44	\$ 27.80	\$ 41.31	\$ 41.31	\$ 41.31	\$ (13.51)	\$ (13.51)	\$ (13.51)	

Ohio Financial Data in \$USD

Oil and Gas Revenue Ohio - for the year ended December 31, 2024 was \$269,568, a decrease of \$277,315 from 2023. Production was 3,567 barrels in 2024, a reduction of 3,658 barrels compared to 2023.

Royalties – were \$34,497 in 2024 and approximately 12.5% of revenue.

Operating Expenses – for the year ended December 31, 2024, were \$135,899 compared to \$174,274 in the same period of 2023.

Operating Netbacks – were \$27.08 per barrel in 2024 compared to \$41.66 per barrel in 2023.

Operations – Alberta Canada

Marksmen's wells at Alder Flats have been shut-in since 2010. Of these wells, one well was abandoned at the time of drilling and four other wells were abandoned in August 2015. In May 2020, the federal government, in conjunction with the Department of Energy in Alberta announced a site reclamation program ("SRP") to abandon and reclaim wells in western Canada. Marksmen has participated in this program and the abandonment of the Alder Flats wells was completed. There remains some reclamation work at Alder Flats. Further SRP reclamation work of well sites and pipelines in the Penhold area was undertaken in the fourth quarter of 2022.

There was only 28 barrels of oil production in Alberta in 2024, from one non-operated well that has been shut-in due to sanding-off issues, for all but a few days of 2024. Marksmen will work with this operator to quit claim our working interest position of 24.5% back to them.

Other expenses in Alberta, primarily surface leases and taxes related to Alder Flats properties and the one non-operated well were \$10,812 in 2024.

Alberta Energy Regulator ("AER") and the Orphan Well Association ("OWA") - Marksmen is not in a position to meet its obligations regarding abandonment and reclamation of its wells in Alberta as per AER regulations. Negotiations with the AER have been on-going over many years and began again in earnest in February 2024. This resulted in an agreed process to transfer all of Marksmen's wells in Alberta to the OWA. The OWA is now responsible for all these wells and Marksmen is working with them to abandon and reclaim the wells in accordance with the OWA policies and procedures.

General and Administrative Expenses

In 2024, general and administration costs were \$468,462 compared to \$899,907 in 2024, a reduction of \$431,445.

Comparing G&A costs in 2024 to 2023 the approximate differences are:

- Employee and executive compensation were reduced by \$45,000.
- Consulting and professional fees were reduced by \$272,000. There was a one-time consulting fee of \$175,000 in 2023.
- Investor Relations and filing fees were reduced by \$74,000.
- Other general office and insurance costs were reduced by \$40,000.

Selected Other Expenses (not included elsewhere in this MD&A)

Interest Expense – During the year ended December 31, 2024, the Company recorded interest related to a secured debenture of \$150,000, the same as in 2023.

Depletion and Depreciation – In 2024, depletion and depreciation totaled \$59,095 compared to \$311,469 in 2023. The lower depletion in 2024 is primarily due to reduced production plus changes in reserve evaluations.

Financial Position – Highlights in \$CAD

	Year Ended	Year Ended		Change
	Dec. 31, 2024	Dec. 31, 2023		
Assets				
Current assets	\$ 199,939	\$ 303,257	\$ (103,318)	
Exploration and evaluation assets	\$ -	\$ 1,022,721	\$ (1,022,721)	
Property and equipment	\$ 427,180	\$ 640,347	\$ (213,167)	
	\$ 627,119	\$ 1,966,325	\$ (1,339,206)	
Liabilities				
Accounts payable and accruals	\$ 622,124	\$ 485,181	\$ 136,943	
Decommissioning liabilities	\$ 497,775	\$ 570,179	\$ (72,404)	
Government loan	\$ 60,000	\$ 60,000	\$ -	
Secured debentures	\$ 1,250,000	\$ 1,221,728	\$ 28,272	
Total Liabilities	\$ 2,429,899	\$ 2,337,088	\$ 92,811	
Equity				
Share capital	\$ 23,304,876	\$ 23,193,653	\$ 111,223	
Warrants	\$ 139,198	\$ 121,107	\$ 18,091	
Contributed surplus	\$ 8,205,680	\$ 8,152,881	\$ 52,799	
Accumulated other comprehensive Income	\$ 837,774	\$ 782,567	\$ 55,207	
Deficit	\$ (34,290,308)	\$ (32,620,971)	\$ (1,669,337)	
	\$ (1,802,780)	\$ (370,763)	\$ (1,432,017)	
Total liabilities and equity	\$ 627,119	\$ 1,966,325	\$ (1,339,206)	

Assets – Current assets, namely cash and receivables, decreased by \$103,318 at year end 2024 compared to 2023.

Exploration and evaluation assets were fully impaired in 2024 in the amount of \$1,022,721, based on IFRS guidelines and discussions with the Company's auditors.

Property and equipment assets decreased by \$230,991 partly due to impairment of \$12,605 based on the Company's reserve report, prepared by a qualified independent reserve evaluator and \$218,386 related to the sale of properties in Ohio.

Liabilities – increased by \$92,811 in 2024 compared to 2023, related to an increase in accounts payable of \$136,843 offset by changes in decommissioning liabilities and the secured debenture.

Equity – In the year ended December 31, 2024, the Company's total equity decreased by \$1,432,017. Share capital and warrants increased by \$111,223 and \$18,091 respectively as a result of a private placement in August 2024. The deficit at year end 2024 increased by the amount of the net loss of the Company of \$1,669,337.

Exploration and Evaluation Assets (“E&E”)

E&E assets consist of the Company’s exploration projects that are pending the determination of technological feasibility and commercial viability. This includes seismic, land leases and wells and facilities that have not been completed and put on production.

Exploration and evaluation assets (E&E)	Year End		Year End
	Dec. 31, 2024	Dec. 31, 2023	
Balance, beginning of year	\$ 1,022,721	\$ 1,464,934	
Expenditures on exploration and evaluation	\$ -	\$ 13,226	
Impairment of E&E assets	\$ (1,058,987)	\$ (430,832)	
Foreign currency adjustment	\$ 36,266	\$ (24,607)	
Balance, end of year	\$ -	\$ 1,022,721	

During the year ended December 31, 2024, the Company completed impairment reviews with its auditors, in accordance with International Financial Reporting Standards (“IFRS”) of its E&E assets. It was determined that E&E assets totaling \$1,058,987 (December 31, 2023 - \$430,832) were not expected to provide future economic benefit to the Company, and therefore an impairment was recognized.

Property and Equipment – Petroleum and Natural Gas Assets (“PPE”)

Petroleum and natural gas assets consist of wells and facilities that are commercially viable. All costs directly associated with the development of oil and gas reserves are capitalized. These costs include proved property acquisitions, development drilling, completion, gathering and infrastructure, decommissioning costs and transfers of exploration and evaluation assets.

Petroleum and natural gas assets	Year End		Year End
	Dec. 31, 2024	Dec. 31, 2023	
Balance beginning of year	\$ 6,309,682	\$ 6,907,858	
Expenditures on property and equipment	\$ 58,343	\$ 227,712	
Change in estimate of decommissioning liabilities	\$ (25,046)	\$ (8,925)	
Dispositions	\$ (226,793)	\$ (667,464)	
Foreign currency adjustment	\$ 506,484	\$ (149,499)	
Balance, end of year (before depletion)	\$ 6,622,670	\$ 6,309,682	
Accumulated depletion and impairment			
Balance at beginning of year	\$ (5,671,502)	\$ (2,971,876)	
Depletion	\$ (58,214)	\$ (310,725)	
Impairment Expense	\$ (12,605)	\$ (3,051,672)	
Dispositions	\$ -	\$ 550,936	
Foreign currency translation	\$ (454,455)	\$ 111,835	
Balance, end of year	\$ (6,196,776)	\$ (5,671,502)	
Net Carrying Amount	\$ 425,894	\$ 638,180	

The PPE assets were compared to the proved plus probable reserves as prepared by the Company’s qualified reserves evaluator, Trimble Engineering. This resulted in an impairment of \$12,605 in 2024 compared to \$3,051,672 in 2024.

Ohio Property Dispositions

Pickaway County Disposition - on November 25, 2024, the Company signed an agreement (the “Agreement”) with the operator (the “Operator”) of the certain Ohio assets. Pursuant to the Agreement, the Company agreed to the sale of certain interests in Pickaway County, Ohio asset to the Operator, effective December 1, 2024, for total proceeds of \$75,000 USD, less \$7,500 USD paid to a working interest partner, or net to Marksmen of \$67,500 USD equal to \$97,119 CAD. A loss of the disposition of \$82,707 was recognized in the statement of loss and other comprehensive loss for the year ended December 31, 2024. Included in the Agreement, the Company will receive a 6% overriding royalty on all future production from the disposed assets.

Property and equipment	226,793
Decommissioning liability	(42,778)
Foreign exchange	(4,189)
Carrying value of net assets disposed	179,826
Cash proceeds from disposition	97,119
Loss on disposition	82,707

Portage County Disposition - on December 31, 2023, the Company signed an agreement (the “Agreement”) with the operator (the “Operator”) of the Portage County, Ohio assets. Pursuant to the Agreement, the Company agreed to the sale of all Portage County, Ohio assets to the Operator, effective January 1, 2024, for total proceeds of \$90,000 USD. At December 31, 2023, the carrying value of the net assets of \$90,416 was included in assets held for sale on the consolidated statement of financial position. At January 1, 2024, the assets held for sale were removed and a gain on the sale of the assets of \$29,189 was recognized in the statement of loss and other comprehensive loss for the year ended December 1, 2024.

Included in the Agreement, the Operator agreed to forgive any amounts owing from the Company to the Operator, effective December 31, 2023. The total amount settled was \$53,662 CAD.

Property and equipment	129,464
Decommissioning liability	(39,048)
Foreign exchange	3,578
Carrying value of net assets disposed	93,994
Cash proceeds from disposition	123,183
Gain on disposition	29,189

Reserve Report

Marksmen’s oil and gas reserves have been evaluated at December 31, 2024, in a report prepared by Trimble Engineering Associates Ltd. in accordance with National Instrument 51-101 (“NI 51-101”). The reserves report was presented to the reserves committee and approved on June 3, 2025. The reserve data will be posted on SEDAR+ under the following referenced documents:

NI-5101F1	Statement of Reserve Data and Other Oil and Gas Information
NI-5101F2	Report on Reserves Data by an Independent Qualified Reserves Evaluator
NI-5101F3	Report of Management and Directors on Oil and Gas Disclosure

Decommissioning Liabilities

The Company has estimated the net present value of the decommissioning liabilities to be \$497,775 (December 31, 2023 - \$570,179). The present value of the decommissioning liability considered to be current is \$395,144 (December 31, 2023 - \$290,021). The total undiscounted amount of estimated future cash flows is \$557,170 (December 31, 2023 - \$647,320). These payments are expected to be made over the next 10 years. The obligations on the properties have been calculated using an inflation rate of 2% (December 31, 2023 – 2%) and a discount factor, being the average risk-free rate related to the liability, of 2.92% - 3.32% (December 31, 2023 – 3.05% - 3.91%). Included in the change in estimate is a gain on abandonment estimates of \$57,480, which has been recorded in the statement of net loss and other comprehensive loss.

Secured Debenture

The Company currently has a non-convertible secured debenture in place with a third party for \$1,250,000. On December 29, 2022, the maturity date of the Debenture was extended to December 31, 2024. The interest rate remains at 12% per annum and is payable on the unpaid balance of the Debenture on each of March 31, June 30, September 30, and December 31. The Company granted 1,500,000 share purchase warrants. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.13 per share until the expiry date of December 31, 2024.

On December 31, 2024, the Company received an extension of the maturity date to December 31, 2026. There were no additional warrants issued. All other terms of the Debenture remained the same and extension did not result in a significant modification of the Debenture.

Subsequent to year end, Marksmen negotiated an agreement with the debenture to convert the debenture and all unpaid interest into common shares of the company at the time of the successful conclusion of the reserve takeover with T1 Technology Corporation.

Government Loan

During the year ended December 31, 2020, the Company was approved and received a \$60,000 CEBA loan under the Canada Emergency Business Account (“CEBA”) program funded by the Government of Canada. The CEBA loan is non-interest bearing, can be repaid at any time without penalty. On October 11, 2022, the maturity date of the CEBA loan was extended from December 31, 2022 until December 31, 2023. The terms of the CEBA loan were such that if 75% of the CEBA loan principle was repaid on or before December 31, 2023, the repayment of the remaining 25% of such CEBA loan shall be forgiven. The Company did not repay 75% of the principal balance on December 31, 2023, and has therefore exercised the option for a 2-year extension on the \$60,000 principal balance, maturing December 31, 2025. An interest rate of 5% during the term extension period will apply on any balance remaining.

Share Capital

The chart below is a summary of the Company's common shares, stock options, share purchase warrants, and broker warrants.

	Common Shares	Stock Options	Warrants	Broker Warrants
Balance December 31, 2023	192,073,380	13,735,000	4,190,000	56,000
During Year 2024				
Private Placement - August 23, 2024	19,325,000	-	19,325,000	-
Expiry of Stock options	-	(2,925,000)	-	-
Grant of Warrants	-	-	-	-
Grant of Broker Warrants	-	-	-	(56,000)
Warrants expired unexercised	-	-	(1,500,000)	-
Balance at December 31, 2024	211,398,380	10,810,000	22,015,000	-

Share based Payments

During the year ended December 31, 2024, the Company granted nil stock options (December 31, 2023 – 6,105,000), there were no options exercised and 2,925,000 expired unexercised (December 31, 2023 – 1,900,000 and 2,785,000, respectively). The options granted during 2023 are exercisable at an average \$0.075 per option, vested immediately and 1,900,000 and 4,205,000 of the options granted expire 1 and 5 years, respectively, after their grant date. The remaining stock options outstanding vest(ed) one-third immediately upon grant and one-third on each of the first and second anniversary of the grant date. The forfeiture rates are based on historical data and managements estimates. Share-based payments expense recognized during the year ended December 31, 2024 was \$nil (2023 - \$367,585), all of which has been recorded in net loss, with an offsetting credit to contributed surplus.

Tax

Tax expense differs from that which would be expected from applying the combined effective Canadian federal and provincial corporate tax rates of 23% (2023 – 23%) to income before taxes as follows:

	As at December 31, 2024	As at December 31, 2023
Net loss before taxes	(1,669,338)	(4,844,915)
Combined federal and provincial tax rate	23%	23%
Computed "expected" tax	(383,947)	(1,114,330)
Tax rate differential between Canada and US	20,640	61,916
Share-based payments	-	84,544
Other items	363,307	967,870
Deferred tax asset not recognized	-	-
	-	-

Details of deferred tax assets (liabilities) are as follows:

	As at December 31, 2024	As at December 31, 2023
Oil and gas properties	(85,593)	(406,702)
Debentures - Canada	-	(6,503)
Decommissioning liability - USA	65,456	81,197
Non-capital loss available for future periods - Canada	-	6,503
Non-capital loss available for future periods - USA	20,137	325,505
Net deferred tax asset (liability)	-	-

Details of the unrecognized deductible temporary differences are as follows:

	As at December 31, 2024	As at December 31, 2023
Decommissioning tax assets (liabilities)	179,951	217,150
Capital losses - Canada	2,059,000	2,059,000
Non-capital losses - Canada	12,011,663	10,847,635
Non-capital losses - USA	8,354,948	6,112,794
Oil and Gas properties - Canada	2,155,168	2,141,552
Share issue costs - Canada	50,774	100,612
Other - Canada	155,233	155,233
	24,966,737	21,633,976

At this stage of the Company's development, it cannot be reasonably estimated that there will be future taxable profits, accordingly there were no deferred income tax assets recognized.

The accumulated non-capital loss carry-forwards expires between 2029 and 2043.

Related Party Transactions

Related parties include Board of Directors of the Company and enterprises which they are associated with that provide services to the Company. Related party transactions not disclosed elsewhere in these consolidated financial statements include the renumeration of these directors for services for the year ended December 31, 2024, and compared to the same period in 2023, as noted below:

	Relationship	December 31, 2024	December 31, 2023
Executive management fees - Canada	Chief Executive Officer and Director	88,593	118,900
Executive management fees - USA	VP Operations and Director	4,612	48,373
Legal fees	Director and Corporate Secretary	-	31,244
Office space and storage	Chief Executive Officer and Director	22,500	30,000
		115,705	228,517

The Director in Canada participated in private placements in 2024. As at December 31, 2024, the Company has accounts payable and accrued liabilities totaling \$nil (2023 – \$22,267) owing to related parties relating to the above transactions.

All of the above related party transactions are in the normal course of operations.

Key management compensation

Key management includes the Company's executive management of Chief Executive Officer, VP of Operations and Chief Financial Officer.

	As at December 31, 2024	As at December 31, 2023
Compensation	187,593	223,300
Share based payments	-	119,978
TOTAL	187,593	343,278

Subsequent Event (not included elsewhere in this MD&A)

On April 24, 2025, the Debenture holder provided the Company with a \$250,000 promissory note (the "Promissory Note"), maturing on December 31, 2025. The Promissory Note has an interest rate of 15% per annum and is due on December 31, 2025.

Segmented Information

The Company's primary operations are limited to a single industry being the acquisition, exploration for, and development of petroleum and natural gas.

Geographical segmentation is as follows:

		For the year ended December 31, 2024	
	Canada	United States	Total
Petroleum and natural gas sales	2,247	369,173	371,420
Depletion and depreciation	1,010	58,085	59,095
Net loss	641,997	1,027,341	1,669,338
Total assets	69,464	557,655	627,119
Total liabilities	1,972,296	457,603	2,429,899

		For the year ended December 31, 2023	
	Canada	United States	Total
Petroleum and natural gas sales	104,275	740,657	844,932
Depletion and depreciation	8,266	303,203	311,469
Net loss	1,749,046	3,095,869	4,844,915
Total assets	94,406	1,871,919	1,966,325
Total liabilities	1,920,202	416,886	2,337,088

In the US, the Company derives its revenue from the sale of oil and natural gas directly from two refineries and a joint venture partner. In Canada, oil and natural gas is sold on the Company's behalf by a joint interest partner.

Going Concern

At December 31, 2024, the Company had not yet achieved profitable operations, had accumulated a deficit of \$34,290,308, a negative working capital of \$877,329, and may incur further losses in the development of its business. The ability to continue as a going concern is dependent on global commodity markets, obtaining continued financial support by completing public equity financing, and by drilling additional oil and gas wells that will increase cash-flow and oil and gas reserves. The timing and extent of forecast capital and operating expenditures is based on the Company's 2025 budget and on management's estimate of expenditures expected to be incurred beyond 2025. These events and conditions indicated a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Management has applied significant judgment in preparing forecasts supporting the going concern assumption. Specifically, management has made assumptions regarding projected oil sales volumes and pricing, scheduling of payments arising from various obligations as at December 31, 2024, the availability of additional financing, and the timing and extent of capital and operating expenditures. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern.

To achieve its intended development, management is committed to raising additional capital and realizing additional cash flows from drilling activities. Additional equity financing is subject to volatile financial markets and economic conditions.

Commitments

The Alberta Energy Regulator (“AER”) - has an industry wide program to measure all operating companies Licensee Liability Rating (“LLR”). The LLR program is established by the AER to prevent the costs to abandon, remediate and reclaim a well or facility from becoming the responsibility of the public of Alberta. The program measures the ratio of deemed well and facility assets divided by deemed well and facility Liabilities and if the ratio is below 1.0 a deposit is required. At December 31, 2024, included in deposits and prepaid expenses is an amount of \$47,032 on deposit with the AER associated with the Company’s operated wells in Alberta (2023 - \$44,769).

All Marksmen wells in Alberta are either abandoned or shut-in, but not fully reclaimed. Negotiations with the AER have been on-going over many years and began again in earnest in February 2024. This resulted in an agreed process to transfer all of Marksmen’s wells in Alberta to the OWA. The OWA is now responsible for all these wells and Marksmen is working with them to abandon and reclaim the wells in accordance with the OWA policies and procedures.

The Land And Property Rights Tribunal (“LPRT”) – previously known as the Surface Rights Board (“SRB”), is a quasi-judicial tribunal in Alberta that has a dispute resolution process to resolve issues of non-payment of surface leases to landowners by oil and gas companies. Marksmen has been served with Judgement(s) from the Alberta Government’s Service Alberta Crown Debt Collections with a balance at December 31, 2024, of \$155,233, (2023 - \$155,233) related to unpaid surface leases. These properties were sold by Marksmen to a third-party company in August of 2010 and therefore Marksmen disputes this claim.

The Company has an Assignment of Surface Rights agreement with the third-party, effective August 1, 2010, whereby the responsibility for the payment of surface leases is with the third party. The third-party does not dispute this agreement in any way and agrees they are responsible for the payment of surface leases. The third-party company has been struck and is no longer in existence.

Upon the sale of the properties, the Company did agree to retain a nominal 1% working interest in the sold properties and act as the operator of the wells on the behalf of the third-party company. The Company’s position on this judgement is that the assignment of Surface Rights agreements takes precedent while the SRB asserts that the provincial laws governing the SRB places the responsibility on the operator as defined by Alberta law governing SRB and the Alberta Energy Regulator.

The SRB has ruled and agrees that the third-party company is also a responsible party, but they did not agree that the Company should be removed as an Operator. Therefore, the Company has accrued for these surface rights obligations as a bad debt item in the statement of loss and comprehensive loss.

Off Balance Sheet Arrangements

The Company is not party to any arrangements that would be excluded from the balance sheet.

Financial Risk Management

Fair values - The fair value of cash, trade and other receivables, accounts payable and accrued liabilities approximate their carrying value due to their short-term nature. The fair value of the debentures was calculated using an estimate of the market rate for similar debentures.

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. The carrying amount of cash and trade and other receivables represents the maximum credit exposure. Marksmen manages its credit risk on a regular basis. As at December 31, 2024, the Company had cash of \$88,795 (2023 - \$88,938), all of which was deposited with two major financial institutions. Management has assessed the risk of loss to be minimal.

As at December 31, 2024, the Company's accounts receivable consisted of \$34,794 receivable from oil and natural gas marketing companies (2023 - \$41,068), \$1,176 receivable from joint venture working interest owners (2023 - \$12,135) and \$5,240 related to goods and service tax owing from the Government of Canada (2023 - \$4,778).

Receivables from oil and natural gas marketing companies are typically collected within one month of delivery of product and historically the Company has not experienced collection issues with its marketers. Receivables from joint venture partners are typically collected within one to three months of the joint venture bill being issued and cash call receivables are usually provided to the operator at least 30 days in advance of drilling. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner pre-approval of significant capital expenditures.

The Company assessed the credit loss risk as \$nil at December 31, 2024, and 2023 based on historical data and future expectations and there was no allowance recorded against the accounts receivable.

Liquidity risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2024, the Company's maximum exposure to liquidity risk is the accounts payable and accrued liabilities balance of \$622,124 (2023 \$485,181) and the government loan of \$60,000 all of which are all due over the next twelve months. The Company's ability to meet these obligations is uncertain. The Company attempts, as far as possible, to have sufficient liquidity to meet its liabilities.

The Company prepares annual capital expenditure budgets, which are regularly updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures.

Market risk – is the risk that changes in foreign exchange rates, commodity prices, and interest rates will affect the Company's net income (loss) or the value of financial instruments. Currently the Company does not use financial derivatives or physical delivery sales contracts to manage market risks.

Commodity price risk - is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties. Prices received by the Company for its production are largely beyond the Company's control as oil and natural gas prices are impacted by world economic events. Management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when deemed appropriate.

Foreign currency exchange risk - is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company regularly converts Canadian and United States currencies as operations and capital expenditures require. The Company currently sells oil or natural gas, primarily in USD. As at December 31, 2024, the Company had no forward exchange rate contracts in place.

Interest rate risk – is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have short or long-term interest-bearing debt with variable interest rates and therefore is only exposed to interest rate risk through its cash holdings. The Company's secured debenture bears a fixed interest rate of 12%. The Company has no interest rate swaps or financial contracts in place as at or during the years ended December 31, 2024, and 2023.

Outlook

In 2024, Marksmen was introduced to T1 Technology Corporation (“T1”), a private company incorporated in Alberta. There have been a number of business meetings between the parties to discuss a business arrangement that would benefit both companies. Subsequent to year end 2024, a letter of intent was signed on April 30, 2025, outlining the terms of conditions of an arms length reverse takeover transaction. There are a number of milestones that are required to be met before a successful transaction is concluded.

T1 Technology Corporation, formerly AGvisorPRO Inc., is an innovative Canadian company leveraging artificial intelligence (“AI”) to transform the agriculture equipment sector. Based in Calgary, T1 Technology operates two main platforms: AGvisorPRO, which connects farmers with verified experts to solve real-time agricultural challenges, and VisorPRO that is a business-to-business AI driven solution that revolutionizes customer support and technical service for equipment dealerships and original equipment manufacturers. VisorPRO is being rapidly adopted by farm equipment dealerships across North America and Australia, with expansion into other industries underway. T1 Technology’s founder and CEO, Robert Saik, is a renowned Professional Agrologist and entrepreneur with over 40 years of experience, having founded more than 15 companies in agri-tech and agri-retail, and is widely recognized for his leadership and vision in advancing agricultural innovation.

Marksmen’s largest investor recently met with Robert Saik and indicated his support for the T1 plans.

The Company is pleased with the strong relationship that Marksmen is forging with T1 and look forward to a positive impact for all the loyal shareholders of Marksmen in 2025 and beyond.

Other

Additional information relating to the Company is available on SEDAR at www.sedar.com or email info @marksmen.ca. Marksmen Energy Inc. is listed on the TSX Venture Exchange under the symbol "MAH" and on the OTC Venture Marketplace under the symbol MKSEF.