

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 20-F/A

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the Fiscal Year Ended December 31, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For transition period from January 1, 2024 to December 31, 2024

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Date of event requiring this shell company report _____

Commission File Number: 000-55539

TRILLION ENERGY INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

BRITISH COLUMBIA, CANADA

(Jurisdiction of incorporation or organization)

Suite 700, 838 W. Hastings Street, Vancouver, BC V6C 0A6

(Address of principal executive offices)

Mr. Sean Stofer

(T): 604-787-1715, Email: Sean@trillionenergy.com

Suite 700, 838 W. Hastings Street

Vancouver, BC V6C 0A6

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act: None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Common Stock, No Par Value

(Title of Class)

N/A

(Exchange on which registered)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Number of outstanding shares of each of the Registrant's classes of capital or common stock as of the year ended December 31, 2024: 159,488,767. Common Shares with no par value.

Indicate by check mark whether the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes

No

If this report is an annual or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes

No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of “large accelerated filer”, “accelerated filer” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging Growth Company

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b)

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards † provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by court.

Yes No

EXPLANATORY NOTE

The report of the Independent Registered Public Accounting Firm filed with the Company's consolidated financial statements has been amended to express an opinion over the results of the Company's consolidated operations and consolidated cash flows for each of the years in the three-year period ended December 31, 2024. Previously, the report covered each of the years in the two-year period ended December 31, 2024.

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GENERAL MATTERS

Convention

In this Form 20-F Annual Report, all references to “British Columbia” are references to the Province of British Columbia. All references to the “Government” are references to the government of the Province of British Columbia. Unless otherwise noted, all references to “common shares”, “shares” or “common stock” are references to the common shares of the Company. All references to the “Company” or “Trillion” are references to “Trillion Energy International Inc.”.

In this document, all references to “SEC” or “Commission” are reference to the United States Securities and Exchange Commission. References to “\$” are to the currency of the United States of America.

Forward Looking Statements

This Form 20-F Annual Report includes “forward-looking statements”. A shareholder or prospective shareholder should bear this in mind when assessing the Company’s business. All statements included in this annual report, other than statements of historical facts, including, without limitation, the statements located elsewhere herein regarding industry prospects and the Company’s financial position, are forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

Refer to Item 6.

B. Advisers

Not applicable.

C. Auditors

The independent auditors for the Company are MNP LLP, Suite 1500, 640 - 5th Avenue SW Calgary, Alberta T2P 3G4 for the Company's December 31, 2024, 2023 and 2022 year ends.

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

Item 3. KEY INFORMATION

A. Selected Financial Data

The Company was incorporated as Park Place Energy Inc. in the State of Delaware in December, 2015. The Company changed its name to Trillion Energy International Inc. on March 19, 2019. Effective January 1, 2022, the Company completed a continuation of its jurisdiction from Delaware to British Columbia, Canada. The Company has selected a December 31 year end.

The consolidated financial statements for the year ended December 31, 2022, are the first the Company has prepared in accordance with IFRS. The Company previously prepared its consolidated financial statements, up to and including December 31, 2021, in accordance with accounting principles generally accepted in the United States ("US GAAP").

The Company conducted a 5:1 share consolidation on September 14, 2023.

The Company's selected historical audited financial data for the years ended December 31, 2024, 2023 and 2022 are set out in the table below. The selected financial data provided below are not necessarily indicative of the future results of operations or financial performance of the Company. The Company has not paid any dividends on its common shares and it does not expect to pay dividends in the foreseeable future.

	Year End Dec. 31, 2024	Year End Dec. 31, 2023	Year End Dec. 31, 2022
Amounts in accordance with IFRS (presented in U.S. dollars):			
Total assets	54,864,568	58,610,428	37,018,219
Total liabilities	40,715,360	36,397,856	16,392,288
Net working capital (deficiency)	(27,931,650)	(12,929,942)	(4,819,052)
Shareholders' equity	14,149,208	22,212,572	20,625,931
Operating revenue	7,000,836	16,797,366	9,375,029
Net loss from operations	(9,128,642)	(43,842)	(6,121,754)
Loss per share (basic and diluted)	(0.06)	(0.00)	(0.10)
Weighted average number of common shares (basic and diluted)	142,318,767	81,084,843	62,491,482

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following risks relate specifically to the Company's business and should be considered carefully. The occurrence of any one or more of the events outlined under this section could have severe consequences on the Company's business, financial condition and results of operations and could result in the cessation of operations or bankruptcy.

We have a history of losses and may not achieve consistent profitability in the future.

We have incurred losses in prior years. We will need to generate and sustain increased revenue levels in future periods in order to become consistently profitable, and even if we do, we may not be able to maintain or increase our level of profitability. We may incur losses in the future for a number of reasons, including risks described herein, unforeseen expenses, difficulties, complications and delays, and other unknown risks.

Our exploration, development and production activities may not be profitable or achieve our expected returns.

The future performance of our business will depend upon our ability to develop oil and natural gas reserves that are economically recoverable. Success will depend upon our ability to develop prospects from which oil and natural gas reserves are ultimately discovered in commercial quantities. Without successful exploration activities, we will not be able to develop oil and natural gas reserves or generate revenues. There are no assurances that oil and natural gas reserves will be discovered in sufficient quantities to enable us to recover our exploration and development costs or sustain our business.

The successful development of oil and natural gas properties requires an assessment of recoverable reserves, future oil and natural gas prices and operating costs, potential environmental and other liabilities, and other factors. Such assessments are inherently uncertain. In addition, no assurance can be given that our exploration and development activities will result in the discovery of reserves. Operations may be curtailed, delayed or canceled as a result of lack of adequate capital and other factors, such as lack of availability of rigs and other equipment, title problems, weather, compliance with governmental regulations or price controls, mechanical difficulties, or unusual or unexpected formations, pressures and/or work interruptions. In addition, the costs of exploration and development may materially exceed our internal estimates.

We may be unable to acquire or develop additional reserves, which would reduce our cash flow and income.

In general, production from oil and natural gas properties declines over time as reserves are depleted, with the rate of decline depending on reservoir characteristics. If we are not successful in our exploration and development activities or in acquiring properties containing reserves, our reserves will generally decline as reserves are produced. Our oil and natural gas production will be highly dependent upon our ability to economically find, develop or acquire reserves in commercial quantities.

Our future oil and natural gas reserves, production, and cash flows, are highly dependent upon us successfully exploiting known gas resources and proved reserves. A future increase in our reserves will depend not only on our ability to flow economic rates of natural gas and potentially develop the reserves we may have from time to time, but also on our ability to select and acquire suitable producing properties or prospects and technologies for exploitation. There are no absolute guarantees that our future efforts will result in the economic development of natural gas reserves or resources.

To the extent cash flow from operations is reduced, either by a decrease in prevailing prices for oil and natural gas or an increase in finding and development costs, and external sources of capital become limited or unavailable, our ability to make the necessary capital investment to maintain or expand our asset base of oil and natural gas reserves would be impaired. Even with sufficient available capital, our future exploration and development activities may not result in additional reserves, and we might not be able to drill productive wells at acceptable costs.

The establishment of proved reserves is subjective and subject to many uncertainties.

In general, estimates of recoverable natural resources are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates, which have inherent uncertainties, and the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the recoverable natural resources, the classification of such resources based on risk of recovery, prepared by different engineers or by the same engineers at different times, may vary substantially.

We are subject to political, economic and other risks and uncertainties in the foreign countries in which we operate.

Any international operations performed may expose us to greater risks than those associated with more developed markets. Due to our foreign operations, we are subject to the following issues and uncertainties that can adversely affect our operations in Bulgaria, Turkey, or other countries in which we may operate properties in the future:

- the risk of, and disruptions due to, expropriation, nationalization, war, revolution, election outcomes, economic instability, political instability, or border disputes;
- the uncertainty of local contractual terms, renegotiation or modification of existing contracts and enforcement of contractual terms in disputes before local courts;
- the risk of import, export and transportation regulations and tariffs, including boycotts and embargoes;

- the risk of not being able to procure residency and work permits for our expatriate personnel;
- the requirements or regulations imposed by local governments upon local suppliers or subcontractors, or being imposed in an unexpected and rapid manner;
- taxation and revenue policies, including royalty and tax increases, retroactive tax claims and the imposition of unexpected taxes or other payments on revenues;
- exchange controls, currency fluctuations and other uncertainties arising out of foreign government sovereignty over foreign operations;
- laws and policies of the United States and of the other countries in which we may operate affecting foreign trade, taxation and investment, including anti- bribery and anti-corruption laws;
- the possibility of being subjected to the exclusive jurisdiction of foreign courts in connection with legal disputes and the possible inability to subject foreign persons to the jurisdiction of courts in the United States; and
- the possibility of restrictions on repatriation of earnings or capital from foreign countries.

There can be no assurance that changes in conditions or regulations in the future will not affect our profitability or ability to operate in such markets.

We are subject to foreign currency risks.

Oil and gas operations in Turkey will generate revenues in Turkish Lira, while expenses will be incurred in Turkish Lira or U.S. dollars. Gas production in Turkey will generate Turkish Lira. Turkey is a hyper-inflationary economy. As a result, any fluctuations of these currencies may result in a change in reported revenues, if any, that our projects could generate if they commence production. Accordingly, our future financial results are subject to risk based on changes to foreign currency rates.

If we lose the services of our management and key consultants, then our plan of operations may be delayed.

Our success depends to a significant extent upon the continued service of our executive management, employees, directors and consultants. Losing the services of one or more key individuals could have a material adverse effect on the Company's prospective business until replacements are found.

Drilling for and producing oil and natural gas are high-risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations.

Our future success depends on the success of our exploration, development and production activities in our prospects. These activities will be subject to numerous risks beyond our control, including the risk that we will be unable to economically produce our reserves or be able to find commercially productive oil or natural gas reservoirs. Our decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend in part on the evaluation of data obtained through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. The cost of drilling, completing and operating wells is often uncertain before drilling commences. Overruns in budgeted expenditures are common risks that can make a particular project unprofitable. Further, many factors may curtail, delay or prevent drilling operations, including:

- unexpected drilling conditions;
- pressure or irregularities in geological formations;
- equipment failures or accidents;
- pipeline and processing interruptions or unavailability;
- title problems;
- adverse weather conditions;
- lack of market demand for oil and natural gas;
- delays imposed by, or resulting from, compliance with environmental laws and other regulatory requirements;
- declines in oil and natural gas prices; and
- shortages or delays in the availability of drilling rigs, equipment and qualified personnel.

Our future drilling activities might not be successful, and drilling success rates overall or within a particular area could decline. We could incur losses by drilling unproductive wells. Shut-in wells, curtailed production and other production interruptions may materially adversely affect our business, financial condition and results of operations.

Shortages of drilling rigs, equipment, oilfield services and qualified personnel could delay our exploration and development activities and increase the prices that we pay to obtain such drilling rigs, equipment, oilfield services and personnel.

Our industry is cyclical and, from time to time, there may be a shortage of drilling rigs, equipment, oilfield services and qualified personnel in countries in which we may operate in the future. Shortages of drilling and workover rigs, pipe and other equipment may occur as demand for drilling rigs and equipment increases, along with increases in the number of wells being drilled. These factors can also cause significant increases in costs for equipment, oilfield services and qualified personnel. Higher oil and natural gas prices generally stimulate demand and result in increased prices for drilling and workover rigs, crews and associated supplies, equipment and services. It is beyond our control and ability to predict whether these conditions will exist in the future and, if so, what their timing and duration will be. These types of shortages or price increases could significantly increase our costs, decrease our cash provided by operating activities, or restrict our ability to conduct the exploration and development activities that we currently have planned and budgeted or that we may plan in the future. In addition, the availability of drilling rigs can vary significantly from region to region at any particular time. An undersupply of drilling rigs in any of the regions in which we may operate may result in drilling delays and higher costs for drilling rigs.

A substantial or extended decline in oil and natural gas prices may adversely affect our ability to meet our future capital expenditure obligations and financial commitments.

Revenues, operating results and future rate of growth are substantially dependent upon the prevailing prices of, and demand for, oil and natural gas. Lower oil and natural gas prices may also reduce the amount of oil and natural gas that we will be able to produce economically. Historically, oil and natural gas prices and markets have been volatile, and they are likely to continue to be volatile in the future. The recent decline in oil prices has highlighted the volatility and if oil prices remain at this level for an extended period of time, such lower prices could adversely affect our business, financial condition, and results of operations.

A decrease in oil or natural gas prices will not only reduce revenues and profits but will also reduce the quantities of reserves that are commercially recoverable and may result in charges to earnings for impairment of the value of these assets. If oil or natural gas prices decline significantly for extended periods of time in the future, we might not be able to generate sufficient cash flow from operations to meet our obligations and make planned capital expenditures. Oil and natural gas prices are subject to wide fluctuations in response to relatively minor changes in the supply of, and demand for, oil and natural gas, market uncertainty and a variety of additional factors that are beyond our control. Among the factors that could cause fluctuations are:

- market expectations regarding supply and demand for oil and natural gas;
- levels of production and other activities of the Organization of Petroleum Exporting Countries and other oil and natural gas producing nations;
- market expectations about future prices for oil and natural gas;
- the level of global oil and natural gas exploration, production activity and inventories;
- political conditions, including embargoes, in or affecting oil and natural gas production activities; and
- the price and availability of alternative fuels.

Lower oil and natural gas prices may not only decrease our revenues on a per unit basis, but also may reduce the amount of oil and natural gas that we will be able to produce economically. A substantial or extended decline in oil or natural gas prices may have a material adverse effect on our business, financial condition and results of operations.

We are subject to operating hazards.

The oil and natural gas exploration and production business involves a variety of operating risks, including the risk of fire, explosion, blowout, pipe failure, casing collapse, stuck tools, uncontrollable flows of oil or natural gas, abnormally pressured formations and environmental hazards such as oil spills, surface cratering, natural gas leaks, pipeline ruptures, discharges of toxic gases, underground migration, surface spills, mishandling of fracture stimulation fluids, including chemical additives, and natural disasters. The occurrence of any of these events could result in substantial losses to us due to injury and loss of life, loss of or damage to well bores and/or drilling or production equipment, costs of overcoming downhole problems, severe damage to and destruction of property, natural resources and equipment, pollution and other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Gathering systems and processing facilities are subject to many of the same hazards and any significant problems related to those facilities could adversely affect our ability to market our production.

Our oil and natural gas operations are subject to extensive and complex laws and government regulation, and compliance with existing and future laws may increase our costs or impair our operations.

Our oil and natural gas operations in countries in which we operate or may operate in the future will be subject to numerous laws and regulations, including those related to the environment, employment, immigration, labor, oil and natural gas exploration and development, payments to local, foreign and provincial officials, taxes and the repatriation of foreign earnings. If we fail to adhere to any applicable laws or regulations, or if such laws or regulations restrict exploration or production, or negatively affect the sale, of oil and natural gas, our business, prospects, results of operations, financial condition or cash flows may be impaired. We may be subject to governmental sanctions, such as fines or penalties, as well as potential liability for personal injury, property or natural resource damage and might be required to make significant capital expenditures to comply with federal, state or international laws or regulations. In addition, existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations, could adversely affect our business or operations, or substantially increase our costs and associated liabilities.

In addition, exploration for, and exploitation, production and sale of, oil and natural gas in countries in which we operate or may operate in the future are subject to extensive national and local laws and regulations requiring various licenses, permits and approvals from various governmental agencies. If these licenses or permits are not issued or unfavorable restrictions or conditions are imposed on our exploration or drilling activities, we might not be able to conduct our operations as planned. Alternatively, failure to comply with these laws and regulations, including the requirements of any licenses or permits, might result in the suspension or termination of operations and subject us to penalties. Our costs to comply with such laws, regulations, licenses and permits are significant.

Specifically, our oil and natural gas operations in countries in which we operate or may operate in the future will be subject to stringent laws and regulations relating to the release or disposal of materials into the environment or otherwise relating to environmental protection. Failure to comply with these laws and regulations may result in the imposition of administrative, civil and/or criminal penalties, incurring investigatory or remedial obligations and the imposition of injunctive relief.

Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent or costly waste handling, storage, transport, disposal or cleanup requirements could require us to make significant expenditures to attain and maintain compliance and may otherwise have a material adverse effect on our industry in general and on our own results of operations, competitive position or financial condition. Although we intend to comply in all material respects with applicable environmental laws and regulations, there can be no assurance that we will be able to comply with existing or new regulations. In addition, the risk of accidental spills, leakages or other circumstances could expose us to extensive liability. We are unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially adversely increase our cost of doing business or affect operations in any area.

Under certain environmental laws that impose strict, joint and several liability, we may be required to remediate our contaminated properties regardless of whether such contamination resulted from the conduct of others or from consequences of our own actions that were or were not in compliance with all applicable laws at the time those actions were taken. In addition, claims for damages to persons or property may result from environmental and other impacts of our operations. Moreover, new or modified environmental, health or safety laws, regulations or enforcement policies could be more stringent and impose unforeseen liabilities or significantly increase compliance costs. Therefore, the costs to comply with environmental, health or safety laws or regulations or the liabilities incurred in connection with them could significantly and adversely affect our business, financial condition or results of operations.

In addition, many countries have agreed to regulate emissions of “greenhouse gases.” Methane, a primary component of natural gas, and carbon dioxide, a by-product of burning of oil and natural gas, are greenhouse gases. Regulation of greenhouse gases could adversely impact some of our operations and demand for some of our services or products in the future.

Competition in the oil and natural gas industry for licenses is intense, and many of our competitors have greater financial, technological and other resources than we do, which may adversely affect our ability to compete.

We will be operating in the highly competitive areas of oil and natural gas exploration, development, production and acquisition with a substantial number of other companies, both foreign and domestic. We face intense competition from independent, technology-driven companies as well as from both major and other independent oil and natural gas companies in each of the following areas:

- seeking oil and natural gas exploration licenses and production licenses;
- acquiring desirable producing properties or new leases for future exploration;

- marketing oil and natural gas production;
- integrating new technologies; and
- contracting for drilling services and equipment and securing the expertise necessary to develop and operate properties.

Many of our competitors have substantially greater financial, managerial, technological and other resources than we do. These companies are able to pay more for exploratory prospects and productive oil and natural gas properties than we can. To the extent competitors are able to pay more for properties than we are paying, we will be at a competitive disadvantage. Further, many of our competitors enjoy technological advantages over us and may be able to implement new technologies more rapidly than we can. Our ability to explore for and produce oil and natural gas prospects and to acquire additional properties in the future will depend upon our ability to successfully conduct operations, implement advanced technologies, evaluate and select suitable properties and consummate transactions in this highly competitive environment.

We might not be able to obtain necessary permits, approvals or agreements from one or more government agencies, surface owners, or other third parties, which could hamper our exploration, development or production activities.

There are numerous permits, approvals, and agreements with third parties that will be necessary in order to enable us to proceed with our exploration, development or production activities and otherwise accomplish our objectives. The government agencies in international countries have discretion in interpreting various laws, regulations, and policies governing operations under licenses such as the license we are obtaining in Bulgaria. Further, we may be required to enter into agreements with private surface owners to obtain access to, and agreements for, the location of surface facilities. In addition, because many of the laws governing oil and natural gas operations in international countries have been enacted relatively recently, there is only a relatively short history of the government agencies handling and interpreting those laws, including the various regulations and policies relating to those laws. This short history does not provide extensive precedents or the level of certainty that allows us to predict whether such agencies will act favorably toward us. The governments have broad discretion to interpret requirements for the issuance of drilling permits. Our inability to meet any such requirements could have a material adverse effect on our exploration, development or production activities.

Risks Related to Our Common Stock

The value of our common stock may be affected by matters not related to our own operating performance.

The value of our common stock may be affected by matters that are not related to our operating performance and are outside of our control. These matters include the following:

- general economic conditions in the United States and globally;
- industry conditions, including fluctuations in the price of oil and natural gas;
- governmental regulation of the oil and natural gas industry, including environmental regulation and regulation of fracture stimulation activities;
- fluctuation in foreign exchange or interest rates;
- liabilities inherent in oil and natural gas operations;
- geological, technical, drilling and processing problems;
- unanticipated operating events that can reduce production or cause production to be shut in or delayed;

- failure to obtain industry partner and other third-party consents and approvals, when required;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel;
- the need to obtain required approvals from regulatory authorities;
- worldwide supplies and prices of, and demand for, oil and natural gas;
- political conditions and developments in each of the countries in which we operate;
- political conditions in oil and natural gas producing regions;
- revenue and operating results failing to meet expectations in any particular period;
- investor perception of the oil and natural gas industry;
- limited trading volume of our common shares;
- announcements relating to our business or the business of our competitors;
- the sale of assets;
- our liquidity;
- our ability to raise additional funds; and
- the uncertain impact of the COVID-19 pandemic on our operations and the economy.

In the past, some companies that have experienced volatility in the trading price of their common stock have been the subject of securities class action litigation. We might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a material adverse effect on our business, financial condition and results of operation.

Investment in our common stock is speculative due to the nature of our business.

An investment in our common stock is speculative due to the nature of our involvement in the acquisition and exploration of oil and natural gas properties.

Our shareholders may experience dilution as a result of our issuance of additional common stock or the exercise of outstanding options and warrants.

We may enter into commitments in the future that would require the issuance of additional common stock. We may also grant additional share purchase warrants, restricted stock units or stock options. The exercise of share purchase warrants, restricted stock units or stock options and the subsequent resale of common stock in the public market could adversely affect the prevailing market price and our ability to raise equity capital in the future. Any stock issuances from our treasury will result in immediate dilution to existing shareholders.

We have never declared or paid cash dividends on our common stock.

We do not anticipate paying cash dividends on our common stock in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that our Board of Directors considers relevant. Accordingly, investors may only see a return on their investment if the value of our securities appreciates.

Our stock price is volatile.

Our common stock is traded on the Canadian Securities Exchange (the CSE) and the OTCQB. There can be no assurance that an active public market will continue for our common stock, or that the market price for our common stock will not decline below its current price. Such price may be influenced by many factors, including, but not limited to, investor perception of us and our industry and general economic and market conditions. The trading price of our common stock could be subject to wide fluctuations in response to a variety of matters and market conditions.

Our common stock will be subject to the “Penny Stock” Rules of the SEC.

Our securities will be subject to the “penny stock rules” adopted pursuant to Section 15(g) of the Exchange Act. The penny stock rules apply generally to companies whose common stock trades at less than \$5.00 per share, subject to certain limited exemptions. Such rules require, among other things, that brokers who trade “penny stock” to persons other than “established customers” complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Some brokers have decided not to trade “penny stock” because of the requirements of the “penny stock rules” and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. In the event that we remain subject to the “penny stock rules” for any significant period, there may develop an adverse impact on the market, if any, for our securities. Because our securities are subject to the “penny stock rules,” investors will find it more difficult to dispose of our securities.

A decline in the price of our common stock could affect our ability to raise further working capital and create additional dilution to existing shareholders upon any financings.

A decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise additional capital for our operations. Because our operations to date have been principally financed through the sale of equity securities, a decline in the price of our common stock could have an adverse effect upon our liquidity; and if we sell such equity securities at a lower price, such sales could cause excessive dilution to existing shareholders.

We may issue debt to acquire assets or for working capital.

From time to time our Company may enter into transactions to acquire assets or the stock of other companies or we may require funding for general and administrative purposes. These transactions may be financed partially or wholly with debt, which may increase our debt levels above industry standards. Our governing documents do not limit the amount of indebtedness that our Company may incur. The level of our indebtedness from time to time could impair our ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

We may issue additional equity securities without the consent of shareholders. The issuance of any additional equity securities would further dilute our shareholders.

Our Board of Directors has the authority, without further action by the shareholders, to issue an unlimited number of shares of common stock authorized under our charter documents, of which 159,488,767 shares were issued and outstanding as of December 31, 2024. We may issue additional shares of common stock or other equity securities, including securities convertible into shares of common stock, in connection with capital raising activities. The issuance of additional common stock would also result in dilution to existing shareholders.

Item 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Trillion Energy International Inc. is focused on its oil and gas producing assets in Turkey specifically its SASB Natural Gas field as well as its Cendere Oil field.

Trillion Energy International Inc. and its consolidated subsidiaries, (collectively referred to as the “Company”) is a Canadian based oil and gas exploration and production company with operations primarily in Turkiye. The Company’s shares trade on the Canadian Securities Exchange under the symbol “TCF” where it was recently added the CSE 25 Index. The Company also trades on the OTCQB under the symbol “TRLEF” and the Frankfurt exchange under the symbol Z620. A class of the Company’s warrants trade on the CSE under the symbol TCF.WT.

The Company is focused on oil and gas exploration in Turkiye. During 2023, it had drilled six successful development gas wells at its conventional natural gas project, the SASB gas field located in the Black Sea, Turkiye, where it has initiated a multi-well development program. Trillion has a 49% interest in the SASB gas field. In addition, the Company produces oil from the Cendere field in Turkiye, a long-term low decline oil field where it holds a 19.6% (except three wells with 9.8%) interest.

Trillion’s strategy is to increase production and reserves at its 12,385 hectare SASB natural gas field and capitalize on high regional gas prices to generate cash flow and build shareholder value through a multi-well drilling program.

After drilling five successful long reach directional wells and one re-completion at SASB, Trillion will continue to perform several new perforations of existing wells and install velocity string production tubing, pumps, gas lift to optimize production and reduce well downtime. Trillion is currently undertaking work programs to optimize production and reduce downtime on the SASB Field to ensure all 6 previously drilled and completed wells are able to produce concurrently and with less than 90% downtime on a managed basis.

Trillion Energy International Inc. is an oil and gas producer in Europe. The Company’s current focus is on increasing conventional natural gas production at its SASB field located in the Black Sea, Turkey where it has initiated a multi-well development drilling program “the SASB Development Program”. In addition, it produces oil from the Cendere field, a long-term low decline oil field.

In April 2024 the company announced the issuance of up to 30,000,000 units (the “Units”) at a price of CAD\$0.09 per Unit, for aggregate gross proceeds of up to a maximum of CAD\$2,700,000. Each Unit consisted of one share and one Warrant exercisable at a price of CAD\$0.18 per share for a period of two years from issuance. On July 11, 2024 the Company issued an aggregate of 26,847,863 Units and raised an aggregate of gross proceeds of CAD\$2,416,308 in the Offering. In connection with this issuance, the Company paid an aggregate of CAD\$92,407.23 in cash finder’s fees and issued an aggregate of 1,026,747 broker warrants (“**Broker Warrants**”). Each Broker Warrant entitles the holder to one (1) Share and is exercisable at a price of CAD\$0.09 per share for a period of two (2) years from the date of issuance.

The Company has also issued an aggregate of 6,870,297 shares and 5,551,257 Units in settlement of debt owed by the Company in the aggregate amount of \$1,470,079 and obligation to issue shares of \$1,200,977.

In the third quarter of 2024 the Company perforated approximately 40 meters of gas pay in four wells, followed initial velocity string installation in wells commencing October 2024. Velocity strings moderately improved well performance however, were not fully successful on several wells, and as such, the Company determined that additional pumps and gas lift were required.

By December 2024 the Company announced it has successfully run 2 3/8 velocity string tubing (“VS”) in four existing wells, including three long reach wells on the Akcakoca Platform at the SASB Gas Field, Turkey.

In January, it ran VS on two tripod wells and stimulating all the wells to clean up the producing reservoirs, build pressure and increase production. Choke sizes are being adjusted to minimize water production and maximize gas production.

To improve VS performance results, the Company sought to put ESP pumps in certain wells, and has recently initiated gas lift on Akcakoca platform, to stimulate the VS into production.

In December 2024, the Company reissued its consolidated financial statements for the year ended December 31, 2023 to correct an identified error. As a result, the Company’s Net Loss is reduced to \$43,842 for the year from the previously reported net loss of \$1,102,194.

The error is the result of a foreign exchange loss on intercompany accounts that was recorded in net loss and which should have been recorded in other comprehensive loss. IAS 21, *The effects of changes in foreign exchange rates*, requires that foreign exchange gains and losses on items that form part of an entity’s net investment in a foreign operation, should be recognized in other comprehensive income or loss in the Company’s consolidated financial statements. The above changes were adjusted through to the consolidated statements of stockholder’ equity, cash flows, and notes to the consolidated financial statements for the year ended December 31, 2023. However, there were no changes to the reported totals of cash flows from (used in) operating, investing and financing activities.

Turkey

The Company owns interests in the producing Cendere oil field (“Cendere”) and producing South Akcakoca Sub-Basin (“SASB”) gas field in Turkey. Cendere, a mature oilfield, is a long-term low decline oil reserve. The Company has a 19.6% interest in the Cendere oil field located in Southeast Turkey.

The SASB field holds upside through exploitation of reserves and resources where significant infrastructure is in place to realize same, including pipelines, offshore platforms, and a gas processing plant capable of processing 42.4 Mmcfd. With this base of operations in Turkey and its experienced management team, the Company is poised to exploit these assets and for further growth in the region.

Cendere oil field

The Company has a 19.6% interest in the Cendere oil field located in Southeast Turkey all except certain wells. At December 31, 2024, the gross oil production rate for the producing wells in Cendere was 674 bbls/day (barrels per day); the average daily 2024 gross production rate for the field was 655 bbls/day. At the end of December 2024, oil was sold at a price of approximately US\$84.65 per barrel (“bbl”). Average oil price for 2024 was US\$84.65. At December 31, 2024, the Cendere field was producing 90 barrels of oil per day net (after royalty) to the Company; and averaged 82 barrels per day during 2024 net (after royalty) to the Company.

SASB

SASB has several producing natural gas fields, four production platforms plus subsea pipelines that connect the fields to an onshore gas plant. The SASB fields are located off the north coast of Turkey towards the western end of the Black Sea.

The Company's interest in SASB is 49%. SASB has several natural gas fields, four production platforms plus 18 kilometers of subsea pipelines connecting the gas fields to an onshore gas processing facility. SASB is located off the North West coast of Turkey in the Black Sea. Total gross production to date from the four fields is over 43 billion cubic feet ("Bcf").

The Company commenced the SASB Development Program during September 2022, at which time the Uranus Rig mobilized to the license block from Romania. The drilling rig was then positioned at the Akcakoca platform upon which it drilled South Akcakoca, re-completed Akcakoca-3, drilled Akcakoca West 1 and Guluc 2. In addition, Bayhanli 2 and Alapli 2 were drilled off different tripods. Those 5 new wells and one recompletion were put on production, thus generating revenue for the company. The wells experienced water loading due to the large production tubing size and currently all gas pay in the wells will be perforated and production tubing changed to a smaller diameter.

As at December 31, 2024 the gross gas production rate for SASB was 0.761 MMcfd, net to Company was 0.326 MMcfd (after royalty) The current average daily 2024 gross production rate for the field was 2.08 MMcfd and net to Company was 0.9 MMcfd (after royalty). Currently natural gas is currently being sold at about US\$9.33/mcf domestically in Turkey. The average monthly natural gas sale price year to date for 2024 was approximately US\$10.39/ mcf. Year end production rates were significantly lower due to waterloading issues impacting gas flow.

The Company also plans to evaluate exploration opportunities around the SASB development license area, which is currently 12,385 hectares. The Company is currently reprocessing the existing 3D seismic with new technology and gathering additional data to determine and propose new exploration work programs in and around the SASB block. Such new technology is expected to improve the resolution of the data, define new exploration targets and delineate new reserves and resources on SASB.

Bulgaria license

In October of 2010, the Company was awarded an exploration permit for the "Vranino 1-11 Block", a 98,205 acre oil and gas exploration land located in Dobrudja Basin, Bulgaria, by the Bulgarian Counsel of Ministers. On April 1, 2014, the Company entered into an Agreement for Crude Oil and Natural Gas Prospecting and Exploration in the Vranino 1-11 Block with the Ministry of Economy and Energy of Bulgaria (the "License Agreement"). The initial term of the License Agreement is five years. This five-year period will commence once the Bulgarian regulatory authorities approve of the Company's work programs for the permit area. The License Agreement (or applicable legislation) provides for possible extension periods for up to five additional years during the exploration phase, as well as the conversion of the License Agreement to an exploitation concession, which can last for up to 35 years.

The Company has determined it would dispose of the Bulgaria property and that it would obtain the options to do so. As a result, the Company recorded an impairment loss of \$3,101,343 during the year ended December 31, 2022.

Developments of the Business after the Reporting Period

In the period after the Reporting Period, the company has been planning and implementing production optimization and artificial lift at the SASB gas field to increase production rates on the field. It also shot 2-D seismic on the Oil Block M47.

Strategic Focus

Trillion's strategy is to increase production and reserves at its 12,385 hectare SASB natural gas field and capitalize on high regional gas prices to generate cash flow and build shareholder value through a multi-well drilling program.

The Company commenced the SASB Development Program during September 2022, at which time the Uranus Rig mobilized to the license block from Romania. The drilling rig was then positioned at the Akcakoca platform upon which it drilled South Akcakoca, re-completed Akcakoca-3, drilled Akcakoca West 1 and Guluc 2. In addition, Bayhanli 2 and Alapli 2 were drilled off different tripods. Those 5 new wells and one recompletion were put on production, thus generating revenue for the company. The wells experienced water loading due to the large production tubing size and currently all gas pay in the wells will be perforated and production tubing changed to a smaller diameter.

After drilling five successful long reach directional wells and one re-completion at SASB, Trillion conducted several new perforations of existing wells and has installed velocity string production tubing during 2024 to address water-loading issues. During 2025, the Company intends to install pumps and gas lift to optimize production and reduce well downtime. Trillion's priority is undertaking work programs to increase production and reduce downtime on the SASB Field to ensure all 6 previously drilled and completed wells are able to produce concurrently.

For the 2026 SASB drilling program, several sidetrack wells have been engineered and are drill ready. These wells are expected to be drilled first, after the Company has addressed water loading issues in its current wells.

B. Business Overview

Trillion Energy International Inc. and its consolidated subsidiaries, (collectively referred to as the “Company”) is a Canadian based oil and gas exploration and production company. Effective January 2022, the corporate headquarters moved to Suite 700, 838 West Hastings Street, Vancouver, B.C., Canada from Turan Gunes Bulvari, Park Oran Ofis Plaza, 180-y, Daire:54, Kat:14, 06450, Oran, Cankaya, Ankara, Turkey. The move coincided with the redomicile of the Company from Delaware to British Columbia, a move which was approved by shareholders in November 2021. The Company also has a registered office in Turkey and Bulgaria. The Company was originally incorporated in Delaware in 2015, and in January 2022 became a British Columbia company. The Company’s shares are traded on the OTCQB under the symbol “TRLEF” and trade on the Canadian Securities Exchange under the symbol “TCF”.

On January 21, 2022, the Company redomiciled from Delaware to a British Columbia corporation by way of an amalgamation transaction with the Company’s British Columbian subsidiary, Trillion Energy International Inc. (the “Repatriation Transaction”). Pursuant to the Repatriation Transaction, for every one common stock of Trillion Energy International Inc., the shareholders will receive one common stock of Trillion Energy International Inc. The redomicile is effective January 22, 2022 and the Company started to operate under the name Trillion Energy International Inc.

As a result of the Repatriation Transaction, the Company meets the definition of a foreign private issuer, as defined under Rule 3b-4 of the Securities Exchange Act of 1934, as amended.

C. Organizational Structure

The Company is part of a corporate group. The Company has the following subsidiaries:

Park Place Energy Corp. (“PPE Corp.”); (a Nevada corporation)
 Park Place Energy Bermuda (“PPE Bermuda”) (a Bermuda corporation);
 BG Exploration EOOD (“BG Exploration”) (a Bulgarian Corporation) ; and
 Park Place Energy Turkey (“PPE Turkey”) (a Cayman Island Corporation)
 Park Place Energy Gabar Limited (a Cayman Island Corporation)

D. Property and Equipment

Turkey Properties

On January 18, 2017, the Company completed the acquisition of three oil and gas exploration and production companies operating in Turkey (the “PPE Companies”). As a result of the acquisition of the PPE Companies, the Company now owns interests in three producing oil and gas fields in Turkey, one of which is offshore and the other two are onshore.

SASB

The primary asset of the PPE Turkey is the offshore production license called the South Akcakoca Sub-Basin (“SASB”). PPE Turkey owns a 49% working interest in SASB which has several producing fields with reserves, each with a production platform plus subsea pipelines that connect the fields to an onshore gas plant. SASB is located off the north coast of Turkey towards the western end of the Black Sea in water depths ranging from 60 to 100 meters. Gas is produced from Eocene age sandstone reservoirs at subsea depths ranging from 1,100 to 1,800 meters.

The three nearer shore gas fields of Ayazli (discovered in 2004), Dogu Ayazli (discovered 2005) and Akkaya (discovered in 2006) were included in an initial phase of development with first gas production in 2007. The deeper water Akcakoca field (discovered in 2006) was developed later with first gas production in 2011. All the fields are developed using unmanned well head platforms/tripods tied back via an 18 km 12-inch pipeline to shared processing and compression facilities onshore at Cayagzi gas plant. The gas plant at Cayagzi is capable of processing up to 75 million cubic feet of gas per day. Sales gas is exported via an 18.6 km long 16-inch onshore pipeline, which ties into the main national gas transmission network operated by BOTAS. Historically, gas has been produced at rates of as high as 30 MMcf/d from SASB; total gross production to date from the four fields is in excess of 43 Bcf. The production license for SASB is covered by a modern 223 square kilometre 3D survey. There are five additional gas discoveries in SASB that have not yet been developed. Also, there are several additional prospects defined by 3D seismic data.

The Company commenced the SASB Development Program during September 2022, at which time the Uranus Rig mobilized to the license block from Romania. The drilling rig was then positioned at the Akcakoca platform upon which it drilled South Akcakoca, re-completed Akcakoca-3, drilled Akcakoca West 1 and Guluc 2. In addition, Bayhanli 2 and Alapli 2 were drilled off different tripods. Those 5 new wells and one recompletion were put on production, thus generating revenue for the company. The wells experienced water loading due to the large production tubing size and currently all gas pay in the wells will be perforated and production tubing changed to a smaller diameter.

As at December 31, 2024 the gross gas production rate for SASB was 0.761 MMcfd, net to Company was 0.326 MMcfd (after royalty) The current average daily 2024 gross production rate for the field was 2.08 MMcfd and net to Company was 0.9 MMcfd (after royalty). Currently natural gas is currently being sold at about US\$9.33/mcf domestically in Turkey. The average monthly natural gas sale price year to date for 2024 was approximately US\$10.39/ mcf. Year end production rates were significantly lower due to waterloading issues impacting gas flow.

The Company’s immediate focus is resolving water loading issues on up to nine wells at SASB gas field, through tubing size optimization and pumps. Once this is completed, the Company plans to drill several well extensions of older wells to recover missed pay.

The Company also plans to evaluate exploration opportunities around the SASB development license area, which is currently 12,385 hectares. The Company is currently reprocessing the existing 3D seismic with new technology and gathering additional data to determine and propose new exploration work programs in and around the SASB block. Such new technology is expected to improve the resolution of the data, define new exploration targets and delineate new reserves and resources on SASB.

Cendere

With the acquisition of the PPE Turkey, the Company also acquired a 19.6% interest in the Cendere field except three wells where the Company has a 9.8% interest, a producing oil field located in Central Turkey.

A description of the Cendere Field geological and reservoir characteristics is as follows. The reservoirs are located in the South East Anatolian Basin and within the Middle Cretaceous period. The carbonated Derdere Formation is the main reservoir in Cendere Field and has dolomitization and fracturing, which enhance its production characteristics. There are also four additional oil reservoirs contained within Cendere Field.

The Cendere Field is covered by 54 km² of 3D seismic that was acquired in 2004.

The field was developed using a collection of dispersed oil wells from which production is collected and exported to the Cendere gathering station. The produced oil is exported to the TPAO Karakus processing facility which then is transported onwards to the BOTAS-operated oil pipeline.

There are 20 well pads which currently house 16 producing wells spread over an area of approximately 15 square kilometers. A field gathering station, located to the southwest of the Cendere Field collects the oil and produced water from a collection of flowlines and manifolds.

The Cendere Field is a long-term low decline oil reserve.

Bulgarian Property

In October of 2010, the Company was awarded an exploration permit for the “Vranino 1-11 Block”, a 98,205 acre oil and gas exploration land located in Dobrudja Basin, Bulgaria, by the Bulgarian Counsel of Ministers. On April 1, 2014, the Company entered into an Agreement for Crude Oil and Natural Gas Prospecting and Exploration in the Vranino 1-11 Block with the Ministry of Economy and Energy of Bulgaria (the “License Agreement”). The initial term of the License Agreement is five years. This five-year period will commence once the Bulgarian regulatory authorities approve of the Company’s work programs for the permit area and the Company completes an environmental impact assessment (“EIA”). The License Agreement (or applicable legislation) provides for possible extension periods for up to five additional years during the exploration phase, as well as the conversion of the License Agreement to an exploitation concession, which can last for up to 35 years. Under the License Agreement, the Company was to submit a yearly work program that is subject to approval of the Bulgarian regulatory authorities.

The Company’s commitment is to perform geological and geophysical exploration activities in the first 3 years of the initial term (the “Exploration and Geophysical Work Stage”), followed by drilling activities in years 4 and 5 of the initial term (the “Data Evaluation and Drilling Stage”). The Company is required to drill 10,000 meters (approximately 32,800 feet) of new wellbore (which may be vertical, horizontal or diagonal) and conduct other exploration activities during the initial term.

Pursuant to the License Agreement, the Company is obligated to incur minimum costs during the initial term as follows:

- (i) \$925,000 for the Exploration and Geophysical Work Stage; and
- (ii) \$3,675,000 for the Data Evaluation and Drilling Stage.

In addition, during the term of the License Agreement, the Company is obligated to pay an annual land rental fee of 15,897 BGN (US \$9,061 based on the exchange rate of 0.57 Lev to U.S. Dollar as of April 1, 2022). The Company is permitted to commence limited production during the initial term of the License Agreement. Upon confirmation of a commercial discovery, the Company is entitled to convert the productive area of the license to an exploitation concession that may last for up to 35 years provided that the minimum work commitments are satisfied.

In October and November 2022, the Company determined it would dispose of the Bulgaria property and that it would obtain the options to do so.

Reserves Reported to Other Agencies

We have not filed estimates of total in-place resources with any other federal authority or agency in the United States, Canada, Turkey or Bulgaria at this time. Presently, we are not required to prepare an estimate with respect to the Bulgarian property or the Oil Blocks in Turkey because our license has not yet become effective and there are no reserves as it is exploration.

SUMMARY OF OIL AND GAS RESERVES AS OF FISCAL-YEAR END BASED ON AVERAGE FISCAL-YEAR PRICES

FORM 51-101F

TABLE 2.1.1 SUMMARY OF OIL AND GAS RESERVES as of December 31, 2024
FORECAST PRICES AND COST

RESERVE CATEGORY	LIGHT AND MEDIUM CRUDE OIL		Conventional Natural Gas		Oil Equivalent	
	Gross	Net	Company	Company	Company	Company
	(Mbbbl)	(Mbbbl)	Gross MMcf	Net MMcf	Gross Mboe	Net Mboe
PROVED						
Producing	169	148	-	-	169	148
Developed Non-Producing	32	28	10,041	8,786	1,706	1,493
Undeveloped	-	-	9,471	8,287	1,578	1,381
TOTAL PROVED	202	176	19511	17,072	3,454	3,022
TOTAL PROBABLE	45	39	42,825	37,472	7,182	6,285
TOTAL PROVED PLUS PROBABLE	247	216	62,336	54,544	10,636	9,307
TOTAL POSSIBLE	41	36	46,256	40,474	7,751	6,782
TOTAL PPP	288	252	108,592	95,018	18,387	16,088

An independent firm, GLJ Petroleum Consultants (GLJ or GLJ Consultants) completed an independent reserves assessment and evaluation of the oil and gas properties located in Turkey of Trillion Energy International Inc. The effective date of this evaluation is December 31, 2024. The evaluation was prepared in accordance with procedures and standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook.

Item 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion is management's explanation of factors that have affected the Company's financial condition and results of operations for the historical periods covered by the financial statements, and management's assessment of factors and trends which are anticipated to have material effect on the Company's financial condition and results of operations in future periods.

A. Operating Results**Year Ended December 31, 2024 Compared to Year Ended December 31, 2023**

The net loss for the year ended December 31, 2024 increased by \$9,084,800 compared to the net loss for the year ended December 31, 2023, with a net loss of \$9,128,642 recognized during the year ended December 31, 2024 as compared to a net loss of \$43,842 for the year ended December 31, 2023.

Factors contributing to the net loss for the year included the following:

Revenue

Revenues decreased by \$9,796,530 from \$16,797,366 for the year ended December 31, 2023 to \$7,000,836 for the year ended December 31, 2024. The decrease observed during the year ended December 31, 2024 was due to water loading of wells in the first and second quarters of 2024

Expenses

For the year ended December 31, 2024, the Company incurred production expenses related to its Turkey operations of \$4,771,276 (2023 - \$4,365,710), depletion charges of \$1,300,417 (2023 - \$5,119,174), depreciation expense of \$87,408 (2023- \$175,764) and asset retirement obligation accretion expense of \$269,114 (2023 - \$219,536). Production expenses for the year ended December 31, 2024 increased as compared with the comparative period in 2023 as a result of the Company continuing with their drilling and production program which started in Q4 of 2022. Depletion decreased by \$3,818,757 as a result of a decline in production levels, while depreciation expenses decreased due to the sale and disposal of additional equipment during the year ended December 31, 2024.

For the year ended December 31, 2024, the Company had general and administrative expenses of \$6,182,893, compared to \$7,294,972 for the year ended December 31, 2023. The decrease is primarily due to a reduction in staffing levels primarily due to a decrease in employees working the oil and gas operations and drilling programs in Turkey. Decreases in professional fees correspond with the Company's ceasing the drilling program.

For the year ended December 31, 2024, the Company recorded stock-based compensation of \$1,058,222 compared to \$2,397,261 for the year ended December 31, 2023. The decrease is primarily due to the decrease in the Company's share price year-over-year which is used in the calculation of stock-based compensation.

Other Income (Expense)

For the year ended December 31, 2024, the Company had other income of \$1,413,949 compared to other income of \$5,297,945 for the year ended December 31, 2023. Other income for the year ended December 31, 2024 consists mainly of an impairment on oil and gas assets of \$9,892,000 (2023 - \$Nil), a foreign exchange loss of \$3,781,510 (2023 - \$9,932,252) coupled with a loss on impairment and sale of assets held for sale of \$132,737 (2023 - \$1,556,787) and finance costs of \$2,560,648 (2023 - \$2,249,055) as a result of interest and accretion recognized on convertible debentures issued during 2023. This is offset by the gain on net monetary position of \$18,431,488 (2023 - \$18,984,099). The net monetary gain is a result of Turkey being designated a hyper-inflationary economy as of April 1, 2022 for accounting purposes.

Total Assets

As at December 31, 2024, total assets decreased by \$3,745,860 from \$58,610,428 as at December 31, 2023 to \$54,864,568 as at December 31, 2024. The decrease in total assets was primarily a result of an impairment on oil and gas assets of \$9,892,000 recognized as at December 31, 2024.

Total Non-current Financial Liabilities

Total non-current liabilities as at December 31, 2024 decreased by \$8,433,092 from \$18,603,260 as at December 31, 2023 to \$10,170,168 as at December 31, 2024. The decrease in total non-current financial liabilities was primarily a result of a transfer of \$10,102,627 in convertible debentures from non-current to current liabilities in 2024. The convertible debentures, which were issued in 2023, include certain conversion features and associated warrants which were valued using the option pricing model and required significant assumptions to be made by management to value. Proceeds were \$11,135,145 (CAD\$15 million) less cash transaction costs from the offering of \$775,747. Proceeds of \$10,359,398 were used for working capital to develop the Turkish SASB assets and general operating costs. The convertible debentures original maturity was on April 30, 2025, which has been extended to July 31, 2025.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

For this discussion, see our Amended Annual Report on Form 20-F/A for the fiscal year ended December 31, 2023 filed with the SEC on December 09, 2024.

B. Liquidity and Capital Resources

The following table summarizes our liquidity position:

	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)
Cash	599,208	1,188,445	926,061
Working capital (deficit)	(27,931,650)	(12,929,942)	(4,819,052)
Total assets	54,864,568	58,610,428	37,018,219
Total liabilities	40,715,360	36,397,856	16,392,288
Stockholders' equity	14,149,208	22,212,572	20,625,931

During the year ended December 31, 2024, working capital deficit was \$27,931,650 in comparison to a working capital deficit of \$12,929,942 as at December 31, 2023. The \$15,001,708 decrease in working capital is primarily attributable to the reclassification of \$10,102,627 in convertible debentures from non-current in 2023 to current in 2024.

Subsequent to year-end, the Company amended the terms of its convertible debentures as follows:

- Maturity date extended from April 30, 2025 to July 31, 2025;
- Semi-annual interest due on April 30, 2025 is now authorized to be paid in cash or common shares of the Company at a deemed price of CAD\$0.03 per share

The Company will continue to develop the SASB wells to enhance production through artificial lift, renegotiate terms on the maturing debentures in April 2025 and look for new oil and gas opportunities to develop more revenue producing assets.

Operating, Investing and Financing Activities

The chart below highlights the Company's cash flows:

	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)
Net cash provided by (used in):			
Operating activities	(5,695,137)	(1,526,577)	7,031,965
Investing activities	777,135	(18,783,032)	(37,427,683)
Financing activities	3,723,439	20,586,402	30,115,258
Effect of exchange rate on cash and cash equivalents	605,326	(14,409)	179,531
Increase (decrease) in cash, cash equivalents, and restricted cash	(589,237)	262,384	(100,929)

Cash Used in Operating Activities

Net cash used by operating activities for the year ended December 31, 2024 was \$5,695,137, compared to \$1,526,577 for the year ended December 31, 2023. The current period's net loss of \$9,128,642 was partially offset by \$132,455 in net non-cash items and \$3,301,050 in changes in working capital items. This compares to a loss of \$43,842 coupled with \$1,908,016 in net non-cash items and partially offset by \$425,281 in changes in working capital items for the year ended December 31, 2023.

Net cash used in operating activities for the year ended December 31, 2023, was \$1,526,577, compared to \$7,031,965 cash provided by operating activities for year ended December 31, 2022. The current period loss of \$43,842 was coupled with \$1,908,016 in net non-cash items and offset by \$425,281 in changes in working capital items. This compares to a loss of \$6,121,754, offset by \$6,870,824 in working capital items and 6,282,895 in net non-cash items for the year ended December 31, 2022.

Cash Used in Investing Activities

Net cash used in investing activities for the year ended December 31, 2024, was \$777,135, compared to \$18,783,032 used for the year ended December 31, 2023. Oil and gas properties expenditures decreased to \$2,127,765 from \$56,381,768 in the comparative period, while advances received from the joint venture partner decreased to \$1,348,810 in the year ended December 31, 2024 from \$29,623,835 in the year ended December 31, 2023. Property and equipment expenditures decreased to \$15,309 from \$60,176 in the comparative period. Proceeds from the disposal of equipment and assets held for sale increased to \$1,250,578 from \$Nil in the comparative period.

Net cash used in investing activities for the year ended December 31, 2023, was \$18,783,032, compared to \$37,427,683 used for the year ended December 31, 2022. Oil and gas properties expenditures increased by \$12,012,577 from \$44,369,191 for the year ended December 31, 2022 to \$56,381,768 for the year ended December 31, 2023.

Cash Provided by Financing Activities

We have funded our business to date from sales of our common stock through private placements and a convertible debenture loan.

Net cash provided by financing activities for the year ended December 31, 2024, was \$3,723,439, compared to \$20,586,402 for the year ended December 31, 2023. Cash provided by financing activities in the current period was primarily related to \$1,698,997 in proceeds, net of stock issuance costs, loan proceeds of \$2,402,751 partially offset by loan repayments of \$357,605. In the comparative period cash from financing activities primarily related to \$7,417,630 in proceeds from the issuance of common shares, \$10,359,398 in proceeds from issuance of convertible debt, \$4,988,296 in proceeds from loans, and partially offset by \$2,719,721 in loan repayments.

Net cash provided by financing activities for the year ended December 31, 2023, was \$20,586,402, compared to \$30,115,258 for the year ended December 31, 2022. Cash provided by financing activities in the current period was primarily related to \$8 million in proceeds, net of stock issuance costs, for the issuance of stock related to private placements and warrant and option exercises. Additionally, the Company raised \$10.4 million through the issuance of convertible debt during the year, net of issuance costs. In the comparative period cash from financing activities was primarily related to the issuance of common shares, partially offset by repayment of note payable.

Future Operating Requirements

Our current plan of operation is to increase production from the SASB field through artificial lift and smaller production tubing to ramp up cashflow to use cashflow to improve working capital. The funding for this plan and to pay down accounts payable will come from existing revenues streams, proceeds from sale of excess inventory from the previous drilling program and renegotiate maturing convertible debt and finding additional opportunities in the Oil and Gas industry. Through these developments, the Company believes this will be sufficient to improve working capital to a management level. Renegotiation of maturing convertible debt was finalized on April 17, 2025, and includes the extension of the maturity date by three months as well as interest payments to be made through share issuances.

Once we have brought production levels up to the anticipated levels we shall plan the continuation of drilling production wells extensions at SASB to increase gas production, if and when cash is available. Each sidetrack well is expected to cost US \$2.5 - \$4 million net to Trillion. Up to 10 sidetracks will be drilled, if and when cash is available from operations. As each of the wells is expected to generate cashflow as they are brought online and as cash receipts from production are obtained on a monthly basis, our cash position will be enhanced and capital outlays will be covered, such that increasing sales revenue will contribute positively to the Company's working capital and future anticipated capital expenditures.

As of December 31, 2024, the Company had unrestricted cash of \$599,208 and current liabilities of \$30,545,192, which is not sufficient to cover its plan of operations over the next 12 months and accordingly, the Company anticipates selling inventory, renegotiating convertible debentures and to raise further funds in the short term. The Company is looking for additional opportunities both in Turkey and internationally to develop the Company's asset base.

C. Research and Development, Patents and Licenses, Etc.

The Company has not developed a research and development policy. The Company holds no patents or licenses including technology licenses.

D. Trend Information

Oil and natural gas stocks have traditionally been high over the past few years. The renewed focus in Europe and Turkey is on development of domestic production for petroleum in an effort to shift away from Russian imports, which currently dominate the energy markets in Europe and Turkey.

E. Off-Balance Sheet Arrangements

On October 1, 2018 the Company entered into an agreement to grant to a consultant of the Company a 2% (two percent) gross overriding royalty on petroleum substances produced from certain of its currently undeveloped exploration properties, namely: Block 1-11 Vranino situated in Dobrich District, Bulgaria and seven contiguous exploration licences in the province of Hakkari Yuksekova Semdiali Derecik, Turkey. The Grant of the royalty agreement was for services involving technical and corporate advisory services.

On October 1, 2018 the Company entered into an agreement to grant to the CEO of the Company a 0.5% (one half of one percent) gross overriding royalty on petroleum substances produced from certain of its currently undeveloped exploration properties, namely: Block 1-11 Vranino situated in Dobrich District, Bulgaria and seven contiguous exploration licences in the province of Hakkari Yuksekova Semdiali Derecik, Turkey. The Grant of the royalty agreement was for services involving technical and corporate advisory services.

F. Tabular Disclosure of Contractual Obligations

The Company currently has no contractual obligations in the nature of long term debt obligations, capital finance lease obligations, operating lease obligations or purchase obligations.

G. Safe Harbor

Not applicable.

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Senior Management**

The following table and information that follows sets forth the names and positions of our directors and executive officers as of the date of this annual report:

Name	Current Office with Company	Since
Sean Stofer	Acting Chief Executive Officer, Director Acting President	Director since August 19, 2022, Acting CEO since December 2024
Scott Lower		Acting President since December 2024
David M. Thompson Jay Park	Director Chief Financial Officer Director	Director since October 29, 2013, CFO since January 2024 Director since December 5, 2023

Sean Stofer – Director and acting CEO

Sean Stofer has over 20 years of renewable energy experience. Mr. Stofer is a graduate of the University of British Columbia in Engineering and is a registered Engineer in California. He is a founder of several successful renewable energy companies including for the arctic's largest solar array; 250 MW of solar in the USA; 200+MW of wind projects and over 300MW of hydroelectric projects. He is COO of Green Data Center Real Estate, which uses renewable energy to power data centers. Sean is leading a project of over 500 MW using wind, solar and hydropower. Sean has worked closely with Government to guide policy and has consulted to a wide range of companies. Sean was awarded the Top 40 Under 40 in Vancouver, Canada for his business achievements.

David M. Thompson - Director and CFO

Mr. Thompson has 30 years of financial experience in the oil and gas industry as a CPA, CMA. He successfully founded an oil trading company in Bermuda with offices in the U.S. and Europe (Geneva, Moscow and Amsterdam). He was responsible for that company's production operations in Turkmenistan and successfully raised over \$100 million in equity. Mr. Thompson also negotiated the farm-out of a number of company assets. Mr. Thompson is Managing Director of AMS Limited, a Bermuda based Management Company. In the past he served as Founder, President and CEO of Sea Dragon Energy Inc. (TSX:V), Chief Financial Officer of Aurado Energy, Chief Financial Officer of Forum Energy Corporation (OTC), Financial Director of Forum Energy Plc (AIM) and Senior Vice President at Larmag Group of Companies. Mr. Thompson is a Certified Management Accountant (1998).

Jay Park - Director

Jay Park KC has been appointed to the board of directors of the Company. Mr. Park is a renowned energy lawyer with a particular focus on upstream oil and gas transactions. He has worked on energy projects in more than fifty countries, including Turkey. He has advised international energy companies, including oil and gas explorers, producers, marketers, pipeline companies, state oil companies, governments, banks and multilateral agencies such as the World Bank. Mr. Park was formerly CEO (April 2018- September 2020) and then Chairman (September 2020-January 2022) of ReconAfrica (TSXV: RECO) exploring for oil & gas in Namibia and Botswana. During this period ReconAfrica was twice named to the TSX Venture 50 and was the top performing 2021 TSX Venture 50 company from the energy sector. Mr. Park is currently Executive Chairman of MCF Energy Ltd. (TSX.V: MCF) exploring for gas in Europe.

Scott Lower – President

Mr. Lower has served in a consulting role for the Company for several years primarily in the public markets space and was recently appointed as President. Mr. Lower holds his CPA designation, a Bachelors of Business Administration from SFU and has a background in finance and public markets.

B. Compensation of executive officers and directors

The following tables and accompanying notes set forth all compensation paid by our company to our directors and senior management for the positions held during 2024 and 2023.

No part of this compensation was paid pursuant to a profit sharing plan. There were no amounts set aside for a pension, retirement or similar benefits plans for any director or officer.

Directors and Senior Management Compensation Table

Name	Position	Year	Option-based awards (US\$)	Compensation (US\$)	Non-equity incentive plan compensation Annual incentive plans	Total compensation (US\$)
Arthur Halleran	President and CEO	2024	166,000	344,000	-	510,000
(Resigned 3 Jan 2025)	President and CEO,	2023	264,000	998,401	-	1,262,401
Ozge Karalli	CFO	2024	-	3,000	-	3,000
(Terminated 7 March 2023)	CFO	2023	276,174	91,144	-	367,318
David Thompson	CFO & Director	2024	137,000	209,000	-	346,000
Appointed 7 March 2024	Director	2023	52,800	35,573	-	88,373
Burak Terzi	CCO	2024	57,000	189,000	-	246,000
		2023	-	-	-	-
Barry Wood	Director	2024	-	-	-	-
Resigned 5 Dec 2023		2023	28,600	26,679	-	55,279
Kubilay Yildirim	Director and COO	2024	-	(26,000)	-	(26,000)
(Terminated 7 March 2024)	Director and COO	2023	414,209	100,248	-	514,457
Sean Stofer	Director	2024	195,000	49,000	-	244,000
	Director	2023	31,200	35,573	-	66,773
Jay Park	Director	2024	125,000	103,000	-	228,000
	Director	2023	2,600	6,433	-	9,033
Al Thorsen	COO	2024	19,000	102,000	-	121,000
Appointed 22 Jan 2024, Terminated 18 July 2024						
Scott Lower	President	2024	157,000	262,000	-	419,000
President Park Place Energy (Turkiye) Limited 3 Jan 2024						

Long Term Incentive Plan (LTIP) Awards

During the fiscal year ended December 31, 2024, we granted 2,026,468 (2023 – 1,235,925) restricted stock units (“RSUs”) to senior management and directors as follows:

Name	Position	Year	RSUs Granted
Arthur Halleran	Former President and CEO	2024	645,968
		2023	972,525
Ozge Karalli	Former CFO	2024	-
		2023	50,000
David Thompson	Director, CFO	2024	102,000
		2023	48,000
Barry Wood	Former Director	2024	-
		2023	18,000

Kubilay Yildirim	Former Director	2024	-
		2023	69,400
Sean Stofer	Director, CEO	2024	120,000
		2023	48,000
Jay Park	Director	2024	120,000
		2023	30,000
Scott Lower	President	2024	1,038,500

C. Board Practices

Election of Directors

The directors of Trillion Energy International Inc. are elected annually and hold office until the earlier occurrence of the next annual general meeting of our shareholders is held, their successors in office are duly elected or appointed or a director resigns. We have not entered into service contracts with any directors of our company or any of our subsidiaries providing for benefits upon termination of employment.

Board of Directors Independence

Our Board of Directors consists of three members; namely, Jay Park, David Thompson, and Sean Stofer. Our Board of Directors has determined that Jay Park, is an independent director within the within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the Marketplace Rules of the NASDAQ and as is required by the applicable policies of the TSX. Sean Stofer and David Thompson are not independent within the meaning of NI 58-101 as they are managers and or officers of our company and thereby have a “material relationship” with our company.

D. Employees

As of December 31, 2024, the Company had 10 employees.

E. Share Ownership

The following table sets forth, as of April 29, 2025, the number of common shares of our company beneficially owned by the directors and members of senior management of Trillion International Energy Inc., individually, and as a group, and the percentage of ownership of the outstanding common shares represented by such shares.

NAME OF BENEFICIAL OWNER	TITLE	TITLE OF CLASS OF SHARES	NUMBER OF SECURITIES OF CLASS	PERCENTAGE OF CLASS ⁽¹⁾
Arthur Halleran	Former President, CEO and Director	common	7,180,128	3.7%
David Thompson	CFO and Director	common	2,234,224	1.1%
Ozge Karalli	Former CFO	common	-	0.0%
Kubilay Yildirim	Former COO and Director	common	0	0.0%
Sean Stofer	CEO and Director	common	2,643,222	1.4%
Scott Lower	President of company	Common	3,626,402	1.86%
Al Thorsen	Former COO	Common	0	
Directors and Officers as a Group			15,683,976	8.06%

⁽¹⁾ Based on 163,005,260 common shares outstanding as at April 29, 2025.

Stock Options Outstanding

The names and titles of the directors and executive officers of our company to whom outstanding stock options have been granted and the number of common shares subject to such stock options is set forth in the following table as of December 31, 2024.

Name	Title	Number of Stock Options Granted to Purchase Common Shares	Exercise Price	Expiration Date
Arthur Halleran	Former President, CEO and Director	400,000 1,000,000	CAD\$ 0.20 CAD\$ 0.14	August 3, 2027 24 August 2029
Ozge Karalli	Former CFO			
All Options cancelled at Termination of Contract 7 th March 2024				
David Thompson	CFO and Director	600,000 1,000,000	CAD\$ 0.20 CAD\$ 0.14	August 3, 2027 August 24, 2029
Kubilay Yildirim				
All options cancelled on Termination 7 th March 2024				
Sean Stofer	CEO and Director	400,000 2,000,000	CAD\$ 0.20 CAD\$ 0.14	August 3, 2027 August 24 2029
Jay Park	Director	400,000 1,000,000	CAD\$ 0.20 CAD\$ 0.14	August 3, 2027 August 24 2029

Scott Lower	President of Subsidiary	400,000	CAD\$	0.20	August 3, 2027
		1,000,000	CAD\$	0.14	August 24, 2029

As a group, executive officers and directors hold 8,200,000 stock options as at December 31, 2024.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The Company is a publicly traded corporation, the shares of which are owned by Canadian residents, U.S. residents and residents of other countries.

As at December 31, 2024 and 2023, the Company had no beneficial owners of 5% or more of the Company's common stock.

The Company is not aware of any other company, any foreign government or any other person, jointly or severally, that directly or indirectly controls the Company. The Company is not aware of any arrangements, the operation of which may at a future date result in a change of control of the Company.

B. Related Party Transactions

At December 31, 2024, notes receivable included \$37,172 (December 31, 2023 - \$nil) to related parties.

At December 31, 2024, accounts payable and accrued liabilities included \$422,564 (December 31, 2023 - \$115,526) due to related parties. The amounts are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, management fees and salaries of \$735,661 (2023 - \$924,083 and 2022 - \$711,766), director fees of \$118,200 (2023 - \$145,500 and 2022 - \$92,000), consulting fees of \$609,485 (2023 - \$52,313 and 2022 - \$Nil), and stock-based compensation of \$913,163 (2023 - \$1,294,051 and 2022 - \$926,119) were incurred to related parties.

During the year ended December 31, 2024, the Company granted 438,000 RSU's to directors pursuant to the Company's director compensation plan, 645,968 RSU's pursuant to certain anniversary terms in the employment agreement of a member of management and accrued for 1,038,500 RSU's valued at \$54,197 as an annual bonus to a member of management. As a result of a settlement agreement entered between the Company and a senior member of management during the year, 96,000 RSU's were cancelled.

During the year ended December 31, 2024, the Company issued 2,155,578 shares for RSU's which were granted and vested during the year and during previous periods.

During the year ended December 31, 2024, the Company issued 4,906,847 shares (2023 - 80,000) and 4,076,302 units (2023 - Nil) with a fair value of \$836,921 (2023 - \$115,304) and \$327,388 (2023 - \$Nil), respectively, to related parties of the Company to settle accounts payable of \$800,958 (2023 - \$118,261) and obligation to issue shares of \$146,401 (2023 - \$Nil) and recognized a loss on settlement of \$216,951 (2023 - gain of \$2,957). During the year ended December 31, 2022, the Company issued 400,000 units with a fair value of \$260,681 for the settlement of accounts payable owed to related parties in the amount of \$260,681, resulting in no gain or loss.

As at December 31, 2024, loans payable included CAD\$252,743 (USD\$191,811) (December 31, 2023 - CAD\$402,115 (USD\$420,281)) due to related parties. The loans payable are unsecured, bears interest ranging from 6% - 12% per annum and have maturity dates ranging from December 31, 2024 to December 27, 2026.

As at December 31, 2024, \$6,000 (2023 - \$Nil) in shares were owed to an officer of the Company.

During the year ended December 31, 2023, the Company repurchased 586,868 RSU's from directors and recognized a reduction to equity of \$799,212 on the transaction. \$473,331 of the RSU's repurchased was applied against outstanding notes receivable.

C. Interests of Experts and Counsel

Not applicable.

Item 8. FINANCIAL INFORMATION

A. Financial Statements and Other Financial Information

Financial Statements filed as part of this annual report under item 18.

B. Significant Changes

Since the date of the audited financial statements for the year ended December 31, 2024, there have been no significant changes in the Company's operations.

Item 9. THE OFFER AND LISTING

A. Offer and Listing Details

The Company is a publicly traded corporation, the shares of which are owned by Canadian residents, U.S. residents and residents of other countries.

As of April 28, 2025, the Company had approximately 230 shareholders of record holding 163,005,260 shares.

B. Plan of Distribution

Not applicable.

C. Markets

The common shares of the Company are quoted on the CSE under the trading symbol TCF and on the OTCQB operated by the OTC Markets Inc. under the symbol "TRLEF".

The Company's common stock is subject to the regulations on penny stocks; consequently, the market liquidity for the common stock may be adversely affected by such regulations limiting the ability of broker/dealers to sell the Company's common stock and the ability of shareholders to sell their securities in the secondary market in the United States.

Rules 15g-1 through 15g-9 promulgated under the Exchange Act impose sales practice and disclosure requirements on certain broker-dealers who engage in certain transactions involving Penny Stock. Subject to certain exceptions, a Penny Stock generally includes any non-NASDAQ equity security that has a market price of less than \$5.00 per share. The additional sales practice and disclosure requirements imposed upon broker-dealers may discourage broker-dealers from effecting transactions in our shares, which could severely limit the market liquidity of our shares and impede the sale of our shares in the secondary market.

Under the Penny Stock regulations, a broker-dealer selling Penny Stock to anyone other than an established customer or Accredited Investor (generally, an individual with net worth in excess of \$1,000,000 or an annual income exceeding \$200,000, or \$300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the Penny Stock regulations require the broker-dealer to deliver, prior to any transaction involving a Penny Stock, a disclosure schedule prepared by the Commission relating to the Penny Stock market, unless the broker-dealer or the transaction is otherwise exempt. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the registered representative and current quotations for the securities. Finally, a broker-dealer is required to send monthly statements disclosing recent price information with respect to the Penny Stock held in a customer's account and information with respect to the limited market in Penny Stocks.

Odyssey Trust is the registrar and transfer agent for the Company's common shares.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. ADDITIONAL INFORMATION

A. Share Capital

The Company has an authorized share capital of an unlimited number of common shares with no par value. The Company currently has 163,005,260 common shares issued and outstanding as fully paid and non-assessable.

B. Memorandum and Articles of Association

Previously filed with the Securities and Exchange Commission on the Company's Form S-4/A Registration Statement filed on October 27, 2021

C. Material Contracts

None

D. Exchange Controls

There are no foreign exchange controls in Canada and funds can be moved easily. There is no restriction in this regard.

E. Taxation

Canadian Federal Income Tax Consequences

The following summarizes the principal Canadian federal income tax consequences applicable to the holding and disposition of common shares in the capital of the Company by a United States resident, and who holds common shares solely as capital property, referred to as a "U.S. Holder". This summary is based on the current provisions of the Income Tax Act (Canada), referred to as the "Tax Act", the regulations thereunder, all amendments thereto publicly proposed by the government of Canada, the published administrative practices of Revenue Canada, Customs, Excise and Taxation, and the current provisions of the Canada-United States Income Tax Convention, 1980, as amended, referred to as the "Treaty". Except as otherwise expressly provided, this summary does not take into account any provincial, territorial or foreign (including without limitation, any United States) tax law or treaty. It has been assumed that all currently proposed amendments will be enacted substantially as proposed and that there is no other relevant change in any governing law or practice, although no assurance can be given in these respects.

Each U.S. Holder is advised to obtain tax and legal advice applicable to such U.S. Holder's particular circumstances.

Every U.S. Holder is liable to pay a Canadian withholding tax on every dividend that is or is deemed to be paid or credited to the U.S. Holder on the U.S. Holder's common shares. The statutory rate of withholding tax is 25% of the gross amount of the dividend paid. The Treaty reduces the statutory rate with respect to dividends paid to a U.S. Holder for the purposes of the Treaty. Where applicable, the general rate of withholding tax under Treaty is 15% of the gross amount of the dividend. The Company is required to withhold the applicable tax from the dividend payable to the U.S. Holder, and to remit the tax to the Receiver General of Canada for the account of the U.S. Holder.

Pursuant to the Tax Act, a U.S. Holder will not be subject to Canadian capital gains tax on any capital gain realized on an actual or deemed disposition of a common share, including a deemed disposition on death, provided that the U.S. Holder did not hold the common share as capital property used in carrying on a business in Canada, and that neither the U.S. Holder nor persons with whom the U.S. Holder did not deal at arms-length (alone or together) owned or had the right or an option to acquire 25% or more of the issued shares of any class of the Company at any time in the five years immediately preceding the disposition.

United States Federal Income Tax Consequences

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from the ownership and disposition of the common shares. This summary applies only to U.S. Holders who hold common shares as capital assets (generally, property held for investment).

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the ownership and disposition of common shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular U.S. Holder. In addition, this summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. Medicare contribution, U.S. state and local, or non-U.S. tax consequences of the acquisition, ownership or disposition of common shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each U.S. Holder should consult its own tax advisor regarding all U.S. federal, U.S. state and local and non-U.S. tax consequences of the ownership and disposition of common shares.

No opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the “IRS”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the ownership or disposition of common shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, any position taken in this summary. In addition, because the authorities upon which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of This Disclosure

Authorities This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the “Canada-U.S. Tax Convention”), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date hereof. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders. For purposes of this summary, the term “U.S. Holder” means a beneficial owner of common shares that is for U.S. federal income tax purposes:

An individual who is a citizen or resident of the U.S.;

A corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;

An estate the income of which is subject to U.S. federal income taxation regardless of its source; or

A trust that (a) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

For purposes of this summary, a “non-U.S. Holder” is a beneficial owner of common shares that is not a partnership (or other “passthrough” entity) for U.S. federal income tax purposes and is not a U.S. Holder. This summary does not address the U.S. federal income tax considerations applicable to non-U.S. Holders arising from the ownership or disposition of common shares.

Accordingly, a non-U.S. Holder should consult its own tax advisor regarding all U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application of and operation of any income tax treaties) relating to the purchase of the common shares and the ownership or disposition of common shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations of ownership or disposition of common shares by U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following: (a) tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) broker-dealers, dealers, or traders in securities or currencies that elect to apply a “mark-to-market” accounting method; (d) U.S. Holders that have a “functional currency” other than the U.S. dollar; (e) U.S. Holders that own common shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that acquire common shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) U.S. Holders that hold common shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) U.S. Holders that own directly, indirectly, or by attribution, 10% or more, by voting power or value, of the outstanding stock of the Company; and (i) U.S. Holders subject to Section 451(b) of the Code. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold common shares in connection with carrying on a business in Canada; (d) persons whose common shares constitute “taxable Canadian property” under the Tax Act; or (e) persons that have a permanent establishment in Canada for purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding all U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application and operation of any income tax treaties) relating to the acquisition, ownership, or disposition of common shares.

If an entity or arrangement that is classified as a partnership (or other “passthrough” entity) for U.S. federal income tax purposes holds common shares, the U.S. federal income tax consequences to such partnership and the partners (or other owners) of such partnership of the ownership, or disposition of the common shares generally will depend on the activities of the partnership and the status of such partners (or other owners). This summary does not address the U.S. federal income tax consequences for any such partner or partnership (or other “passthrough” entity or its owners). Owners of entities and arrangements that are classified as partnerships (or other “passthrough” entities) for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership or disposition of common shares.

Sale or Other Taxable Disposition of Common Shares

Subject to the PFIC rules discussed below, upon the sale or other taxable disposition of common shares, a U.S. Holder generally will recognize a capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder’s tax basis in the common shares sold or otherwise disposed of. Such capital gain or loss will generally be a long-term capital gain or loss if, at the time of the sale or other taxable disposition, the U.S. Holder’s holding period for the common shares is more than one year. Preferential tax rates apply to long-term capital gains of noncorporate U.S. Holders. Deductions for capital losses are subject to significant limitations under the Code. A U.S. Holder’s tax basis in common shares generally will be such U.S. Holder’s U.S. dollar cost for such common shares.

Medicare Tax

Certain U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally are subject to a 3.8% tax on all or a portion of their net investment income, which may include their gross dividend income and net gains from the disposition of our ordinary shares.

Passive Foreign Investment Company (“PFIC”) Status of the Company

Because the Company is producing revenue from its operations, the Company does not believe that it was classified as a PFIC for its taxable year ended December 31, 2023. However, the Company has not performed an analysis of whether or not it will be deemed a PFIC for its current taxable year. The determination of PFIC status is inherently factual, is subject to a number of uncertainties, and can be determined only annually at the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. If the Company is or becomes a PFIC, the foregoing description of the U.S. federal income tax consequences to U.S. Holders of the acquisition, ownership and disposition of Common Shares will be different. There can be no assurance that the Company will or will not be determined to be a PFIC for the current tax year or any prior or future tax year, and no opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or will be requested. U.S. Holders should consult their own U.S. tax advisors regarding the PFIC status of the Company. The U.S. federal income tax consequences of owning and disposing of common shares if the Company is or becomes a PFIC are described below under the heading “Tax Consequences if the Company is a PFIC.”

A non-U.S. corporation is a PFIC for each tax year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) (the “income test”) or (ii) 50% or more (by value) of its assets (based on an average of the quarterly values of the assets during such tax year) either produce or are held for the production of passive income (the “asset test”). For purposes of the PFIC provisions, “gross income” generally includes sales revenues less cost of goods sold, plus income from investments and from incidental or other operations or sources, and “passive income” generally includes dividends, interest, certain rents and royalties, certain gains from commodities or securities transactions and the excess of gains over losses from the disposition of certain assets which produce passive income. If a non-U.S. corporation owns at least 25% (by value) of the stock of another corporation, the non-U.S. corporation is treated, for purposes of the income test and asset test, as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation’s income.

Under certain attribution and indirect ownership rules, if the Company is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of the Company’s direct or indirect equity interest in any company that is also a PFIC (a “Subsidiary PFIC”), and will be subject to U.S. federal income tax on their proportionate share of (a) any “excess distributions,” as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by the Company or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of common shares. Accordingly, U.S. Holders should be aware that they could be subject to tax even if no distributions are received and no redemptions or other dispositions of the Company’s common shares are made.

Tax Consequences if the Company is a PFIC

If the Company is a PFIC for any tax year during which a U.S. Holder holds common shares, special rules may increase such U.S. Holder’s U.S. federal income tax liability with respect to the ownership and disposition of such common shares. If the Company is a PFIC for any tax year during which a U.S. Holder owns common shares, the Company will be treated as a PFIC with respect to such U.S. Holder for that tax year and for all subsequent tax years, regardless of whether the Company meets the income test or the asset test for such subsequent tax years, unless the U.S. Holder makes a “deemed sale” election with respect to the common shares. If the election is made, the U.S. Holder will be deemed to sell the common shares it holds at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain recognized from such deemed sale would be taxed under the PFIC excess distribution regime. After the deemed sale election, the U.S. Holder’s common shares would not be treated as shares of a PFIC unless the Company subsequently becomes a PFIC. U.S. Holders should consult their own U.S. tax advisors regarding the availability and desirability of a deemed sale election.

Under the default PFIC rules:

Any gain realized on the sale or other disposition (including dispositions and certain other events that would not otherwise be treated as taxable events) of common shares (including an indirect disposition of the stock of any Subsidiary PFIC) and any “excess distribution” (defined as a distribution to the extent it (together with all other distributions received in the relevant tax year) exceeds 125% of the average annual distribution received during the shorter of the preceding three years or the U.S. Holder’s holding period for the common shares) received on common shares or with respect to the stock of a Subsidiary PFIC will be allocated ratably to each day of such U.S. Holder’s holding period for the common shares;

The amount allocated to the current tax year and any year prior to the first year in which the Company was a PFIC will be taxed as ordinary income in the current year;

The amount allocated to each of the other tax years (the “Prior PFIC Years”) will be subject to tax at the highest ordinary income tax rate in effect for the applicable class of taxpayer for that year; and

An interest charge will be imposed with respect to the resulting tax attributable to each Prior PFIC Year.

A U.S. Holder that makes a timely and effective “mark-to-market” election under Section 1296 of the Code (a “Mark-to-Market Election”) or a timely and effective election to treat the Company and each Subsidiary PFIC as a “qualified electing fund” (a “QEF”) under Section 1295 of the Code (a “QEF Election”) may generally mitigate or avoid the default PFIC rules described above with respect to common shares. U.S. Holders should be aware that there can be no assurance that the Company has satisfied or will satisfy the recordkeeping requirements that apply to a QEF or that the Company has supplied or will supply U.S. Holders with information such U.S. Holders require to report under the QEF rules in the event that the Company is a PFIC for any tax year.

A timely and effective QEF Election requires a U.S. Holder to include currently in gross income each year its pro rata share of the Company’s ordinary earnings and net capital gains, regardless of whether such earnings and gains are actually distributed. Thus, a U.S. Holder could have a tax liability with respect to such ordinary earnings or gains without a corresponding receipt of cash from the Company. If the Company is a QEF with respect to a U.S. Holder, the U.S. Holder’s basis in the common shares will be increased to reflect the amount of the taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in the common shares and will not be taxed again as a distribution to a U.S. Holder. Taxable gains on the disposition of common shares by a U.S. Holder that has made a timely and effective QEF Election are generally capital gains. A U.S. Holder must make a QEF Election for the Company and each Subsidiary PFIC if it wishes to have this treatment. To make a QEF Election, a U.S. Holder will need to have an annual information statement from the Company setting forth the ordinary earnings and net capital gains for the year and the Company may not provide this statement, in which case a QEF Election cannot be made. In general, a U.S. Holder must make a QEF Election on or before the due date for filing its income tax return for the first year to which the QEF Election will apply. Under applicable Treasury Regulations, a U.S. Holder will be permitted to make retroactive elections in particular, but limited, circumstances, including if it had a reasonable belief that the Company was not a PFIC and did not file a protective election. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

Each U.S. Holder should consult its own tax advisor regarding the availability and desirability of, and procedure for, making a timely and effective QEF Election (including a “pedigreed” QEF election where necessary) for the Company and any Subsidiary PFIC.

Alternatively, a Mark-to-Market Election may be made with respect to “marketable stock” in a PFIC if which is stock that is “regularly traded” on a “qualified exchange or other market” (within the meaning of the Code and the applicable U.S. Treasury Regulations). A class of stock that is traded on one or more qualified exchanges or other markets is considered to be “regularly traded” for any calendar year during which such class of stock is traded in other than de minimis quantities on at least 15 days during each calendar quarter. If the common shares are considered to be “regularly traded” within this meaning, then a U.S. Holder generally will be eligible to make a Mark-to-Market Election with respect to its common shares. However, there is no assurance that the common shares will be or remain “regularly traded” for this purpose. A Mark-to-Market Election may not be made with respect to the stock of any Subsidiary PFIC. Hence, a Mark-to-Market Election will not be effective to eliminate the application of the default PFIC rules, described above, with respect to deemed dispositions of Subsidiary PFIC stock, or excess distributions with respect to a Subsidiary PFIC.

A U.S. Holder that makes a timely and effective Mark-to-Market Election with respect to common shares generally will be required to recognize as ordinary income in each tax year in which the Company is a PFIC an amount equal to the excess, if any, of the fair market value of such shares as of the close of such taxable year over the U.S. Holder's adjusted tax basis in such shares as of the close of such taxable year. A U.S. Holder's adjusted tax basis in the common shares generally will be increased by the amount of ordinary income recognized with respect to such shares. If the U.S. Holder's adjusted tax basis in the common shares as of the close of a tax year exceeds the fair market value of such shares as of the close of such taxable year, the U.S. Holder generally will recognize an ordinary loss, but only to the extent of net mark-to-market income recognized with respect to such shares for all prior taxable years. A U.S. Holder's adjusted tax basis in its common shares generally will be decreased by the amount of ordinary loss recognized with respect to such shares. Any gain recognized upon a disposition of the common shares generally will be treated as ordinary income, and any loss recognized upon a disposition generally will be treated as an ordinary loss to the extent of net mark-to-market income recognized for all prior taxable years. Any loss recognized in excess thereof will be taxed as a capital loss. Capital losses are subject to significant limitations under the Code.

Each U.S. Holder should consult its own tax advisor regarding the availability and desirability of, and procedure for, making a timely and effective Mark-to-Market Election with respect to the common shares.

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax in connection with the ownership or disposition of common shares may (under certain circumstances) be entitled to receive either a deduction or a credit for such Canadian income tax paid generally at the election of such U.S. Holder. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all creditable foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a non-U.S. corporation should be treated as foreign source for this purpose, and gains recognized on the sale of securities of a non-U.S. corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty and if an election is properly made under the Code. However, the amount of a distribution with respect to the common shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Special rules apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution, including a constructive distribution, from a PFIC. Subject to such special rules, non-U.S. taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult its own tax advisor regarding their application to the U.S. Holder.

Receipt of Foreign Currency

The amount of any distribution or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership of common shares, or on the sale or other taxable disposition of common shares will be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of the payment, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to their U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would generally be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method with respect to foreign currency.

Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

Information Reporting; Backup Withholding

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a non-U.S. corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of “specified foreign financial assets” includes not only financial accounts maintained in non-U.S. financial institutions, but also, if held for investment and not in an account maintained by certain financial institutions, any stock or security issued by a non-U.S. person, any financial instrument or contract that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. A U.S. Holder may be subject to these reporting requirements unless such U.S. Holder’s common shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns on IRS Form 8938, and, if applicable, filing obligations relating to the PFIC rules, including possible reporting on an IRS Form 8621.

Payments made within the U.S. or by a U.S. payor or U.S. middleman of (a) distributions on the common shares, and (b) proceeds arising from the sale or other taxable disposition of common shares generally will be subject to information reporting. In addition, backup withholding, currently at a rate of 24%, may apply to such payments if a U.S. Holder (a) fails to furnish such U.S. Holder’s correct U.S. taxpayer identification number (generally on IRS Form W9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding. Certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding rules will be allowed as a credit against a U.S. Holder’s U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. The information reporting and backup withholding rules may apply even if, under the Canada-U.S. Tax Convention, payments are eligible for a reduced withholding rate.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

The above summary is not intended to constitute a complete analysis of all U.S. tax considerations applicable to U.S. holders with respect to the ownership, exercise or disposition of common shares. U.S. Holders should consult their own tax advisors as to the tax considerations applicable to them in their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

The documents concerning the Company which are referred to in this Form 20-F Annual Report are either annexed hereto as exhibits (*see Item 19*) or may be inspected at the principal offices of the Company.

I. Subsidiary Information

The Company has the following subsidiaries:

Park Place Energy Corp. (“PPE Corp.”);
Park Place Energy Bermuda (“PPE Bermuda”);
BG Exploration EOOD (“BG Exploration”); and
Park Place Energy Turkey (“PPE Turkey”)
Park Place Energy Gabar Limited (“PPG”)

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our Company does not engage in market activities or invest in financial instruments which give rise to market risk for the Company’s financial resources. Our current assets are maintained in cash in U.S. dollars. Unallocated excess working capital has from time to time been invested in short term guaranteed investment certificates.

Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

Item 15. CONTROLS AND PROCEDURES**(a) Disclosure Controls and Procedures**

As required by Rule 13a-15 under the Exchange Act, as of the end of the period covered by this report, being December 31, 2024, we have carried out an evaluation of the effectiveness of the design and operation of our Company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our management, including our president and chief executive officer and chief financial officer. Based upon that evaluation, our president and chief executive officer and chief financial officer concluded that our disclosure controls and procedures were not effective as of December 31, 2024, due to a material weakness in our internal control over financial reporting, as further discussed below.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, and for evaluating the effectiveness of internal control over financial reporting as of December 31, 2024. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive officer and principal financial officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS; and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management which includes our president and chief executive officer and chief financial officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2024 based upon criteria in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on such evaluation, management determined that our internal control over financial reporting was not effective as of December 31, 2024 because the following material weaknesses in internal control over financial reporting existed as of December 31, 2024: the lack of independent review. In order to address this deficiency, management is in the process of implementing additional levels of review as part of its financial close process.

(c) Attestation report of the registered public account firm

This Form 20-F Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Form 20-F Annual Report.

(d) Changes in internal control over financing reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company does not have an audit committee financial expert serving on its audit committee. Each of the Company's directors serving on the audit committee is financially literate and is able to professionally discharge the duties incumbent upon audit committee members. However, none of the audit committee members are "financial experts". At such time as the Company may secure a project and is able to raise the significant funds necessary to exploit the opportunity, the Company will make a concerted effort to identify and appoint a financial expert to its audit committee.

Item 16B. CODE OF ETHICS

On October 21, 2021, the Board of Directors of the Company (the "Board") adopted a Code of Business Conduct and Ethics (the "Code"), which applies to the Company's directors, officers and employees. The Code was adopted to further strengthen the Company's internal compliance program. The Code addresses among other things, honesty and integrity, fair dealing, conflicts of interest, compliance with laws, regulations and policies, including disclosure requirements under the federal securities laws, and administration of the code.

Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES*Audit Fees*

For the year ended December 31, 2024, the aggregate fees to MNP LLP for professional services rendered for the audits of our annual financial statements included in our Form 20-F Annual Report were \$ 140,000. For the year ended December 31, 2023, the aggregate fees to MNP LLP for professional services rendered for the audits of our annual financial statements included in our Form 20-F Annual Report were \$273,076.

Audit Related and Other Fees

The Company did not pay any audit related fees or fees for other non-audit services to MNP LLP during the year ended December 31, 2024.

For the year ended December 31, 2023, the aggregate fees to MNP LLP for professional services rendered for the review of our interim financial statements were \$54,823.

The board of directors pre-approves all services provided by our independent auditors. All the audit related and other non-audit services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

Item 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

Item 16G. CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board of the Company is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The non-independent members of the Board of the Company are:

David Thompson
Sean Stofer

The independent member of the Board of the Company for the 2024 year is:

Jay Park

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, identifying new exploration prospects, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems.

Directorships

The directors of the Company do not hold directorships in other reporting issuers.

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board reviews its size each year. It considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Compensation committee consists of the board of directors.

Other Board Committees

The Company has a reserves committee which consists of each Sean Stofer, Art Halleran and David Thompson.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Board has frequent communications with management and other board members, and is regularly consulted on important Company decisions. In this context, the Board periodically reviews the performance of the Board as a whole, any standing committees it has appointed, and individual directors, to ensure each is performing effectively.

Item 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

Item 17. FINANCIAL STATEMENTS

The Company has elected to report under Item 18.

Item 18. FINANCIAL STATEMENTS

The Company's financial statements have been prepared in accordance with IFRS. Copies of the financial statements specified in Regulation 228.210 (Item 310) are filed with this Form 20-F Annual Report and are located following the signature page hereof.

Index to Financial Statements

Consolidated Financial Statements of Trillion Energy International Inc. for the years ended December 31, 2024, 2023 and 2022

[Report of MNP LLP dated April 30, 2025.](#)

[MNP LLP PCAOB ID# 1930](#)

[Consolidated Statements of Financial Position as of December 31, 2024 and 2023](#)

[Consolidated Statements of Loss and Comprehensive Loss for the years ended December 31, 2024, 2023, and 2022](#)

[Consolidated Statements of Stockholders' Equity \(Deficiency\) for the years ended December 31, 2024, 2023, and 2022](#)

[Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022](#)

[Notes to the Consolidated Financial Statements](#)

Item 19. EXHIBITS

Copies of the following documents are filed with this Form 20-F Annual Report as exhibits:

Index of Exhibits

11.1	Code of ethics and business conduct
12.1	Section 302 Certification of CEO
12.2	Section 302 Certification of CFO
13.1	Section 906 Certification of CEO
13.2	Section 906 Certification of CFO
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRILLION ENERGY INTERNATIONAL INC.

Dated: May 15, 2025

Per:

/s/ Sean Stofer

Sean Stofer,
Chairman and Chief Executive Officer

Per:

/s/ David Thompson

David Thompson,
Chief Financial Officer

Trillion Energy International Inc.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Stated in United States dollars)

F-1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Trillion Energy International Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Trillion Energy International Inc. (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of income (loss) and comprehensive income (loss), stockholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and the results of its consolidated operations and its consolidated cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a negative working capital position, has accumulated deficits, and negative cash flows from operations, which raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. This matter is also described in the “Critical Audit Matters” section of our report.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

Suite 2000, 112 - 4th Avenue SW, Calgary AB, T2P 0H3

1.877.500.0792 T: 403.263.3385 F: 403.269.8450

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of impairment indicators and the impact of estimated oil and gas reserves on oil and gas assets

Critical Audit Matter Description

We refer to Note 2 (h) summary of significant accounting policies and Note 6 Oil and Gas Properties. The Company had \$50.8 million of oil and gas properties as at December 31, 2024. Depletion expense was \$1.3 million for the year then ended. The Company depletes its oil and gas properties on a unit-of-production basis over the life of their proved reserves. The Company identified indicators of impairment as at December 31, 2024 related to the Company's South Akcakoca Sub-Basin cash generating unit ("CGU"). The Company therefore determined the recoverable amount as of December 31, 2024 and recognized an impairment of \$9.9 million. Key assumptions developed by management to determine proved reserves include forward price estimates, expected future rates of production, the amount and timing of future development expenditures, and future royalties and operating expenditures. The Company's reserves are evaluated by an independent qualified reserve evaluator (management's expert).

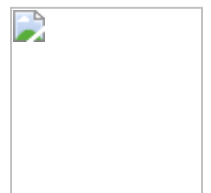
- We identified the impact of oil and natural gas reserves on oil and gas properties and the assessment of the recoverable amount of oil and gas properties as a key audit matter due to:
- The significant estimates and judgments used by management, including the use of management's expert, to estimate the proved reserves.
- The significant auditor judgment required.
- The effort in performing procedures related to the key assumptions used.
- The required involvement of valuation professionals with specialized skills and knowledge.

Audit Response

We responded to this matter by performing procedures in relation to the estimate of oil and gas reserves as at December 31, 2023 and the assessment of impairment indicators of oil and gas properties. Our audit work in relation to this included, but was not restricted to, the following:

We responded to this matter by performing procedures in relation to the estimate of oil and gas reserves as at December 31, 2024 and the assessment of impairment of oil and gas properties. Our audit work in relation to this included, but was not restricted to, the following:

- We responded to this matter by performing procedures in relation to the impact of oil and natural gas reserves on oil and gas properties and the assessment of the recoverable amount of oil and gas properties. Our audit work in relation to this included, but was not restricted to, the following:
- Evaluated the competence, capabilities and objectivity of the independent qualified reserve evaluator engaged by the Company, who estimated the proved reserves. We evaluated the methodology used by the independent qualified reserves evaluator to estimate the proved reserves for compliance with the applicable regulatory standards. Procedures included gaining an understanding of the work performed by management's expert, testing the data and assumptions used by management's expert, and evaluating their findings.
- Evaluated the key assumptions used by management in determining proved reserves and the reasonableness thereof. Procedures included:
 - Testing of forward price estimates by comparing to third-party industry forecasts.
 - Using the past and current performance of the Company to evaluate expected future rates of production and the timing and amount of future development expenditures.



- Assessing whether the estimates used were consistent with audit evidence gathered in other areas of our audit.
- Compared the current year actual CGU production volumes, royalty rates, operating and capital costs to those estimates used in the prior year estimate of proved reserves by CGU to assess the Company’s ability to accurately forecast.
- Obtained an understanding of the Company’s processes and controls over the proved reserves, assessment of the recoverable amount and depletion expense.
- Recalculated depletion expense.

Going Concern

Critical Audit Matter Description

As described in Note 1 to the consolidated financial statements, there are material uncertainties regarding the Company’s ability to execute its business plan and continue in the normal course of operations. The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing.

We identified the going concern assessment of the Company as a critical audit matter due to the significant assumptions and judgments made by management in estimating future cash flows, which are subject to high degree of uncertainty.

This matter is also described in the “Material Uncertainty Related to Going Concern” section of our report.

Audit response

We responded to this matter by performing audit procedures relating to going concern. Our audit work in relation to this included, but was not restricted to, the following:

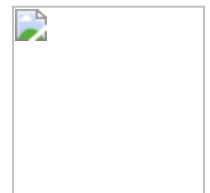
- We obtained management’s position paper which included management’s plans to mitigate the uncertainty and supporting calculations (including the 12-month cash-flow forecast) to determine whether use of the going concern assumption is appropriate.
- We tested significant assumptions and judgments made by management in their supporting calculations (including the 12-month cash-flow forecast).
- We assessed the adequacy of the going concern disclosure included in Note 1 to the consolidated financial statements and considered whether these appropriately reflected the assessments that management performed.

Chartered Professional Accountants

We have served as the Company’s auditor since 2022.

Calgary, Canada

April 30, 2025



TRILLION ENERGY INTERNATIONAL INC.**Index to the Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023**

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Consolidated statements of income (loss) and comprehensive income (loss)	F- 7
Consolidated statements of stockholders' equity	F- 8
Consolidated statements of cash flows	F- 9
Notes to the consolidated financial statements	F- 10

TRILLION ENERGY INTERNATIONAL INC.

Consolidated Statements of Financial Position

(Expressed in U.S. dollars)

	<u>Notes</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
ASSETS			
Current assets:			
Cash and cash equivalents		\$ 599,208	\$ 1,188,445
Amounts receivable	3	1,370,781	1,593,345
Prepaid expenses and deposits	4	255,756	603,435
Assets held for sale	5	387,797	1,479,429
Total current assets		<u>2,613,542</u>	<u>4,864,654</u>
Oil and gas properties, net	6	50,823,184	52,654,100
Property and equipment, net	7	741,683	720,550
Long-term deposits	4	686,159	371,124
Total assets		<u>\$ 54,864,568</u>	<u>\$ 58,610,428</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	8,18	\$ 14,807,865	\$ 14,065,019
RSU obligation	17	-	18,398
Loans payable	9,18	5,361,978	3,464,450
Convertible debt	11	10,364,993	227,092
Lease liability	10	10,356	19,637
Total current liabilities		<u>30,545,192</u>	<u>17,794,596</u>
Asset retirement obligation	12	5,895,209	6,247,027
Convertible debt	11	-	10,102,627
Lease liability	10	35,017	122,058
Deferred tax liability	23	4,239,942	2,131,548
Total liabilities		<u>40,715,360</u>	<u>36,397,856</u>
Stockholders' equity:			
Share capital		78,382,631	74,586,724
Notes and amounts receivable for equity issued	13,18	(90,425)	(113,309)
Warrant and option reserve		7,209,546	6,239,370
Shares to be cancelled		7,645	7,645
Obligation to issue shares	14,18	6,000	396,177
Accumulated other comprehensive loss		(17,356,701)	(14,023,189)
Accumulated deficit		(54,009,488)	(44,880,846)
Total stockholders' equity		<u>14,149,208</u>	<u>22,212,572</u>
Total liabilities and stockholders' equity		<u>\$ 54,864,568</u>	<u>\$ 58,610,428</u>

Nature of operations (Note 1)

Commitments and Contingencies (Note 24)

Subsequent events (Note 25)

APPROVED BY THE BOARD OF DIRECTORS ON APRIL 30, 2025:

"Sean Stofer"

Director

"David Thompson"

Director

See accompanying notes to consolidated financial statements.

TRILLION ENERGY INTERNATIONAL INC.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in U.S. dollars)

	<u>Notes</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Revenue				
Oil and gas revenue, net	20	\$ 7,000,836	\$ 16,797,366	\$ 9,375,029
Cost and expenses				
Production		4,771,276	4,365,710	3,567,875
Depletion	6	1,300,417	5,119,174	1,451,032
Depreciation	7	87,408	175,764	145,035
Accretion of asset retirement obligation	12	269,114	219,536	264,075
Stock-based compensation	15,17,18	1,058,222	2,397,261	2,118,917
General and administrative	19	6,182,893	7,294,972	6,397,500
Geological and geophysical expenses		1,427,044	706,410	636,248
Impairment of exploration and evaluation assets		-	-	3,101,343
Total expenses		15,096,374	20,278,827	17,682,025
Loss before other income (expenses)		(8,095,538)	(3,481,461)	(8,306,996)
Other income (expense)				
Interest income		53,386	19,179	86,739
Finance cost	9,11	(2,560,648)	(2,249,055)	(79,693)
Foreign exchange gain (loss)		(3,781,509)	(9,932,252)	1,272,450
Loss on extinguishment accounts payable and loan payable		(264,050)	(8,500)	97,051
Change in fair value of derivative liability	16	-	4,827	(686,504)
Loss on settlement agreement		-	-	(285,120)
Loss on write-off of notes and other receivables	13	(15,439)	-	(46,176)
Loss on impairment and sale of assets held for sale	5	(132,737)	(1,556,787)	-
Impairment of oil and gas properties	6	(9,892,000)	-	-
Loss on issuance of shares	14	(5,052)	(17,342)	-
Gain on net monetary position	2	18,431,488	18,984,099	1,826,495
Gain (loss) on sale of oil and gas properties and equipment	6,7	(466,092)	19,535	-
Gain on modification of lease	10	46,602	-	-
Gain on termination of lease	10	-	31,864	-
Other income		-	2,377	-
Total other income (expense)		1,413,949	5,297,945	2,185,242
Income (loss) before taxes		(6,681,589)	1,816,484	(6,121,754)
Deferred tax expense	23	(2,447,053)	(1,860,326)	-
Net income (loss)		(9,128,642)	(43,842)	(6,121,754)
Other comprehensive loss				
Foreign currency translation		(3,333,512)	(10,013,192)	(3,636,492)
Comprehensive income (loss)		\$ (12,462,154)	\$ (10,057,034)	\$ (9,758,246)
Net income (loss) per share – Basic and diluted		\$ (0.06)	\$ (0.00)	\$ (0.10)
Weighted average shares outstanding – Basic		142,318,767	81,084,843	62,491,482
Weighted average shares outstanding – Diluted		142,318,767	81,084,843	62,491,482

See accompanying notes to consolidated financial statements.

TRILLION ENERGY INTERNATIONAL INC.

Consolidated Statements of Stockholders' Equity

(Expressed in U.S. dollars)

	Shares	Share capital	Warrant and option reserve	Receivables for equity issued	Obligation to issue shares	Shares to be cancelled	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
Balance, December 31, 2021	37,033,919	\$35,117,130	\$ 1,165,170	\$ (1,193,641)	\$ 7,450	\$ 5,323	\$ (847,412)	\$ (38,715,250)	\$ (4,461,230)
Impact of change in functional currency	-	-	309,737	-	-	-	-	-	309,737
Issuance of common stock	35,838,968	29,097,587	2,253,535	-	-	-	-	-	31,351,122
Stock issuance costs	-	(2,649,823)	-	-	-	-	-	-	(2,649,823)
Stock issued for debt settlement	600,000	391,021	-	-	-	-	-	-	391,021
Stock issued for prepaid services	221,818	169,396	-	-	-	-	-	-	169,396
Shares issued for RSUs	220,000	111,122	-	-	(7,540)	-	-	-	103,582
Warrants exercised	2,185,366	3,144,128	(935,888)	(10,310)	-	-	-	-	2,197,930
Options exercised	675,000	1,152,269	(474,906)	(41,349)	-	2,322	-	-	638,336
Finder's warrants issued	-	(1,782,560)	1,782,560	-	-	-	-	-	-
Repayment or write-offs of notes receivables	-	-	-	183,238	-	-	-	-	183,238
Options issued	-	-	1,421,267	-	-	-	-	-	1,421,267
Equity to be issued for settlement agreement	-	-	-	-	94,300	-	-	-	94,300
RSUs to be issued	-	-	298,322	-	-	-	-	-	298,322
RSU repurchase	-	-	(136,928)	-	-	-	-	-	(136,928)
Impact of hyperinflation	-	-	-	-	-	-	473,907	-	473,907
Net loss and comprehensive loss	-	-	-	-	-	-	(3,636,492)	(6,121,754)	(9,758,246)
Balance, December 31, 2022	76,775,071	\$64,750,270	\$ 5,682,869	\$ (1,062,062)	\$ 94,210	\$ 7,645	\$ (4,009,997)	\$ (44,837,004)	\$ 20,625,931
Issuance of common stock	5,000	2,215	-	-	-	-	-	-	2,215
Options exercised	440,000	972,085	(429,221)	-	-	-	-	-	542,864
Stock issued for RSUs	1,762,805	1,462,778	(1,146,982)	-	-	-	-	-	315,796

Stock issued for debt settlement	150,000	212,402	-	-	-	-	-	-	212,402
Stock issued in market offering	36,057,934	7,960,687	-	-	-	-	-	-	7,960,687
Stock issuance costs	-	(803,012)	259,955	-	-	-	-	-	(543,057)
Stock issued for services	60,000	29,299	58,881	-	18,873	-	-	-	107,053
Stock-based compensation – options	-	-	118,202	-	-	-	-	-	118,202
Stock-based compensation – RSU's	-	-	1,879,832	-	-	-	-	-	1,879,832
RSU's repurchased	-	-	(919,790)	604,537	-	-	-	-	(315,253)
Convertible debt – Equity component	-	-	1,004,524	-	-	-	-	-	1,004,524
Deferred tax on equity component of convertible debt			(271,222)						(271,222)
Reduction of notes receivables	-	-	-	344,216	-	-	-	-	344,216
RSU grant accrual	-	-	2,322	-	283,094	-	-	-	285,416
Net loss and comprehensive loss	-	-	-	-	-	-	(10,013,192)	(43,842)	(10,057,034)
Balance, December 31, 2023	115,250,810	\$74,586,724	\$ 6,239,370	\$ (113,309)	\$ 396,177	\$ 7,645	\$ (14,023,189)	\$ (44,880,846)	\$ 22,212,572
Stock issued in private placements	26,847,863	1,648,042	53,755	(2,800)	-	-	-	-	1,698,997
Stock issued for debt settlement	12,421,554	1,470,079	-	-	(94,210)	-	-	-	1,375,869
Stock issued for RSUs	2,155,578	408,456	(85,634)	-	(283,095)	-	-	-	39,727
Stock issued for Warrant exercise	33,638	3,945	(1,728)	-	-	-	-	-	2,217
Shares issued on conversion of convertible debenture	333	737	-	-	-	-	-	-	737
Stock-based compensation – options	-	-	877,629	-	-	-	-	-	877,629
Stock-based compensation – RSU's	-	-	126,154	-	-	-	-	-	126,154
Stock issued for services	2,778,991	264,648	-	-	(12,872)	-	-	-	251,776
Reduction of notes receivables	-	-	-	25,684	-	-	-	-	25,684

Net loss and
comprehensive
loss

	-	-	-	-	-	-	-	(3,333,512)	(9,128,642)	(12,462,154)
Balance, December 31, 2024	159,488,767	\$78,382,631	\$ 7,209,546	\$ (90,425)	\$ 6,000	\$ 7,645	\$ (17,356,701)	\$ (54,009,488)	\$ 14,149,208	

See accompanying notes to consolidated financial statements

TRILLION ENERGY INTERNATIONAL INC.

Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)

	Years ended December 31,		
	2024	2023	2022
Operating activities:			
Net income (loss) for the year	\$ (9,128,642)	\$ (43,842)	\$ (6,121,754)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation	1,058,222	2,397,261	2,118,917
Stock issued for services	251,776	89,711	169,396
Depletion	1,300,417	5,119,174	1,451,032
Depreciation	87,408	175,764	145,035
Accretion of asset retirement obligation	269,114	219,536	264,075
Accretion and accrued interest expense	1,240,840	1,393,604	26,365
Interest income	(2,190)	(19,179)	(54,623)
Change in fair value of derivative liability	-	(4,827)	686,504
Unrealized foreign exchange (gain) loss	1,182,535	4,313,483	(32,899)
Provision for settlement	-	-	285,120
(Gain) loss on debt settlement	264,050	8,500	(97,051)
Loss on issuance of shares	5,052	17,342	-
Loss (gain) on sale of oil and gas properties and equipment	466,092	(19,535)	-
Loss on impairment of O&G assets	9,892,000	-	-
Loss on sale and revaluation of assets held for sale	132,737	1,556,787	-
Loss on impairment of exploration and evaluation assets	-	-	3,101,343
Loss on write-off of notes and other receivables	15,439	-	46,176
Gain on net monetary position	(18,431,488)	(18,984,099)	(1,826,495)
Gain on termination of lease	-	(31,864)	-
Gain on modification of lease	(46,602)	-	-
Deferred tax expense	2,447,053	1,860,326	-
Changes in non-cash working capital items:			
Restricted cash	-	-	5,438
Amounts receivable	(29,304)	1,448,844	(3,959,821)
Prepaid expenses and deposits	273,363	(677,165)	(883,254)
Accounts payable and accrued liabilities	3,056,991	(346,398)	11,708,461
Net cash (used in) provided by operating activities	<u>(5,695,137)</u>	<u>(1,526,577)</u>	<u>7,031,965</u>
Investing activities:			
Property and equipment expenditures	(15,309)	(60,176)	(696,929)
Oil and gas properties expenditures	(2,127,765)	(56,381,768)	(44,369,191)
Disposal of equipment and assets held for sale	1,250,578	-	64,588
Advances from JV Partners	1,348,810	29,623,835	6,656,785
Changes in non-cash working capital items:			
Prepaid expenses and deposits	(372,060)	178,536	-
Accounts payable and accrued liabilities	692,881	7,856,541	917,064
Net cash provided by (used in) investing activities	<u>777,135</u>	<u>(18,783,032)</u>	<u>(37,427,683)</u>
Financing activities:			
Proceeds from stock subscriptions received, net	1,698,997	7,417,630	28,701,299
Proceeds from exercise of options	-	542,864	571,066
Proceeds from exercise of warrants	2,217	2,215	1,208,249
Proceeds from loans payable	2,402,751	4,988,296	199,007
Repayments of loans payable	(357,605)	(2,719,721)	(696,853)
Repayment of notes receivable	-	80,991	136,611
Proceeds from convertible debt	-	10,359,398	-
Lease payments	(22,921)	(85,271)	(4,121)
Net cash provided by financing activities	<u>3,723,439</u>	<u>20,586,402</u>	<u>30,115,258</u>
Effect of exchange rate changes on cash and cash equivalents	605,326	(14,409)	179,531
Net increase (decrease) in cash and cash equivalents	<u>(589,237)</u>	<u>262,384</u>	<u>(100,929)</u>
Cash and cash equivalents, beginning of year	1,188,445	926,061	1,026,990
Cash and cash equivalents, end of year	<u>\$ 599,208</u>	<u>\$ 1,188,445</u>	<u>\$ 926,061</u>

	Years ended December 31,		
	2024	2023	2022
Supplemental information:			
Interest paid on credit facilities	\$ 1,371,215	\$ 795,451	\$ 105,805
Interest paid on convertible debt	\$ 1,312,073	\$ -	\$ -
Non-cash investing and financing activities:			
Stock issued for debt settlement	\$ 1,470,079	\$ 212,402	\$ 391,021
Stock issued for prepaid expenses	\$ -	\$ -	\$ 158,698
Stock issued for services	\$ 251,776	\$ 89,711	\$ 169,396
Right-of-use asset additions	\$ -	\$ 236,201	\$ -

See accompanying notes to the consolidated financial statements.

TRILLION ENERGY INTERNATIONAL INC.

Notes to the Consolidated Financial Statements
 For the years ended December 31, 2024 and 2023
 (Expressed in U.S. dollars)

1. Organization

Trillion Energy International Inc. and its consolidated subsidiaries, (collectively referred to as the “Company”) is a Canadian based oil and gas exploration and production company. Effective January 2022, the corporate headquarters moved to Suite 700, 838 West Hastings Street, Vancouver, B.C., Canada from Turan Gunes Bulvari, Park Oran Ofis Plaza, 180-y, Daire:54, Kat:14, 06450, Oran, Cankaya, Anakara, Turkey. The Company also has a registered office in Canada. The Company is incorporated in British Columbia. The Company’s shares trade on the OTCQB under the symbol “TRLEF” and trade on the Canadian Securities Exchange (the “Exchange”) under the symbol “TCF”.

On January 21, 2022, the Company redomiciled from Delaware to a British Columbia corporation by way of an amalgamation transaction with the Company’s British Columbian subsidiary, Trillion Energy Inc. (the “Repatriation Transaction”). Pursuant to the Repatriation Transaction, for every one common stock of Trillion Energy International Inc., the shareholders will receive one common stock of Trillion Energy Inc. The Company will continue to operate and report under the name of Trillion Energy International Inc.

As a result of the Repatriation Transaction, the Company meets the definition of a foreign private issuer, as defined under Rule 3b-4 of the Securities Exchange Act of 1934, as amended.

On September 18, 2023, the Company consolidated its issued share capital on a ratio of five old common shares for every one new post-consolidated common share. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation (the “Share Consolidation”).

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2024, the Company’s current liabilities exceeded its current assets by \$27,931,650 (2023 - \$12,929,942) and its accumulated deficit amounts to \$54,009,488 (2023 - \$44,880,846). In addition, for the year ended December 31, 2024, cash used by operating activities was \$5,695,137 (2023 – \$1,526,577 and 2022 - \$7,031,965 received from operating activities). The Company’s continuation as a going concern is dependent upon its ability to complete financing sufficient to meet current and future obligations, the successful results from its business activities, and its ability to operate profitably and generate funds. Although the Company raised capital in current and previous reporting periods, additional funding will be required to continue current operations and further advance its existing oil and gas assets in the upcoming 12 months. These factors indicate the existence of material uncertainty which raises substantial doubt about the Company’s ability to continue as a going concern.

2. Material Accounting Policies**(a) Basis of Presentation**

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). The consolidated financial statements are expressed in U.S. dollars. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Park Place Energy Corp. (“PPE Corp.”), Park Place Energy Bermuda (“PPE Bermuda”), BG Exploration EOOD (“BG Exploration”), and Park Place Energy Turkey (“PPE Turkey”). The Company’s oil and gas operations are conducted jointly with its joint venture partner (Note 6). The joint arrangement meets the definition of a joint operation under IFRS 11, “Joint Arrangements” (“IFRS 11”); therefore, the Company’s share of the assets, liabilities, revenues and expenses are recorded in the consolidated financial statements. All intercompany balances and transactions are eliminated on consolidation.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)

The functional currency of BG Exploration is the Bulgarian Lev. The functional currency of the Company's Turkish operations is the Turkish Lira ("₺"). The functional currency of the Company's Bermuda subsidiary is the United States dollar ("USD"), and the function currency of PPE Corp is the USD. Prior to January 1, 2022, the functional currency of Trillion Energy International Inc. was USD. The Company redomiciled from United States to Canada and became a Canadian Company in January 2022, resulting in the parent's expenditures being denominated primarily in Canadian dollar ("CAD") and the Company being funded primarily from issuance of equity instruments which proceeds are in CAD. As a result, the Company determined that the functional currency of the parent was changed to CAD effective January 1, 2022.

The Company has accounted for the change in functional currency prospectively with no impact of this change on prior period comparative information. The Company has made an accounting policy choice to reassess the classification of financial instruments as liabilities or equity or vice versa as applicable when the functional currency of the Company or its subsidiaries changes. The policy will be applied consistently in the future.

A portion of the Company's exploration and development activities are conducted jointly with others. The joint interests are accounted for on a proportionate consolidation basis and as a result the financial statements reflect only the Company's proportionate share of the assets, liabilities, revenues, expenses and cash flows from these activities.

Name of the joint arrangement	Nature of the relationship with the joint arrangement	Principal place of operation of joint arrangement	Proportion of participating share
South Akcakoca Sub-Basin ("SASB")	Operator	Turkey	49%
Cendere	Participant	Turkey	19.6%

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 30, 2025.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain derivative liabilities, which are measured at fair value.

Hyperinflation

Due to various qualitative factors and developments with respect to the economic environment in Turkey, including but not limited to, the acceleration of multiple local inflation indices, the three-year cumulative inflation rate of the local Turkish wholesale price index exceeding 100% at the end of February 2022 and the significant devaluation of the Turkish Lira, Turkey has been designated a hyper-inflationary economy as of April 1, 2022 for accounting purposes.

Accordingly, IAS 29, Financial Reporting in Hyper-Inflationary Economies was adopted by the Company in its consolidated financial statements and applied to these consolidated financial statements in relation to PPE Turkey. The consolidated financial statements are based on the historical cost approach in IAS 29.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)

The application of hyperinflation accounting requires restatement of PPE Turkey's non-monetary assets and liabilities, equity and comprehensive income (loss) items from the original transaction date when they were first recognized into the current purchasing power which reflects a general price index current at the end of the reporting period. To measure the impact of inflation on its financial statements and results, the Company has elected to use the consumer price index ("CPI") as published by the Turkish Statistical Institute "TURKSTAT".

IAS 29 also requires the restatement of comparative periods for the effects of hyperinflation unless the comparatives were previously presented in a different presentation currency of a non-hyperinflationary economy. The consolidated financial statements of the Company are presented in US dollars, a stable currency, and as a result the comparative amounts do not require restatement.

On April 1, 2022, the Company recognized an adjustment of \$473,907 for the impact of hyperinflation within accumulated other comprehensive loss related to the non-monetary assets held by PPE Turkey, which have been restated from the historic date when they were first recognized to the beginning of the reporting period (the "Opening Hyperinflation Adjustment"). On initial adoption of IAS 29, there is an accounting policy choice to recognize the Opening Hyperinflation Adjustment directly to opening equity or to other comprehensive income and the Company has elected to recognize this amount directly to opening equity.

The value of the CPI at December 31, 2024, was 2,685 (December 31, 2023 - 1,859 and December 31, 2022 - 1,128) and the movement in the CPI for the year ended December 31, 2024 was 826 (2023 - 731 and 2022 - 442), an increase of approximately 44% (2023 - 65% and 2023 - 64%). As a result, the Company recognized a net monetary gain of \$18,431,488 for the year ended December 31, 2024 (2023 - \$18,984,099 and 2022 - \$1,826,495) to restate transactions into a measuring unit current as of each period end.

(b) Use of Estimates and Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Functional Currency

The functional currency for the Company and each of its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Determination of Cash Generating Units ("CGUs")

A CGU is the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructure, and the way in which management monitors the operations.

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)*Asset Retirement Obligation*

The Company recognizes obligation for the future decommissioning and restoration of the Company's exploration and evaluation assets and oil and gas properties based on estimated future decommissioning and restoration costs. Management applies judgment in assessing the existence and extent as well as the expected method of reclamation of the Company's decommissioning and restoration obligations at the end of each reporting period. Management also uses judgment to determine whether the nature of the activities performed is related to decommissioning and restoration activities or normal operating activities.

In the process of applying the Company's accounting policies, management has made the following estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Convertible Debt

During the year ended December 31, 2023, the Company completed a convertible debenture financing. The convertible debentures include certain conversion features and associated warrants which were valued using the option pricing model and required significant assumptions to be made by management to value.

Oil and Gas Reserves

The Company's estimate of oil and gas reserves is considered in the measurement of depletion, depreciation, impairment, and decommissioning and restoration obligations. The estimation of reserves is an inherently complex process and involves the exercise of professional judgment. All reserves are evaluated annually by independent qualified reserves evaluators. Oil and gas reserves estimates are based on a range of geological, technical and economic factors, including projected future rates of production, projected future commodity prices, engineering data, and the timing and amount of future expenditures, all of which are subject to uncertainty. Estimates reflect market and regulatory conditions existing at the evaluation date, which could differ significantly from other points in time throughout the period, or future periods. Changes in market and regulatory conditions and assumptions, as well as climate change, and the evolving worldwide demand for energy and global advancement of alternative sources of energy that are not sourced from fossil fuels can materially impact the estimation of net reserves.

Allowance for Doubtful Accounts

Estimates are inherent in the on-going assessment of the recoverability of amounts receivable. The Company maintains an allowance for doubtful accounts to reflect the expected credit losses. Uncertainty relates to the actual collectability of customer balances that can vary from the Company's estimation.

Asset Retirement Obligation

The Company recognizes obligation for the future decommissioning and restoration of the Company's exploration and evaluation assets and oil and gas properties based on estimated future decommissioning and restoration costs. Actual costs are uncertain, and estimates may vary as a result of changes to relevant laws and regulations related to the use of certain technologies, the emergence of new technology, operating experience, prices and closure plans. The estimated timing of future decommissioning and restoration may change due to certain factors, including reserves life. Changes to estimates related to future expected costs, discount rates, inflation assumptions, and timing may have a material impact on the amounts presented.

Estimated Useful Lives and Depreciation of Equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. Changes to the estimated useful life of equipment could result in differences in their carrying amounts.

TRILLION ENERGY INTERNATIONAL INC.

Notes to the Consolidated Financial Statements
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2. Material Accounting Policies (continued)*Leases – Estimating the Incremental Borrowing Rate*

The Company cannot readily determine the interest rate implicit in leases where it is the lessee. As such, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of comparable value to the right-of-use asset in a similar economic environment. IBR therefore reflects what the Company “would have to pay”, which requires estimation when no observable rates are available or where the applicable rates need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and makes certain entity-specific estimates.

Leases – Estimating the Lease Term

The Company includes renewal options in the term of the lease when management deems that it is reasonably certain that the option will be exercised.

Impairment of Non-Current Assets

Management applies judgment in assessing the existence of impairment indicators based on various internal and external factors. The recoverable amount of assets is determined based on the higher of fair value less costs of disposal or value-in-use calculations. The key estimates the Company applies in determining the recoverable amount normally include estimated future commodity prices, discount rates, expected production volumes, future operating and development costs, income taxes, and operating margins. In determining the recoverable amount, management may also be required to make judgments regarding the likelihood of occurrence of a future event. Changes to these estimates and judgments will affect the recoverable amounts of assets and may then require a material adjustment to their related carrying value.

Stock-based Compensation

The cost of equity-settled stock-based transactions (options, warrants, and equity-settled RSUs) with directors, officers and employees are measured by reference to the fair value of the equity instruments. Estimating fair value for equity-settled stock-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, risk-free interest rate, expected forfeiture rate and dividend yield of the stock option. Changes to these estimates and judgments will affect the operating result and may then require a material adjustment.

Cash-settled RSUs are accounted for as liability instruments and are measured at fair value based on the market value of the Company’s common shares at each reporting period. The fair value is recognized as stock-based compensation over the vesting period. Fluctuations in the fair values are recognized as stock-based compensation over the vesting period.

Fair Value of Derivative Liability

The Company’s warrants and conversion features with exercise prices denominated in a currency other the Company’s functional currency are recognized as derivatives measured at fair value through the consolidated statements of income (loss) and comprehensive income (loss). Estimating fair value for derivative liability requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the issuance. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, risk-free interest rate, expected forfeiture rate and dividend yield of the derivatives. Changes to these estimates and judgments will affect the operating result and may then require a material adjustment.

TRILLION ENERGY INTERNATIONAL INC.

Notes to the Consolidated Financial Statements
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2. Material Accounting Policies (continued)*Deferred Tax*

Judgments are made by management at the end of the reporting period to determine the probability that deferred tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in consolidated statements of income (loss) and comprehensive income (loss) in the period in which the change occurs.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Amounts Receivable

Amounts receivable consist primarily of oil and gas receivables. The Company has classified these as current assets in the consolidated statements of financial position because the Company expects repayment or recovery within the next 12 months. The Company evaluates these accounts receivable for collectability and, when necessary, records an expected credit loss. The Company deems all accounts receivable to be collectable and has not recorded any expected credit losses.

(e) Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful life of the asset. The estimate useful lives are as follows: Motor vehicles – 3 years; furniture – 3 to 5 years; leasehold improvements – over the term of the lease and other equipment - 3 years.

(f) Revenue Recognition*Revenue from Contracts with Customers*

The Company recognizes revenue when it satisfies its performance obligation(s) by transferring control over a product to a customer. Revenue is measured based on the consideration the Company expects to receive in exchange for those products.

Performance Obligations and Significant Judgments

The Company sells oil and natural gas products in Turkey. The Company enters into contracts that generally include one type of distinct product in variable quantities and priced based on a specific index related to the type of product.

The oil and natural gas are typically sold in an unprocessed state to processors and other third parties for processing and sale to customers. The Company recognizes revenue at a point in time when control of the oil is transferred. For oil sales, control is typically transferred to the customer upon receipt at the wellhead or a contractually agreed upon delivery point. Under the Company's natural gas contracts with processors, control transfers upon delivery at the wellhead or the inlet of the processing entity's system. For the Company's other natural gas contracts, control transfers upon delivery at the inlet or to a contractually agreed upon delivery point. In the cases where the Company sells to a processor, the Company has determined that the Company is the principal in the arrangement and the processors are the Company's customers. The Company recognizes the revenue in these contracts based on the net proceeds received from the processor.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)

For the Company's product sales that have a contract term greater than one year, the Company uses the practical expedient in IFRS 15 Paragraph 121(a) which states the Company is not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to an unsatisfied performance obligation. Under these sales contracts, each unit of product represents a separate performance obligation; therefore, future volumes are unsatisfied, and disclosure of the transaction price allocated to remaining performance obligations is not required. The Company has no unsatisfied performance obligations at the end of each reporting period.

The Company does not believe that significant judgments are required with respect to the determination of the transaction price, including any variable consideration identified. There is a low level of uncertainty due to the precision of measurement and use of index-based pricing with predictable differentials. Additionally, any variable consideration identified is not constrained.

(g) Evaluation and Exploration Assets

Pre-license exploration costs are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

The costs to acquire non-producing oil and gas properties or licenses to explore, drill exploratory wells and the costs to evaluate the commercial potential of underlying resources, including related borrowing costs, are initially capitalized as exploration and evaluation assets.

Exploration and evaluation assets are subject to technical, commercial and management review to confirm the continued intent to develop and extract the underlying resources. If an area or exploration well is no longer considered commercially viable, the related capitalized costs are charged to exploration expense.

Exploration and evaluation assets are not subject to depreciation and depletion. When management determines with reasonable certainty that an exploration and evaluation asset will be developed, as evidenced by the classification of proved or probable reserves and the appropriate internal and external approvals, the asset is transferred to oil and gas properties. The Company records geological and geophysical expenses to the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

(h) Oil and Gas Properties

Oil and gas properties ("O&G") include development and production costs, less accumulated depletion and depreciation and accumulated impairment loss. O&G are grouped into CGUs for impairment testing. The Company has grouped its O&G into two CGUs: the Cendere Oil Field and SASB Gas Field.

When significant parts of an item of O&G have different useful lives, they are accounted for as separate items (major components). Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of O&G are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

Such capitalized items generally represent costs incurred in developing proved and/or probable reserves and bringing on or enhancing production from such reserves and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of oil and gas properties are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)**(h) Oil and Gas Properties (continued)**

The net carrying value of O&G is depleted using the unit-of-production method by reference to the ratio of production in the year to the related proved reserves, considering estimated future development costs necessary to bring those reserves into production. The estimated future development costs is added to the carrying value of O&G to calculate depletion. These estimates are reviewed by independent reservoir engineers at least annually.

(i) Impairment of Non-financial Assets

Exploration and evaluation assets, O&G, and property and equipment are reviewed when events or changes in circumstances indicate the assets may not be recoverable. Exploration and evaluation assets are also tested for impairment immediately prior to being transferred to O&G. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statements of income (loss) and comprehensive income (loss). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

These calculations are based on available data, other observable inputs, and projections of cash flows, all of which are subject to estimates and assumptions. Recoverable amounts are also sensitive to assumptions about the future usefulness of in-process development and the related marketing rights.

(j) Provisions

Provisions are recognized by the Company when it has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are recognized for the asset retirement obligation associated with the Company's exploration and evaluation assets and O&G. Provisions for the asset retirement obligation are measured at the present value of management's best estimate of the future cash flows required to settle the present obligation, using the risk-free interest rate. The value of the obligation is added to the carrying amount of the associated asset and amortized over the useful life of the asset. The provision is accreted over time with actual expenditures charged against the accumulated obligation. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows are recognized as a change in the asset retirement obligation and related assets.

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2. Material Accounting Policies (continued)**(k) Financial Instruments**Classification

The Company classifies its financial instruments into one of the following categories: fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”), or at amortized cost. This determination is made at initial recognition. All financial instruments are initially recognized at fair value on the consolidated statements of financial position, net of any transaction costs except for financial instruments classified as FVTPL, where transaction costs are expensed as incurred. Subsequent measurement of financial instruments is based on their classification. The Company classifies its cash and cash equivalents as FVTPL, amounts receivable and notes and amounts receivable for equity issued as financial assets at amortized cost, and accounts payable and accrued liabilities, loans payable, and convertible debt as financial liabilities at amortized cost. Embedded derivatives in other financial instruments or other host contracts are recorded as separate derivatives when their risks and characteristics are not closely related to those of the host contract.

Measurement*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost using the effective interest rate (“EIR”), less any impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of income (loss) and comprehensive income (loss).

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of income (loss) and comprehensive income (loss). Realized and unrealized gains and losses arising from subsequent changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of income (loss) and comprehensive income (loss) in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the EIR method, foreign exchange gains and losses and impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss). Other net gains and losses are recognized in other comprehensive income (“OCI”). On derecognition, net gains and losses accumulated in OCI are reclassified to the consolidated statements of income (loss) and comprehensive income (loss).

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statements of income (loss) and comprehensive income (loss) unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to consolidated statements of income (loss) and comprehensive income (loss).

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)Impairment of Financial Assets at Amortized Cost

The Company recognizes an expected credit loss on financial assets that are measured at amortized cost. At each reporting date, the Company measures the allowance for expected credit loss for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the credit risk has not increased significantly since initial recognition, the Company measures the allowance for expected credit loss for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the allowance for expected credit loss at the reporting date to the amount that is required to be recognized.

Fair value

Fair value estimates are made at the consolidated statements of financial position date based on relevant market information and other information about financial instruments. Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are grouped into a fair value evaluation hierarchy.

This hierarchy groups financial assets and financial liabilities into three levels according to the significance of the inputs used in the fair value evaluation of the financial assets and financial liabilities. The fair value levels of the hierarchy are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities at the financial reporting date;

Level 2 – Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the assets or liabilities that are not based on observable market data.

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's cash and cash equivalents is categorized as Level 1. There were no changes in classification within the levels of fair value hierarchy during the years ended December 31, 2024, 2023 and 2022.

Derecognition*Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is initially recognized at fair value. Gains and losses on derecognition are recognized in consolidated statements of income (loss) and comprehensive income (loss).

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)**(l) Income Taxes**Current Tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax relating to items recognized directly in OCI or equity is recognized in OCI or equity and not in profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(m) Stock-Based Compensation

Under the Company's equity-based compensation plans, stock-based awards may be granted to executives, employees, and non-employee directors. The Company grants restricted share units ("RSUs") and stock options to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services like those performed by an employee.

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted, using the Black Scholes valuation model. The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). For cash settled stock-based compensation, the expense is determined based on the fair value of the liability at the end of the reporting period until the award is settled.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the stock-based payment.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)**(m) Stock-Based Compensation (continued)**

The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period, and the corresponding amount is represented in the warrant and option reserve. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statements of income (loss) and comprehensive income (loss).

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense or its reduction is recognized for any modification which increases or decreases the total fair value of the stock-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Company or the counterparty, any remaining element of the fair value of the award is expensed immediately or reversed through profit or loss, depending on the type of cancellation. The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share whereas anti-dilutive options are ignored.

Consideration paid to the Company on exercise of stock-based awards is credited to share capital and the associated amount in warrant and option reserve is reclassified to share capital.

(n) Unit Offerings

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the residual method. The residual method first allocates fair value to the component with the best evidence of fair value and then the residual value, if any, to the less easily measurable component. If the attached warrants do not meet the definition of a derivative liability, the fair value of the common shares, measured on date of issue, are determined to be the component with the best evidence of fair value. The balance, if any, is allocated to the attached warrants. If the attached warrants meet the definition of a derivative liability, the proceeds are first allocated to the fair value of the warrants and then the residual value, if any, is allocated to the common shares. Costs directly identifiable with share capital financings are charged against share capital. If the subscription is not funded upon issuance, the Company records a receivable as a contra account to shareholders' equity.

(o) Loss per Share

Basic earnings per share are calculated by dividing the net earnings for the period by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive common shares. The number of shares included is computed using the treasury stock method. As certain instruments can be exchanged for common shares of the Company, they are considered potentially dilutive and are included in the calculation of the Company's diluted net earnings per share if they have a dilutive impact in the period. The impact of potentially dilutive securities is not considered in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect.

TRILLION ENERGY INTERNATIONAL INC.

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2. Material Accounting Policies (continued)**(p) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term. Judgment is applied to determine the lease term where a renewal option exists. Right-of-use assets are depreciated using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. In addition, the right-of-use assets may be reduced by impairment losses or adjusted for certain remeasurements of the lease liability.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments are recognized as an expense when incurred over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments include fixed payments, and variable payments that are based on an index or rate.

Cash payments for the principal portion of the lease liability are presented within the financing activities section and the interest portion of the lease liability is presented within the operating activities section of the consolidated statements of cash flows. Short-term lease payments and variable lease payments not included in the measurement of the lease liability are presented within the operating activities section of the consolidated statements of cash flows.

(q) Foreign Currency Translation

Functional currencies of the Company's individual entities are the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the appropriate functional currency at foreign exchange rates that approximate those on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the appropriate functional currency at foreign exchange rates as at the date of the statement of financial position. Foreign exchange differences arising on translation are recognized in net earnings. Non-monetary assets that are measured in a foreign currency at historical cost are translated using the exchange rate at the date of the transaction.

In preparing the Company's consolidated financial statements, the financial statements of each entity are translated into USD, the presentation currency of the Company. The assets and liabilities of foreign operations are translated into USD at exchange rates as at the date of the statement of financial position. Revenues and expenses of foreign operations, whose functional currency is not the currency of a hyperinflationary economy, are translated into USD using average foreign exchange rates for the period. The financial statements (i.e. assets, liabilities, revenues and expenses) of foreign operations whose functional currency is the currency of a hyperinflationary economy, is first adjusted in accordance with the Company's hyperinflation accounting policy, and then translated to USD at exchange rates as at the date of the statement of financial position. Foreign exchange differences resulting from translation from functional currency to presentation currency are recognized in other comprehensive income or loss.

TRILLION ENERGY INTERNATIONAL INC.

Notes to the Consolidated Financial Statements
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2. Material Accounting Policies (continued)**(r) Convertible Debt**

The components of the compound financial instrument (convertible debt) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. The conversion option that will be settled by the exchange of a fixed amount in cash for a fixed number of equity instruments of the Company is classified as an equity instrument. At the issue date, the liability component is recognized at fair value, which is estimated using the interest rate on the market for similar nonconvertible instruments. Subsequently, the liability component is measured at amortized cost using the EIR until it is extinguished on conversion or maturity.

The value of the conversion option classified as equity is determined at the issue date, by deducting the amount of the fair value of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of tax effects, and is not revised subsequently. When the conversion option is exercised, the equity component of the convertible notes will be transferred to share capital. No profit or gain is recognized to the conversion or expiration of the conversion option.

(s) Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Non-current assets held for sale are presented separately in current assets within the consolidated statements of financial position. Assets held for sale are measured at the lower of carrying amount and fair value less cost to sell, and are not depreciated, depleted or amortized. An impairment loss is recognized for any initial or subsequent write-down of the assets held for sale to fair value less costs to sell. The comparative period consolidated statement of financial position is not restated.

(t) New IFRS Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024.

IAS 1 –Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. The Company has evaluated that adoption had no impact on the Company.

IFRS 18 - Presentation and Disclosure in Financial Statements was issued in April 2024. IFRS 18 replaces IAS 1 and introduces significant changes to the presentation of financial statements to enhance comparability across entities. The key requirements of the standard include:

- Separate reporting of operating, investing, and financing activities in the statement of earnings, with prescribed subtotals for each category.
- Disclosure of management-defined performance measures in a dedicated note within the financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. The Company intends to assess the impact of IFRS 18 on its consolidated financial statements closer to the effective date.

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3. Amounts Receivable

	December 31, 2024	December 31, 2023
Accounts receivable	\$ 1,300,810	\$ 1,403,781
GST receivable	9,117	46,642
Interest receivable	24,519	44,339
Due from related parties	-	35,295
Other	36,335	63,288
	<u>\$ 1,370,781</u>	<u>\$ 1,593,345</u>

4. Prepaid Expenses and Deposits

	December 31, 2024	December 31, 2023
Exploration and production advances	\$ 172,982	\$ 174,031
Prepaid expenses	82,774	426,487
Prepaid taxes	-	2,917
Close-Out Fund (Note 12)	686,159	371,124
	<u>\$ 941,915</u>	<u>\$ 974,559</u>
Prepaid expenses and deposits – Current	\$ 255,756	\$ 603,435
Long-term deposits	<u>\$ 686,159</u>	<u>\$ 371,124</u>

5. Assets held for Sale

In 2023, management committed to a plan to sell left-over field equipment with a carrying amount of \$3,036,216. Accordingly, the equipment is presented as assets held for sale.

	December 31, 2024	December 31, 2023
Beginning balance	\$ 1,479,429	\$ -
Additions	-	3,036,216
Reclassified to oil and gas properties	(172,112)	-
Proceeds on sale of assets held for sale	(629,523)	-
Loss on impairment and sale of assets held for sale	(132,737)	(1,556,787)
Foreign currency translation	(157,260)	-
	<u>\$ 387,797</u>	<u>\$ 1,479,429</u>

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 3 fair value and is based on management's best estimate of the fair value of similar products in similar conditions in the marketplace. The key inputs used by management to estimate the fair value of the assets-held-for sale is based on offers received from third parties for a large portion of the equipment and extrapolation of the discount to similar items in the assets listing.

TRILLION ENERGY INTERNATIONAL INC.

Notes to the Consolidated Financial Statements
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6. Oil and Gas Properties

	SASB	Cendere	Total
Cost			
As at December 31, 2022	\$ 31,334,321	\$ 2,558,013	\$ 33,892,334
Additions	56,381,768	-	56,381,768
JV Contribution	(29,623,835)	-	(29,623,835)
Change in ARO estimate and additions	706,159	102	706,261
Currency translation adjustment	(17,696,392)	(948,518)	(18,644,910)
Impact of hyperinflation	21,039,584	1,042,395	22,081,979
Reclassified as assets held for sale (Note 5)	(3,036,216)	-	(3,036,216)
As at December 31, 2023	\$ 59,105,389	\$ 2,651,992	\$ 61,757,381
Additions	2,127,764	-	2,127,764
JV Contributions	(1,348,810)	-	(1,348,810)
Reclassified from assets held for sale	172,112	-	172,112
Sale of O&G assets	(1,087,146)	-	(1,087,146)
Change in ARO estimate and additions	(610,113)	(1,587)	(611,700)
Currency translation adjustment	(10,685,298)	(421,305)	(11,106,603)
Impact of hyperinflation	22,177,851	989,773	23,167,624
As at December 31, 2024	\$ 69,851,749	\$ 3,218,873	\$ 73,070,622
Accumulated depletion and impairment			
As at December 31, 2022	\$ 1,972,988	\$ 1,869,552	\$ 3,842,540
Depletion	5,038,009	81,165	5,119,174
Currency translation adjustment	(731,475)	(693,127)	(1,424,602)
Impact of hyperinflation	804,164	762,005	1,566,169
As at December 31, 2023	\$ 7,083,686	\$ 2,019,595	\$ 9,103,281
Depletion	1,233,377	67,040	1,300,417
Impairment	9,892,000	-	9,892,000
Currency translation adjustment	(1,125,451)	(320,873)	(1,446,324)
Impact of hyperinflation	2,644,191	753,873	3,398,064
As at December 31, 2024	\$ 19,727,803	\$ 2,519,635	\$ 22,247,438
Net book value			
As at December 31, 2023	\$ 52,021,703	\$ 632,397	\$ 52,654,100
As at December 31, 2024	\$ 50,123,946	\$ 699,238	\$ 50,823,184

Cendere oil field

The Cendere onshore oil field, which is located in South East Turkey has a total of 25 wells. The operator of the Cendere Field is Türkiye Petrolleri Anonim Ortaklığı (“TPAO”). The Company’s interest is 19.6% for all wells except for wells C-13, C-15 and C-16, for which its interest is 9.8%. As at December 31, 2024, the depletion calculation includes future development costs of \$32,600 (December 31, 2023 - \$65,000) based on the most recent reserve report.

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Notes to the Consolidated Financial Statements
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6. Oil and Gas Properties (continued)*The South Akcakoca Sub-Basin ("SASB")*

The Company owns offshore production licenses called the South Akcakoca Sub-Basin ("SASB"). The Company owns a 49% working interest in SASB in partnership with TPAO. SASB has four producing fields, each with a production platform plus subsea pipelines that connect the fields to an onshore gas plant. The four SASB fields are located off the north coast of Turkey towards the western end of the Black Sea. As at December 31, 2024, the depletion calculation includes future development costs of \$31,400,000 (December 31, 2023 - \$35,144,000) based on the most recent reserve report.

Impairment

Management assesses each field for impairment indicators at each reporting date. Impairment indicators considered include the following:

- Plans to discontinue or dispose of the asset before the previously expected date;
- Significant reductions in estimates or reserves;
- Significant cost overrun on a capital project;
- Significant increases in the expected cost of dismantling assets and restoring the site; and
- Production difficulties.

As at December 31, 2024, the Company performed an assessment of potential impairment indicators and noted that the Company's net asset value was greater than its market capitalization and that the Company's oil and gas properties have underperformed. As a result of the impairment indicators noted, the Company performed an impairment test in accordance with IFRS. This resulted in a \$9,892,000 impairment of the Company's SASB gas property and no impairment on the Cendere oil property. For the purposes of testing impairment and determining value in use of the SASB property, the Company used a 15-year forecast of before-tax net cash flows on proved developed reserves (i.e. excluding proved undeveloped reserves) obtained from the annual reserve report discounted at 15% to estimate the value in use of the SASB property. This resulted in a recoverable amount (value in use) of \$50,124,000. The pre-impairment carrying value of the SASB cash generating unit includes the net book value of the SASB property of \$60,016,000.

Sale of assets

During the year ended December 31, 2024, the Company sold tubing and casing with a cost of \$1,087,146 for proceeds of \$621,054, resulting in a loss of \$466,092.

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7. Property and Equipment

	Right-of- use assets	Leasehold improvements	Other Equipment	Motor Vehicles	Furniture	Total
Cost						
As at December 31, 2022	\$ 50,449	\$ 186,362	\$ 333,337	\$ 458,784	\$ 44,917	\$1,073,849
Additions	236,202	14,498	11,076	15,644	18,958	296,378
Disposals	(47,685)	-	-	(97,028)	-	(144,713)
Currency translation adjustment	(105,792)	(60,555)	(126,062)	(151,880)	(14,291)	(458,580)
Impact of hyperinflation	69,616	68,608	140,538	136,661	17,538	432,961
As at December 31, 2023	<u>\$ 202,790</u>	<u>\$ 208,913</u>	<u>\$ 358,889</u>	<u>\$ 362,181</u>	<u>\$ 67,122</u>	<u>\$1,199,895</u>
Additions	-	-	-	-	15,309	15,309
Modification	(46,120)	-	-	-	-	(46,120)
Currency translation adjustment	(26,099)	(29,292)	(57,820)	(57,543)	(9,533)	(180,287)
Impact of hyperinflation	64,071	66,407	133,966	135,194	19,916	419,554
As at December 31, 2024	<u>\$ 194,642</u>	<u>\$ 246,028</u>	<u>\$ 435,035</u>	<u>\$ 439,832</u>	<u>\$ 92,814</u>	<u>\$1,408,351</u>
Accumulated depreciation						
As at December 31, 2022	40,167	126,995	45,422	111,264	8,274	332,122
Depreciation	37,457	13,135	52,084	62,920	10,168	175,764
Disposals	(10,332)	-	-	(30,267)	-	(40,599)
Currency translation adjustment	(14,892)	(45,848)	(16,840)	(41,251)	(2,513)	(121,344)
Impact of hyperinflation	16,372	50,404	18,513	45,350	2,763	133,402
As at December 31, 2023	<u>\$ 68,772</u>	<u>\$ 144,686</u>	<u>\$ 99,179</u>	<u>\$ 148,016</u>	<u>\$ 18,692</u>	<u>\$ 479,345</u>
Depreciation	14,230	10,706	28,837	22,513	11,122	87,408
Currency translation adjustment	(10,927)	(21,650)	(15,758)	(23,517)	(2,189)	(74,041)
Impact of hyperinflation	25,671	50,869	37,022	55,251	5,143	173,956
As at December 31, 2024	<u>\$ 97,746</u>	<u>\$ 184,611</u>	<u>\$ 149,280</u>	<u>\$ 202,263</u>	<u>\$ 32,768</u>	<u>\$ 666,668</u>
Net Book Value						
As at December 31, 2023	<u>\$ 134,018</u>	<u>\$ 64,227</u>	<u>\$ 259,710</u>	<u>\$ 214,165</u>	<u>\$ 48,430</u>	<u>\$ 720,550</u>
As at December 31, 2024	<u>\$ 96,896</u>	<u>\$ 61,417</u>	<u>\$ 285,755</u>	<u>\$ 237,569</u>	<u>\$ 60,046</u>	<u>\$ 741,683</u>

During the year ended December 31, 2023, the Company disposed of equipment with a net book value of \$66,761. In lieu of cash, accounts payable was reduced by \$86,296, resulting in a gain of \$19,535. The Company also terminated a lease, resulting in a non-cash disposal of a right-of-use asset with a net book value of \$37,353. The lease component disposed was valued at \$69,217, resulting in a gain of \$31,864.

8. Accounts Payable and Accrued Liabilities

	December 31, 2024	December 31, 2023
Accounts payable	<u>\$ 14,156,541</u>	\$ 13,567,262
Accrued liabilities	<u>240,462</u>	77,078
Payroll, withholding and sales tax liabilities	<u>410,862</u>	420,679
	<u>\$ 14,807,865</u>	\$ 14,065,019

TRILLION ENERGY INTERNATIONAL INC.

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9. Loans Payable

As at	December 31, 2024	December 31, 2023
Unsecured, interest-bearing loan at 37.7% per annum ¹	-	19,461
Unsecured, interest-bearing loan at 6% per annum ^{3,4}	36,512	614,899
Unsecured, interest-bearing loan at 1% per month ²	3,141,750	2,822,250
Unsecured, non- interest-bearing loan ^{5,6}	-	7,840
Unsecured, interest-bearing loan at 8.25% per annum ⁷	1,034,484	-
Unsecured, interest-bearing loan at 52% per annum ⁸	1,009,883	-
Unsecured, interest-bearing loan at 12% per month ⁹	139,349	-
Total loans payable	5,361,978	3,464,450
Current portion of loans payable	(5,361,978)	(3,464,450)
Long-term portion of loans payable	\$ -	\$ -

- (1) On March 13, 2023, Garanti Bank extended a long-term loan to Park Place Turkey Limited in the amount of ₺2,000,000 (or approximately USD\$105,386). The loan matured on March 12, 2024, and accrued interest at 37.67% per annum. Principal and accrued interest were paid monthly. During the year ended December 31, 2024, the Company made \$17,856 (2023 - \$61,627) in principal payments and \$1,166 (2023 - \$18,676) in interest payments.
- (2) On July 1, 2023, the Company entered into agreements with TR1 Master Fund to borrow \$1,065,000 and \$1,597,500. The loans were issued with a \$65,000 and \$97,500 discount, respectively, and bear an interest rate of 1% per month. The maturity date was December 31, 2023, and the Company is claiming that the principal of TR1 Master Fund agreed to extend the loans to December 31, 2024. In the event that the loan is repaid in full prior to the maturity date, the minimum interest payments on the loans are \$40,000 and \$60,000, respectively. The minimum interest payments have been recorded on the consolidated statements of income (loss) and comprehensive income (loss) as finance costs. Accrued interest in excess of the minimum interest payments of \$23,900 and \$35,850, respectively were recorded during the year ended December 31, 2023. Accretion of the discount recognized on the loans during the period were \$63,916 and \$96,138, respectively. If, during the period that any amount of the loan remains outstanding, the Company issues any equity, the Lender may demand repayment of all or part of the principal amount of the loan in an amount equal to the aggregate subscription price of the equity offering. Accrued interest in excess of the minimum interest payments of \$127,800 and \$191,700, respectively were recorded during the year ended December 31, 2024. The Company is currently in discussions with the lender and has not made any repayments as at the date of these consolidated financial statements.
- (3) On July 20, 2023, the Company entered into a promissory note with 1324025 BC Ltd for CAD\$300,000 (USD\$228,023). The promissory note bears an interest rate of 6% per annum. The principal plus all accrued unpaid interest is to be repaid on demand but no later than December 31, 2024. During the year ended December 31, 2023, CAD\$50,000 (USD\$37,717) of the principal balance was repaid and CAD\$7,917 (USD\$5,867) in interest was accrued. During the year ended December 31, 2024, CAD\$218,509 (USD\$157,016) of the principal balance was repaid and CAD\$13,072 (USD\$9,543) in interest was accrued.
- (4) On September 1, 2023, the Company entered into a promissory note with 2476393 Alberta Ltd for CAD\$546,000 (USD\$402,115). The promissory note bears an interest rate of 6% per annum. The principal plus all accrued unpaid interest is to be repaid on demand but no later than December 31, 2024. As at December 31, 2023, no repayments had been made. During the year ended December 31, 2023, CAD\$10,734 (USD\$7,954) in interest was accrued. During the year ended December 31, 2024, the Company entered into a debt settlement agreement to settle the CAD\$546,000 (USD\$397,948) principal amount. The Company issued 2,730,000 shares at a deemed price of \$0.20 per share resulting in a CAD\$109,200 (USD\$81,417) loss on extinguishment of loan payable.

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9. Loans Payable (continued)

- (5) On November 23, 2023, the Company entered into a short-term non-interest-bearing promissory note with 1647020 Alberta Ltd. for CAD\$12,000 (USD\$8,766). During the year ended December 31, 2024, CAD10,386 (USD\$7,840) (2023 - CAD\$1,614 (USD \$1,141)) of the principal had been applied against amounts owed by the note holder.
- (6) On May 28, 2024, the Company received CAD\$100,000 (USD\$73,352) from an officer of a subsidiary of the Company, which was repaid in full as of December 31, 2024.
- (7) On December 13, 2024, Park Place Turkey Limited entered into a loan with Garanti Bank in the amount of \$1,120,000. The loan matures on November 13, 2025, and bears interest at 8.25% per annum. Principal and accrued interest are paid monthly. During the year ended December 31, 2024, the Company made \$89,857 in principal payments and \$7,700 in interest payments. As at December 31, 2024, accrued interest of \$4,341 was recorded.
- (8) On December 18, 2024, Park Place Turkey Limited entered into a loan with Garanti Bank in the amount of ₺37,500,000 (or approximately USD\$1,070,617). The loan matures on November 18, 2025, and bears interest at 52% per annum. Principal and accrued interest are paid monthly. During the year ended December 31, 2024, the Company made ₺2,418,003 (USD\$68,349) in principal payments and ₺1,625,000 (USD\$45,933) in interest payments. As at December 31, 2024, accrued interest of ₺644,942 (USD\$18,230) was recorded.
- (9) On December 27, 2024, the Company entered into a loan agreement with an officer of the Company for CAD\$200,000 (USD\$138,782). The loan bears interest at 12% per annum and is due on demand. As at December 31, 2024, the loan accrued interest of CAD\$263 (USD\$183).

10. Leases

The Company leases certain assets under lease agreements. During the year ended December 31, 2023, the Company entered into three new office leases in Turkey, commencing January 1, 2023, February 15, 2023 and March 1, 2023, respectively. The leases all have a five-year term.

The Company used an incremental borrowing rate (“IBR”) of 35% in determining its lease liabilities. The IBR was derived from the Company’s assessment of its borrowings in Turkey.

Lease liability	December 31, 2024	December 31, 2023
Beginning balance	\$ 141,695	\$ 8,609
Additions, cost	-	236,201
Interest expense	18,179	53,831
Lease payments	(22,921)	(85,271)
Currency translation adjustment	(2,538)	(2,458)
Modification of lease	(89,042)	-
Termination of lease	-	(69,217)
Ending balance	\$ 45,373	\$ 141,695

As at December 31, 2024 and December 31, 2023, the Company’s lease liability is as follows:

Lease liability	December 31, 2024	December 31, 2023
Current portion of lease liability	\$ 10,356	\$ 19,637
Long-term portion of lease liability	35,017	122,058
	\$ 45,373	\$ 141,695

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10. Leases (continued)

Future minimum lease payments to be paid by the Company as a lessee as of December 31, 2024 are as follows:

Operating lease commitments and lease liability

2025	\$	25,200
2026		25,200
2027		25,200
Total future minimum lease payments		75,600
Discount		(30,227)
Total	\$	45,373

During the year ended December 31, 2024, the terms of the leases commencing February 1, 2023 and March 1, 2023 were modified and the Company recorded a modification to the lease liability and right-of-use asset of \$89,042 and \$46,120, respectively, and a gain on lease modification of \$42,922 (\$46,602 adjusted for hyperinflation).

During the year ended December 31, 2024, \$48,356 (2023 - \$33,743) of short-term leases were expensed to the consolidated statements of income (loss) and comprehensive income (loss).

11. Convertible debentures

On April 20, 2023, the Company entered into an agreement to issue 15,000 units of the Company (the “Units”) at a price of CAD\$1,000 per unit, for gross proceeds of CAD\$15,000,000 (USD\$11,135,145). Each Unit will consist of CAD\$1,000 (approximately USD\$742) principal amount secured convertible debenture (“Debenture”) and 333 common share purchase warrants of the Company (the “Warrants”). Each Warrant will be exercisable for one common share of the Company at an exercise price of CAD\$2.50 (approximately USD\$1.86 at initial recognition) and shall have an expiry date of June 29, 2025.

The Debentures will mature on April 30, 2025 (the “Maturity Date”) and will accrue interest at the rate of 12% per annum, payable semi-annually. The Company has the ability to redeem the Debentures at any time between the dates of April 30, 2024 and April 30, 2025 at a redemption price of 105% of the principal amount plus any accrued interest. At the holders’ option, the Debentures may be converted into common shares of the Company at any time, up to the earlier of the Maturity Date and the redemption of the Debentures, at a conversion price of CAD\$3.00 (approximately USD\$2.23 at initial recognition) per common share.

The convertible debentures were determined to be a financial instrument comprising a host debt component, a conversion feature classified as equity, and freestanding warrants classified as equity. The warrants and conversion features were determined to be equity components because the exercise prices are denominated in the functional currency of the Company. Thus, these components meet the criterion of an equity instrument.

The Company paid an underwriting fee of CAD\$1,045,000 (USD\$775,748) and issued 300,000 broker warrants (the “Broker Warrants”) in conjunction with the financing. The Broker Warrants are exercisable for one common share of the Company at an exercise price of CAD\$2.50 and shall have an expiry date of April 20, 2025. The fair value of the Broker Warrants was estimated to be \$216,777 and was determined using the Black-Scholes Option Pricing Model using the following assumptions: risk-free interest rate: 3.77%, expected volatility: 100.96%, dividend yield: 0% and expected life: 2 years.

On initial recognition, the proceeds were first allocated to the fair value of the host debt component, calculated using a market interest rate of 16%, which is the market interest rate of a debt instrument with similar terms but without the equity conversion feature. The residual proceeds were then allocated to the conversion feature and warrant equity components using the relative fair value method.

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11. Convertible debentures (continued)

The relative fair value of the warrants and conversion features were determined using the Black-Scholes Option Pricing Model using the assumptions set out as follows:

	April 20, 2023
Risk-free interest rate	3.86%
Expected volatility	101.71 – 119.94%
Dividend yield	0%
Expected life	2.03– 2.19 years

During the year ended December 31, 2024, CAD\$1,000 (USD\$736) in convertible debentures were converted into 333 common shares at a conversion price of CAD\$3.00 (USD\$2.21).

A continuity schedule of the Company's convertible debt is as follows:

Balance as at January 1, 2023	\$	-
Issued		11,135,145
Transaction costs		(992,525)
Transaction costs allocated to equity		77,086
Relative fair value of conversion feature		(369,181)
Relative fair value of Warrants		(495,653)
Repayment		(709,022)
Accretion		578,675
Interest		931,962
Currency translation adjustment		173,232
Balance as at December 31, 2023	\$	10,329,719
Repayment		(1,312,073)
Conversion		(737)
Accretion		880,320
Interest		1,317,458
Currency translation adjustment		(849,694)
Balance as at December 31, 2024	\$	10,364,993
Current	\$	10,364,993
Long-term	\$	-

12. Asset Retirement Obligation

The following is a continuity of the Company's asset retirement obligations:

	December 31, 2024	December 31, 2023
Beginning balance	\$ 6,247,027	\$ 5,316,470
Additions	-	797,102
Accretion expense	269,114	219,536
Impact of hyperinflation	(174,899)	(599,096)
Currency translation adjustment	165,667	603,856
Change in estimate	(611,700)	(90,841)
Ending balance	\$ 5,895,209	\$ 6,247,027

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12. Asset Retirement Obligation (continued)

The Company's asset retirement obligations ("ARO") result from its interest in oil and gas assets including well sites. The total ARO is estimated based on the Company's net ownership interest in all sites, estimated costs to reclaim and abandon these wells and the estimated timing of the costs to be included in future years. The Company estimated the total undiscounted amount required to settle the ARO as at December 31, 2024 is \$16.5 million (December 31, 2023 - \$16.5 million). The ARO is calculated using an inflation rate of 2.5% (December 31, 2023 - 2.5%) and discounted using a risk free rate of 4.75% (December 31, 2023 - 4%) between 10 and 20 years.

During 2023, the Company and TPAO agreed to establish a close out-fund (the "Close-Out Fund") in a US dollar bank account. The amounts accumulated in the Close-Out Fund will not be used for any purpose other than to cover the cost of close-out of the SASB project. The US dollar bank account is held by TPAO. Starting with the July 2023 natural gas revenue, each party agreed to transfer 10% of its revenue into the Close-Out Fund on a monthly basis, until an amount agreed to by both parties is attained. The Company accounted for its share in the Close-Out Fund as a long-term deposit (Note 4). As at December 31, 2024, the Company share of the Close-Out Fund amounted to \$686,159 (December 31, 2023 - \$371,124).

13. Notes and Amounts Receivable for Equity Issued

	December 31, 2024	December 31, 2023
Notes receivable	\$ 90,425	\$ 97,907
Amounts receivable	-	15,402
	<u>\$ 90,425</u>	<u>\$ 113,309</u>

The notes receivable bear interest at 5%.

The amounts receivable are non-interest bearing and due on demand.

The following is a continuity of the Company's notes and other receivables:

	Notes receivable	Amounts receivable	Total
Balance, December 31, 2021	\$ 1,158,832	\$ 34,809	\$ 1,193,641
Additions	-	51,659	51,659
Repayments	(136,611)	(24,528)	(161,139)
Write-off	(22,099)	-	(22,099)
Balance, December 31, 2022	\$ 1,000,122	\$ 61,940	\$ 1,062,062
Repayments	(297,678)	(36,228)	(333,906)
Settled through RSU repurchase (Note 18)	(604,537)	-	(604,537)
Write-off	-	(10,310)	(10,310)
Balance, December 31, 2023	\$ 97,907	\$ 15,402	\$ 113,309
Additions	-	2,800	2,800
Repayments	(7,482)	(14,230)	(21,712)
Write-off	-	(3,972)	(3,972)
Balance, December 31, 2024	\$ 90,425	\$ -	\$ 90,425

During the year ended December 31, 2024, the interest income totaled \$4,408 (2023 - \$16,373 and 2022 - \$52,502). During the year ended December 31, 2024, the Company recorded a \$15,439 (2023 - \$Nil and 2022 - \$46,176) loss on the write-off of notes and other receivables related to the write-off of interest accrued. As at December 31, 2024, accrued interest of \$24,519 (December 31, 2023 - \$44,262) was included in amounts receivable (Note 3).

14. Common Stock

The Company has an unlimited number of common shares authorized with no par value. As at December 31, 2024, 159,488,767 common shares were issued and outstanding (December 31, 2023 - 115,250,810).

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14. Common Stock (continued)

For the year ended December 31, 2024

During the year ended December 31, 2024, the Company issued 333 shares pursuant to the conversion of CAD\$1,000 (USD\$737) in convertible debentures (Note 11).

During the year ended December 31, 2024, the Company issued 26,847,863 units at CAD\$0.09 per unit for gross proceeds of CAD\$2,416,308 (USD\$1,769,508) pursuant to the closing of non-brokered private placements. Each unit comprises one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for CAD\$0.18 for two years from the date of the closing of the offering. As the fair value of the common shares on the same date exceeded the issuance price, no residual value was assigned to the warrants. Cash finder's fee of CAD\$92,407 (USD\$67,711) were paid and 1,026,747 finder's warrants were issued with a fair value of \$53,755. The finder's warrants are exercisable into one common share at CAD\$0.09 for two years from the closing of the offering. As at December 31, 2024, subscription proceeds of CAD\$3,836 (USD\$2,800) are still owed to the Company.

During the year ended December 31, 2024, the Company issued 2,155,578 shares for RSU's which were granted and vested during the year and during previous periods. As a result, \$283,095 in previously recorded obligation to issue shares was settled, \$85,634 was transferred out of reserves, and \$37,727 of RSU obligation was settled.

During the year ended December 31, 2024, the Company issued 6,870,297 shares and 5,551,257 units with a fair value of \$1,470,079 to settle debt and obligation to issue shares of \$1,200,977 and recognized a loss on the settlement of \$264,050 and a loss on issuance of shares of \$5,052. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at CAD\$0.18 and expires two years from the date of issuance.

During the year ended December 31, 2024, the Company issued 1,385,658 shares and 1,393,333 units valued at \$264,648 for services rendered or to be rendered. Shares valued at \$12,872 were owed from prior periods. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at CAD\$0.18 and expires two years from the date of issuance.

During the year ended December 31, 2024, \$33,111 in RSUs accrued in a prior period was reversed out of reserves.

During the year ended December 31, 2024, the Company issued shares for the exercise of warrants as follows:

- 33,638 common shares for the exercise of 33,638 warrants at CAD\$0.09 (approximately USD\$0.07) for cash proceeds of CAD\$3,027 (USD\$2,217). As a result, \$1,728 was transferred from warrant and option reserve to share capital.

For the year ended December 31, 2023

On November 28, 2023, the Company completed a short form prospectus, issuing 36,057,934 common shares of the Company at a price of CAD\$0.30 (approximately USD\$0.22) per common share for aggregate gross proceeds of CAD\$10,817,380 (approximately USD\$7,960,687).

Cash finder's fee of CAD\$737,934 (USD\$543,057) were paid and 2,101,726 finder's warrants were issued. The finder's warrants are exercisable to purchase one common share of the Company at an exercise price of CAD\$0.30 (approximately USD\$0.22) until November 28, 2025. The finder's warrants issued have a fair value of CAD\$353,288 (approximately USD\$259,955).

During the year ended December 31, 2023, the Company issued 150,000 shares with a fair value of \$212,632 to settle debt of \$195,290 and recognized a loss on the settlement of \$17,342.

During the year ended December 31, 2023, the Company issued 1,762,805 shares for RSU's which were granted and vested in previous periods.

TRILLION ENERGY INTERNATIONAL INC.

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14. Common Stock (continued)

During the year ended December 31, 2023, 5,000 warrants with an exercise price of CAD\$0.60 (approximately USD\$0.44) were exercised for gross proceeds of CAD\$3,000 (USD\$2,215).

During the year ended December 31, 2023, the Company issued 60,000 shares valued at \$29,299 for services rendered valued at \$11,957. A \$17,342 loss on the issuance of shares was recognized.

During the year ended December 31, 2023, the Company entered into a consulting agreement pursuant to which an obligation to issue shares valued at \$18,873 was accrued. The obligation to issue shares relate to 100,000 shares owed as a signing bonus and 25,000 shares owed relating to services rendered.

During the year ended December 31, 2023, the Company issued shares for the exercise of options as follows:

- 40,000 common shares for the exercise of 40,000 options at CAD\$0.75 (approximately USD\$0.55) for cash proceeds of CAD\$30,000 (USD\$21,872). As a result, \$18,475 was transferred from option reserves to share capital; and
- 70,000 common shares for the exercise of 70,000 options at CAD\$2.20 (approximately USD\$1.62) for cash proceeds of CAD\$154,000 (USD\$113,717). As a result, \$72,050 was transferred from option reserves to share capital.
- 70,000 common shares for the exercise of 70,000 options at CAD\$0.80 (approximately USD\$0.60) for cash proceeds of CAD\$56,453 (USD\$42,000). As a result, \$35,174 was transferred from option reserves to share capital.
- 60,000 common shares for the exercise of 60,000 options at CAD\$0.75 (approximately USD\$0.56) for cash proceeds of CAD\$45,000 (USD\$33,479). As a result, \$29,939 was transferred from option reserves to share capital.
- 200,000 common shares for the exercise of 200,000 options at CAD\$2.20 (approximately USD\$1.66) for cash proceeds of CAD\$440,000 (USD\$331,796). As a result, \$273,583 was transferred from option reserves to share capital.

For the year ended December 31, 2022

During the year ended December 31, 2022, the Company issued shares for the exercise of warrants as follows:

- 538,250 common shares for the exercise of 538,250 warrants at CAD\$0.50 (approximately USD\$0.38) for cash proceeds of CAD\$269,125 (USD\$202,713). As a result, \$336,464 was transferred from warrant reserves to common stock and share premium;
- 160,000 common shares for the exercise of 160,000 warrants at CAD\$0.50 (approximately USD\$0.37) In lieu of cash, the Company acquired prepaid services in the amount of \$58,698. As a result, \$98,786 was transferred from warrant reserves to common stock and share premium;
- 50,000 common shares for the exercise of 50,000 warrants at CAD\$0.50 (approximately USD\$0.37). In lieu of cash, debt owed to the equity holder was settled in the amount of CAD\$10,949 (USD\$8,034). Pursuant to the issuance, \$31,511 was transferred from warrant reserves to common stock and share premium. As at December 31, 2022, CAD\$14,051 (USD\$10,310) was recorded to receivables for equity issued for the remainder of the amount;
- 5,000 common shares for the exercise of 5,000 warrants at CAD\$0.60 (approximately USD\$0.44) for cash proceeds of CAD\$3,000 (USD\$2,213);
- 49,000 common shares for the exercise of 49,000 warrants at CAD\$1.00 (approximately USD\$0.76) for cash proceeds of CAD\$49,000 (USD\$37,225);
- 550,000 common shares for the exercise of 550,000 warrants at CAD\$1.55 (approximately USD\$1.15) for cash proceeds of CAD\$852,500 (USD\$635,127). As a result, \$467,968 was transferred from warrant reserves to common stock and share premium;

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For the years ended December 31, 2024 and 2023

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14. Common Stock (continued)

- 9,500 common shares for the exercise of 9,500 warrants at CAD\$2.25 (approximately USD\$1.69) for cash proceeds of CAD\$21,375 (USD\$16,101). As a result, \$1,159 was transferred from warrant reserves to common stock and share premium;
- 221,616 common shares for the exercise of 221,616 warrants at \$0.39 for cash proceeds of \$87,071. As the warrants were liability classified, the fair value of the shares of \$326,695 was transferred to share premium;
- 250,000 common shares for the exercise of 250,000 warrants at \$0.40. In lieu of cash, the Company acquired prepaid services in the amount of \$100,000. As the warrants were liability classified, the fair value of the shares of \$121,604 was transferred to share premium;
- 152,000 common shares for the exercise of 152,000 warrants at \$0.50 for cash proceeds of \$67,797. As the warrants were liability classified, the fair value of the shares of \$164,025 was transferred to share premium; and
- 200,000 common shares for the exercise of 200,000 warrants at \$0.80 for cash proceeds of \$160,000. As the warrants were liability classified, the fair value of the shares of \$210,627 was transferred to share premium.

During the year ended December 31, 2022, the Company issued shares for the exercise of options as follows:

- 60,000 common shares for the exercise of 60,000 options at CAD\$0.40 (approximately USD\$0.29) for cash proceeds of CAD\$24,000 (USD\$17,609). As a result, \$16,557 was transferred from option reserves to common stock and share premium;
- 155,000 common shares for the exercise of 149,000 options at CAD\$0.50 (approximately USD\$0.39) for cash proceeds of CAD\$77,500 (USD\$58,751). 6,000 Common shares were issued in error. As a result, \$2,322 was recorded in shares to be cancelled. Pursuant to the issuance, \$55,001 was transferred from option reserves to common stock and share premium;
- 50,000 common shares pursuant to the exercise of 50,000 options at CAD\$0.50 (approximately USD\$0.39). In lieu of cash, debt in the amount of CAD\$25,000 (USD\$19,270) was settled. Pursuant to the issuance, \$18,474 was transferred from option reserves to common stock and share premium;
- 330,000 common shares for the exercise of 330,000 options at CAD\$2.20 (approximately USD\$1.50) for cash proceeds of CAD\$726,000 (USD\$494,706). As a result, \$341,584 was transferred from option reserves to common stock and share premium. As at December 31, 2022, CAD\$56,000 (USD\$41,349) had not yet been received and was recorded to receivables for equity issued; and
- 80,000 common shares pursuant to the exercise of 80,000 options at \$0.60. In lieu of cash, debt owed to the equity holders was settled in the amount of \$48,000. Pursuant to the issuance, \$43,290 was transferred from option reserves to common stock and share premium.

In March 2022, the Company issued 21,331,588 units at CAD\$0.825 per unit for gross proceeds of CAD\$17,598,610 (USD\$13,886,226) pursuant to the closing of a non-brokered private placement. Each unit comprises one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share for CAD\$2.25 for two years from the date of the closing of the offering. As the fair value of the common shares on the same date exceeded the issuance price, no residual value was assigned to the warrants. Cash finder's fee of CAD\$1,397,495 (USD\$1,108,790) were paid and 1,501,357 finder's warrants were issued with a fair value of \$994,775. The finder's warrants have the same terms as the warrants attached to the units. The Company also issued 600,000 units for debt settlement of CAD\$495,000 (USD\$391,021) under the same terms of the private placement financing with no loss or gain recognized.

On March 1, 2022, the Company entered into a consulting agreement with a third party. Pursuant to the consulting agreement, the Company issued 40,000 common shares on November 2, 2022 for the consulting services received in March 2022 with a fair value of \$51,208. The amount of \$51,208 was expensed and included in consulting services on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2022.

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14. Common Stock (continued)

On March 17, 2022, the Company issued 181,818 units for investor relations services from February to July 2022 valued at CAD\$150,000 (USD\$118,188). The amount of CAD\$150,000 (USD\$118,188) was expensed and included in investor relations on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2022.

During the year ended December 31, 2022, the Company issued 220,000 shares, 10,000 of which relate to the vesting of restricted stock units granted in 2021 and 210,000 relating to the granting and vesting of restricted stock units during the year ended December 31, 2022. The value of the shares issued is \$111,122. \$7,540 of the stock-based compensation was recorded in the prior year.

On June 29, 2022, the Company completed a short form prospectus, issuing 14,507,380 units of the Company at a price of CAD\$1.55 (approximately USD\$1.20) per unit for aggregate gross proceeds of up to CAD\$22,486,439 (approximately USD\$17,408,856). Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each warrant will be exercisable to purchase one common share of the Company at an exercise price of CAD\$2.50 (approximately USD\$1.95) until June 29, 2025. A value of CAD\$0.20 was allocated to each warrant based on the residual method.

Cash finder's fee of CAD\$1,994,906 (USD\$1,549,196) were paid and 850,288 finder's warrants were issued with a fair value of CAD\$1,014,290 (USD\$787,785). The finder's warrants are exercisable to purchase units, with each unit consisting of one common share and one-half share purchase warrant of the Company at an exercise price of CAD\$1.55 (approximately USD\$1.20) until June 29, 2025. Each warrant is exercisable at CAD\$2.50 (approximately USD\$1.80) until June 29, 2025.

15. Stock Options

The Board of Directors adopted the Trillion Energy International Inc. 2022 Long-Term Incentive Equity Plan (the "2022 Plan") effective as of December 1, 2022. The 2022 Plan permits grants of stock options and restricted stock awards and other stock-based awards.

Under the 2022 Plan, the maximum number of shares of authorized stock that may be delivered is 10% of the total number of shares of common stock issued and outstanding of the Company as determined on the applicable date of grant of an award under the 2022 Plan. Under the 2022 Plan, the exercise price of each option shall be determined by the Board of Directors, subject to any applicable Exchange approval or rules, at the time any option or other stock-based award is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. The vesting schedule for each option or other stock-based award shall be specified by the Board of Directors at the time of grant, subject to any applicable Exchange approval or rules.

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A continuity of the Company's outstanding stock options for the year ended December 31, 2024, 2023, and 2022 is presented below:

15. Stock Options (continued)

	Number of options	Weighted average exercise price (CAD)
Outstanding, December 31, 2021	1,528,000	\$ 0.79
Granted	1,442,000	1.86
Exercised	(669,000)	1.33
Expired	(1,000)	0.50
Outstanding, December 31, 2022	2,300,000	\$ 1.27
Exercised	(440,000)	1.65
Expired	(240,000)	0.79
Outstanding, December 31, 2023	1,620,000	\$ 1.24
Granted	11,650,000	0.16
Expired	(690,000)	0.90
Forfeited	(566,000)	1.32
Outstanding and Exercisable, December 31, 2024	12,014,000	\$ 0.21

At December 31, 2024 the Company had the following outstanding stock options:

Outstanding	Exercise Price	Expiry Date	Vested
64,000	0.40 CAD	July 31, 2025	64,000
50,000	1.50 CAD	July 26, 2025	50,000
50,000	1.90 CAD	June 6, 2026	50,000
150,000	2.20 CAD	October 27, 2025	150,000
50,000	2.20 CAD	December 9, 2025	50,000
200,000	0.30 CAD	January 2, 2027	200,000
200,000	0.20 CAD	February 12, 2027	200,000
250,000	0.20 CAD	February 15, 2027	250,000
500,000	0.25 CAD	February 28, 2027	500,000
2,450,000	0.20 CAD	March 8, 2027	2,450,000
8,050,000	0.14 CAD	August 12, 2029	8,050,000
12,014,000			12,014,000

As at December 31, 2024, the weighted average remaining contractual life of outstanding stock options is 3.77 years (December 31, 2023 – 1.26 years).

For the year ended December 31, 2024, the Company recognized \$877,629 (2023 - \$118,202 and 2022 - \$1,421,267) in stock-based compensation expense for options granted and vested. At December 31, 2024, the Company has \$Nil (December 31, 2023 - \$Nil) in unrecognized compensation expense related to stock options.

The fair values for stock options granted during the year ended December 31, 2024, 2023, and 2022 have been estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	2024	2023	2022
Risk-free interest rate	2.92 – 3.84%	N/A	0.29 – 3.76%
Expected life (years)	3 – 5	N/A	2 – 5
Expected volatility	111 – 129%	N/A	125 – 234%
Dividend yield	0%	N/A	0%
Forfeiture rate	0%	N/A	0%

16. Warrants

A continuity of the Company's outstanding share purchase warrants for the year ended December 31, 2024, 2023, and 2022 is presented below:

	Number of warrants	Weighted average exercise price (CAD)
Outstanding, December 31, 2021	1,568,866	\$ 0.63
Issued	21,011,038	2.31
Exercised	(2,185,366)	0.87
Expired	(7,000)	0.50
Outstanding, December 31, 2022	20,387,538	\$ 2.33
Issued	7,402,726	1.88
Expired	(10,000)	2.17
Outstanding, December 31, 2023	27,780,264	\$ 2.21
Issued	34,819,200	0.18
Exercised	(33,638)	0.09
Expired	(12,548,559)	2.25
Outstanding, December 31, 2024	50,017,267	\$ 0.79

At December 31, 2024, the Company had the following outstanding share purchase warrants:

Outstanding	Exercise Price	Expiry Date
12,529,690	2.50 CAD	June 29, 2025
300,288	1.55 CAD	June 29, 2025
300,000	2.50 CAD	April 20, 2025
2,101,727	0.30 CAD	November 28, 2025
13,232,373	0.18 CAD	May 28, 2026
520,364	0.09 CAD	May 28, 2026
6,142,223	0.18 CAD	May 31, 2026
362,250	0.09 CAD	May 31, 2026
1,532,478	0.18 CAD	June 10, 2026
39,095	0.09 CAD	June 10, 2026
2,262,778	0.18 CAD	June 19, 2026
60,900	0.09 CAD	June 19, 2026
8,472,601	0.18 CAD	June 28, 2026
2,000,000	0.18 CAD	July 3, 2026
150,000	0.18 CAD	July 5, 2026
10,500	0.09 CAD	July 5, 2026
<u>50,017,267</u>		

As at December 31, 2024, the weighted average remaining contractual life of outstanding warrants is 1.17 years (December 31, 2023 – 0.95 years).

During the year ended December 31, 2024, the Company issued 26,847,863 warrants as part of units issued in private placements completed, 1,026,747 finder's warrants pursuant to the private placements completed, and 6,944,590 warrants as part of units issued to settle debt and for services rendered.

The fair values for finder's warrants granted during the year ended December 31, 2024, 2023, and 2022 have been estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

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16. Warrants (continued)

	2024	2023	2022
Risk-free interest rate	3.74 – 4.20%	3.77 – 4.43%	1.21 – 3.13%
Expected life (years)	2	2	2 – 3
Expected volatility	92 – 93%	101 – 104%	154 – 182%
Dividend yield	0%	0%	0%

The Company had previously issued warrants in connection with private placements, or debt settlements where the exercise price of such warrants was denominated in USD. As such the warrants were classified as derivate liabilities.

As at December 31, 2023, the fair value of the warrants were remeasured at \$Nil as all the warrants had expired. The Company recognized a gain on the fair value change of \$4,827 for the year ended December 31, 2023.

17. Restricted Stock Units

During the year ended December 31, 2024, the Company granted RSUs as follows:

- On January 1, 2024, the Company granted 438,000 RSU's which vest quarterly beginning January 1, 2024. On December 27, 2024, 96,000 vested RSU's were cancelled pursuant to a settlement agreement (Note 18).
- As at December 31, 2024, the Company accrued for 1,038,500 RSU's valued at \$54,197 as an annual bonus to a member of management (Note 18).
- During the year ended December 31, 2024, the Company granted 645,968 RSU's valued at \$63,986 pursuant to certain anniversary terms of the employment agreement of a member of management.

For the year ended December 31, 2024, the Company recognized \$180,593 (2023 - \$2,279,059 and 2022 - \$697,650) in stock-based compensation expense for RSUs granted and vested.

	Number of unvested restricted stock units	Weighted average fair value per award
Balance, December 31, 2021	-	\$ -
Granted	885,012	0.80
Vested	(885,012)	0.80
Balance, December 31, 2022	-	\$ -
Granted	3,476,659	0.81
Canceled	(30,000)	2.00
Vested	(3,446,659)	0.80
Balance, December 31, 2023	-	-
Granted	2,122,468	0.12
Canceled	(96,000)	0.05
Vested	(987,968)	0.08
Balance, December 31, 2024	1,038,500	0.03

The Company previously granted certain RSU's whereby the holder has the right and option to require the Company to withhold up to one third of the RSU shares awarded to pay the cash equivalent of the market price of the shares on the date of vesting. As a result, a portion of the value of the RSU's is recorded as a RSU obligation liability. During the year ended December 31, 2024, the Company granted 645,968 RSUs of this nature.

During the year ended December 31, 2024, the Company issued 1,509,610 shares for RSU's which were granted and vested in previous periods. As a result, the RSU obligation liability of \$18,398 was settled. As at December 31, 2024, the balance of the RSU obligation was \$Nil (December 31, 2023 - \$18,398).

As at December 31, 2024, the Company had 1,038,500 RSU's (December 31, 2023 – Nil) outstanding.

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18. Related Party Transactions

At December 31, 2024, notes receivable included \$37,172 (December 31, 2023 - \$nil) to related parties.

At December 31, 2024, accounts payable and accrued liabilities included \$422,564 (December 31, 2023 - \$115,526) due to related parties. The amounts are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, management fees and salaries of \$735,661 (2023 - \$924,083 and 2022 - \$711,766), director fees of \$118,200 (2023 - \$145,500 and 2022 - \$92,000), consulting fees of \$609,485 (2023 - \$52,313 and 2022 - \$Nil), and stock-based compensation of \$913,163 (2023 - \$1,294,051 and 2022 - \$926,119) were incurred to related parties.

During the year ended December 31, 2024, the Company granted 438,000 RSU's to directors pursuant to the Company's director compensation plan, 645,968 RSU's pursuant to certain anniversary terms in the employment agreement of a member of management and accrued for 1,038,500 RSU's valued at \$54,197 as an annual bonus to a member of management. As a result of a settlement agreement entered between the Company and a senior member of management during the year, 96,000 RSU's were cancelled.

During the year ended December 31, 2024, the Company issued 2,155,578 shares for RSU's which were granted and vested during the year and during previous periods.

During the year ended December 31, 2024, the Company issued 4,906,847 shares (2023 - 80,000) and 4,076,302 units (2023 - Nil) with a fair value of \$836,921 (2023 - \$115,304) and \$327,388 (2023 - \$Nil), respectively, to related parties of the Company to settle accounts payable of \$800,958 (2023 - \$118,261) and obligation to issue shares of \$146,401 (2023 - \$Nil) and recognized a loss on settlement of \$216,951 (2023 - gain of \$2,957). During the year ended December 31, 2022, the Company issued 400,000 units with a fair value of \$260,681 for the settlement of accounts payable owed to related parties in the amount of \$260,681, resulting in no gain or loss.

As at December 31, 2024, loans payable included CAD\$252,743 (USD\$191,811) (December 31, 2023 - CAD\$402,115 (USD\$420,281)) due to related parties. The loans payable are unsecured, bears interest ranging from 6% - 12% per annum and have maturity dates ranging from December 31, 2024 to December 27, 2026.

As at December 31, 2024, \$6,000 (2023 - \$Nil) in shares were owed to an officer of the Company.

During the year ended December 31, 2023, the Company repurchased 586,868 RSU's from directors and recognized a reduction to equity of \$799,212 on the transaction. \$473,331 of the RSU's repurchased was applied against outstanding notes receivable.

19. General and Administrative

	For the years ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Salaries and compensation	\$ 3,942,187	\$ 3,391,346	\$ 3,223,218
Royalties	773,021	2,242,613	1,163,498
Professional fees	648,528	820,047	552,975
Investor relations	210,464	236,441	592,155
Office	178,592	230,472	119,999
Advertising	167,671	123,293	519,321
Filing and transfer fees	92,502	111,987	96,701
Travel	147,161	114,335	87,285
Penalties	53	19,763	30,208
Bank charges and other	22,714	4,675	12,140
	\$ 6,182,893	\$ 7,294,972	\$ 6,397,500

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20. Segmented Information

During the years ended December 31, 2024, and 2023, the Company's operations were in the resource industry in Turkey with head offices in Canada and a satellite office in Sofia, Bulgaria.

	<u>Canada</u>	<u>Turkey</u>	<u>Bulgaria</u>	<u>Total</u>
Year ended December 31, 2024				
Revenue	\$ -	\$ 7,000,836	\$ -	\$ 7,000,836
Finance cost	2,536,892	23,756	-	2,560,648
Depletion	-	1,300,417	-	1,300,417
Depreciation	8,394	79,014	-	87,408
Accretion of asset retirement obligation	-	269,114	-	269,114
Stock-based compensation	1,058,222	-	-	1,058,222
Impairment of O&G assets	-	9,892,000	-	9,892,000
Loss on debt extinguishment	264,050	-	-	264,050
Loss on sale and revaluation of AHFS	-	132,737	-	132,737
Gain on net monetary position	-	18,431,488	-	18,431,488
Net loss	<u>(7,480,808)</u>	<u>(1,647,834)</u>	<u>-</u>	<u>(9,128,642)</u>
As at December 31, 2024				
Non-current assets	<u>\$ 24,277</u>	<u>\$ 52,226,749</u>	<u>\$ -</u>	<u>\$ 52,251,026</u>
	<u>Canada</u>	<u>Turkey</u>	<u>Bulgaria</u>	<u>Total</u>
Year ended December 31, 2023				
Revenue	\$ -	\$ 16,797,366	\$ -	\$ 16,797,366
Finance cost	2,202,324	46,731	-	2,249,055
Depletion	-	5,119,174	-	5,119,174
Depreciation	8,497	167,267	-	175,764
Accretion of asset retirement obligation	-	219,536	-	219,536
Stock-based compensation	2,397,261	-	-	2,397,261
Loss on debt extinguishment	8,500	-	-	8,500
Loss on impairment of assets held for sale	-	1,556,787	-	1,556,787
Gain on net monetary position	-	18,984,099	-	18,984,099
Net income (loss)	<u>(7,900,218)</u>	<u>7,861,094</u>	<u>(4,718)</u>	<u>(43,842)</u>
As at December 31, 2023				
Non-current assets	<u>\$ 35,021</u>	<u>\$ 53,710,753</u>	<u>\$ -</u>	<u>\$ 53,745,774</u>
	<u>Canada</u>	<u>Turkey</u>	<u>Bulgaria</u>	<u>Total</u>
Year ended December 31, 2022				
Revenue	\$ -	\$ 9,375,029	\$ -	\$ 9,375,029
Finance cost	79,693	-	-	79,693
Depletion	-	1,451,032	-	1,451,032
Depreciation	4,826	140,209	-	145,035
Accretion of asset retirement obligation	-	264,075	-	264,075
Stock-based compensation	2,118,917	-	-	2,118,917
Loss on impairment of exploration and evaluation assets	-	-	3,101,343	3,101,343
Gain on debt extinguishment	97,051	-	-	97,051
Gain on net monetary position	-	1,826,495	-	1,826,495
Net income (loss)	<u>(6,684,988)</u>	<u>3,577,954</u>	<u>(3,014,720)</u>	<u>(6,121,754)</u>
As at December 31, 2022				
Non-current assets	<u>\$ 42,781</u>	<u>\$ 30,748,740</u>	<u>\$ -</u>	<u>\$ 30,791,521</u>

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20. Segmented Information (continued)

The Company's breakdown of net revenue by product segment is as follows:

	For the year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Oil	\$ 3,323,925	\$ 3,055,800	\$ 4,087,664
Gas	3,676,911	13,741,566	5,287,365
	\$ 7,000,836	\$ 16,797,366	\$ 9,375,029

The Company incurs royalties of 12.5%. During the year ended December 31, 2024, the Company paid royalties totaling \$773,021 (2023 - \$2,242,613 and 2022 - \$1,163,498) which is included in general and administrative expenses on the statements of income (loss) and comprehensive income (loss).

21. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The Company considers its capital for this purpose to be its equity, \$14,149,208 (2023 - \$22,212,572).

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may issue new shares through private placement, incur debt or return capital to members.

The Company is dependent upon external financings to fund activities. In order to carry future projects and pay administrative costs, the Company will utilize its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

22. Financial Instruments and Risk Management

The Company is exposed, through its operations, to the following financial risks:

- a) Market risk
- b) Credit risk
- c) Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note. The overall objective of management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

- a) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign currency exchange, interest rates and equity price risk.

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Financial Instruments and Risk Management (continued)

22.

Foreign currency risk:

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company and its subsidiaries are exposed to currency risk as it has transactions denominated in currencies that are different from their functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

As at December 31, 2024 and 2023, significant foreign exchange currency exposure on its financial instruments, expressed in USD was as follows:

	2024	2023
Cash and cash equivalents	\$ 152,087	\$ 402,397
Accounts receivable	\$ 63,120	\$ 25,253
Accounts payable	(\$ 12,812,027)	(\$ 9,831,346)
Loans payable	(\$ 4,176,234)	-
Lease liability	(\$ 45,353)	(\$ 138,827)
Total	(\$ 16,818,407)	(\$ 9,542,523)

If the CAD strengthened or weakened against the USD by 10% the exchange rate fluctuation would impact net loss by \$1,681,841 at December 31, 2024 (December 31, 2023 - \$954,252 and December 31, 2022 - \$30,435).

Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. The Company does not have significant debt facilities with variable interest rates and is therefore not exposed to interest rate risk.

Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not hold equity investments in other entities and therefore is not exposed to a significant risk.

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is subject to credit risk on its cash and cash equivalents and amounts receivable which consists primarily of trade receivables and notes and amounts receivable for equity issued. The Company limits its exposure to credit loss on cash and cash equivalents by placing its cash with a high-quality financial institution. Exposure to credit loss notes and amounts receivable for equity issued is limited by entering into these types of transactions with related parties and entities that are well known to the Company.

The Company only has two customers. The Company mitigates credit risk by evaluating the creditworthiness of customers prior to conducting business with them and monitoring its exposure for credit losses with existing customers. One of the customers is the largest oil refinery in Turkey. The other customer provides letters of credit to

be used by the Company in the event of default. As at December 31, 2024, all of the Company's trade receivables are current (< 30 days outstanding).

The Company's maximum credit exposure is \$2,051,297 (December 31, 2023 - \$2,848,457 and December 31, 2022 - \$5,263,886).

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22. Financial Instruments and Risk Management (continued)

c) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities, when feasible. The Company anticipates increases in revenue in future periods resulting from the completion of an additional well subsequent to the period end. Historically, the Company's sources of funding has been through equity and debt financings. The Company's access to financing is uncertain. There can be no assurance of continued access to significant debt or equity funding.

The table below summarizes the maturity profile of the Company's contractual cashflows.

As at December 31, 2024	Less than 1 year	1 – 2 years	Later than 2 years	Total
Accounts payable and accrued liabilities	\$ 14,807,865	\$ -	\$ -	\$ 14,807,865
Loans payable	5,361,978	-	-	5,361,978
Lease liability	25,200	50,400	-	75,600
Convertible debt	11,061,497	-	-	11,061,497
Total liabilities	\$ 31,256,540	\$ 50,400	\$ -	\$ 31,306,940

As at December 31, 2023	Less than 1 year	1 – 2 years	Later than 2 years	Total
Accounts payable and accrued liabilities	\$ 14,065,019	\$ -	\$ -	\$ 14,065,019
Loans payable	3,464,450	-	-	3,464,450
Lease liability	58,919	116,651	60,921	236,491
RSU obligation	18,398	-	-	18,398
Convertible debt	1,361,525	11,988,362	-	13,349,887
Total liabilities	\$ 18,968,311	\$ 12,105,013	\$ 60,921	\$ 31,134,245

As at December 31, 2022	Less than 1 year	1 - 2 years	Later than 2 years	Total
Accounts payable and accrued liabilities	\$ 10,600,080	\$ -	\$ -	\$ 10,600,080
Loans payable	145,866	20,689	-	166,555
Lease liability	4,807	4,807	-	9,614
RSU obligation	295,747	-	-	295,747
Derivative liability	-	4,827	-	4,827
Total liabilities	\$ 11,046,500	\$ 30,323	\$ -	\$ 11,076,823

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23. Income Tax

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

For the years ended December 31,	2024	2023	2022
Net income (loss) before income taxes	\$ (6,681,589)	\$ 1,816,484	\$ (6,121,754)
Effective tax rate	27%	27%	27%
Expected income tax recovery	\$ (1,804,029)	\$ 490,451	\$ (1,652,874)
Change in statutory, foreign tax, foreign exchange rates, and other	(109,080)	(199,665)	238,194
Permanent differences	2,628,742	1,335,113	649,306
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	381,147	249,576	-
Change in unrecognized deductible temporary differences	1,350,273	(15,149)	765,374
Total	\$ 2,447,053	\$ 1,860,326	\$ -

The tax effected items that give rise to significant portions of the deferred tax assets and deferred tax liabilities as at year-end are presented below:

As at December 31,	2024	2023	2022
Deferred tax liabilities			
Oil and gas properties	\$ (10,117,185)	\$ (9,990,074)	\$ (1,426,133)
Property and equipment	(80,212)	(60,011)	-
Convertible debt	(76,898)	(327,305)	-
Deferred tax assets			
Assets held for sale	\$ 388,917	\$ 311,357	\$ -
Asset retirement obligation	1,179,042	1,249,406	-
Non-capital losses	4,466,394	6,685,079	1,426,133
Net deferred tax assets (liabilities)	\$ (4,239,942)	\$ (2,131,548)	\$ -

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2024	Expiry	2023	Expiry	2022	Expiry
Share issue costs	1,899,434	2028	2,782,651	2027	2,119,858	2027
Property and equipment	19,579	N/A	16,101	N/A	153,117	N/A
Asset retirement obligation	-	N/A	-	N/A	5,718,041	N/A
Exploration and evaluation assets	-	N/A	-	N/A	-	N/A
Non-capital losses	37,156,322	See below	23,300,283	See below	21,255,282	See below
Canada	14,174,648	2042 to 2044.	9,283,130	2042 to 2043	3,995,237	2042
USA	12,362,896	indefinite	4,228,651	indefinite	16,533,694	indefinite
USA	10,615,538	2028 to 2037	9,785,059	2028 to 2037	-	-
Turkey	-	N/A	-	N/A	723,950	2024 to 2027
Bulgaria	3,240	2028	3,443	2028	2,401	2027

24. Commitments and ContingenciesClose-out Fund

The Company has committed to contribute to the Close-Out Fund (Note 12) where it has deposited 10% of natural gas revenue from the SASB project into the Close-Out Fund until an amount agreed to by both parties is attained.

Arbitration

The Company through its' subsidiary PPE Turkey has advanced arbitration against an offshore drilling rig contractor for \$20.3 million for gross negligent and breach of contract involving health and safety issues during the prior year drilling program resulting in loss and damages to Company (the "Trillion Losses"). Liability is not admitted, the litigation is at the inception, and thus, legal counsel has advised that it is too soon to predict the outcome or the quantum of damages that will be assessed. The Company is confident that its case has merit. In accordance with guidance for contingent assets and liabilities, no provision for any potential recovery of the Trillion Losses will be made until recovery is virtually certain. If the Company's claim is successful, the award will exceed the amount, if any, that is payable to the drilling contractor in its claim.

The Company's subsidiary PPE Turkey is defending an action brought by the same drilling contractor in Europe to which it has advanced an arbitration claim, for drilling services seeking \$3 million. This amount has fully been recorded in accounts payable in accordance with guidance as there is significant uncertainty as to the outcome of the arbitration.

Third party liability claim

The Company has included in accounts payable and accrued liabilities a potential liability for an invoice in the amount of \$144,247, issued to a 3rd party with whom the Company previously had a farm-in arrangement. The vendor is claiming that the Company is liable given the previous relationship.

Dispute with former employees

The Company has filed claims against, and has received counter claims from, former employees. This dispute is ongoing, and the outcome cannot be predicted at this time.

25. Subsequent events

Subsequent to year-end, the Company issued 3,516,493 common shares as follows:

- 1,757,080 common shares to settle \$80,854 in debt
- 1,759,413 common shares for services provided by directors, officers, and consultants

Subsequent to year-end, the Company amended the terms of its convertible debentures as follows:

- Maturity date extended from April 30, 2025 to July 31, 2025;
- Semi-annual interest due on April 30, 2025 is now authorized to be paid in cash or common shares of the Company at a deemed price of CAD\$0.03 per share