



SQUATEX ENERGY AND RESSOURCES INC.
(AN OIL AND GAS EXPLORATION COMPANY)

Condensed Interim Financial Statements
(Unaudited)

For the six-month periods ended September 30, 2024 and 2023

Notice of Disclosure of Non-auditor Review of Condensed Interim Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim financial statements of the Company for the interim periods ended September 30, 2024 and 2023 have been prepared in accordance with International Financial Reporting Standards. The accompanying condensed interim financial statements are the responsibility of the Company's management.

The Company's independent auditors, MNP S.E.N.C.R.L., s.r.l. / LLP, have not performed a review of these condensed interim financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

/s/ Jean-Claude Caron
President

/s/ René Guimond
Vice-President, Finance

November 22, 2024

SQUATEX ENERGY AND RESOURCES INC.

(An oil and gas exploration company)

Statements of Financial Position

	Notes	September 30	March 31
		2024	2024
		\$	\$
<i>(Unaudited - in Canadian dollars)</i>			
ASSETS			
Current			
Cash		52 932	16 787
Accounts receivable	5	10 088	10 812
Total assets		63 020	27 599
LIABILITIES			
Current			
Trade payables and other payables	6	795 714	596 380
Provisions	7	1 083 234	1 083 234
Due to a company under common control , bearing interest at the rate of 15 %, payable on demand		1 018 600	948 600
Total liabilities		2 897 548	2 628 214
SHAREHOLDERS' DEFICIENCY			
Share capital	8	6 504 107	6 504 107
Contributed surplus		1 352 946	1 352 946
Deficit		(10 691 581)	(10 457 668)
Total shareholders' deficiency		(2 834 528)	(2 600 615)
Total liabilities and shareholders' deficiency		63 020	27 599

Going concern 2

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

/s/ Jean-Claude Caron

Jean-Claude Caron
President

/s/ René Guimond

René Guimond
Vice-President, Finance

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Condensed Interim Statements of Net loss and Comprehensive loss

<i>(unaudited - in Canadian dollars)</i>	Notes	For the three-month periods ended	
		September 30	
		2024	2023
		\$	\$
Exploration and evaluation expenses	9	2 000	2 000
General and administrative expenses	10	51 211	12 315
Operating loss		(53 211)	(14 315)
Financial expenses	11	(37 020)	(34 062)
Net loss and comprehensive loss for the period		(90 231)	(48 377)
Net loss per share, basic and diluted		(0,0007)	(0,0004)
Weighted average number of common shares outstanding		123 850 656	123 850 656

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

SQUATEX ENERGY AND RESOURCES INC.

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Condensed Interim Statement of Changes in Shareholders' Deficiency

<i>(Unaudited - in Canadian dollars)</i>	Note	Number of shares Number	Share capital \$	Deficit \$	Contributed surplus \$	Total shareholders' deficiency \$
Balance as at April 1, 2023		123 850 656	6 504 107	(10 119 749)	1 352 946	(2 262 696)
Net loss and comprehensive loss		-	-	(150 649)	-	(150 649)
Balance as at September 30, 2023		123 850 656	6 504 107	(10 270 398)	1 352 946	(2 413 345)
Balance as at April 1, 2024		123 850 656	6 504 107	(10 457 668)	1 352 946	(2 600 615)
Net loss and comprehensive loss		-	-	(233 913)	-	(233 913)
Balance as at September 30, 2024		123 850 656	6 504 107	(10 691 581)	1 352 946	(2 834 528)

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

SQUATEX ENERGY AND RESOURCES INC.

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Condensed Interim Statements of Cash Flows

	For the six-month periods ended September 30	
	2024	2023
	\$	\$
<i>(Unaudited - in Canadian dollars)</i>		
OPERATING ACTIVITIES		
Net loss	(233 913)	(150 649)
Adjustments:		
Unpaid interest	72 623	65 643
Changes in working capital items :		
Accounts receivable	724	(679)
Tax credits receivable	-	560
Trade payables and other payables	126 711	(304)
Cash outflows used by operating activities	(33 855)	(85 429)
FINANCING ACTIVITIES		
Due to a company under common control	70 000	88 000
Cash flow from financing activities	70 000	88 000
NET INCREASE (DECREASE) IN CASH	36 145	2 571
CASH AT BEGINNING OF YEAR	16 787	5 180
CASH AT END OF YEAR	52 932	7 751

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

SQUATEX ENERGY AND RESOURCES INC.

(An oil and gas exploration company)

Notes to the Condensed Interim Financial Statements

September 30, 2024

(Unaudited - in Canadian dollars)

1. Nature of operations and generalities

Squatex Energy and Resources inc ("the Company) specializes in oil and gas exploration of oil sites in the Basses-Terres du St-Laurent, Bas St-Laurent and Gaspésie in Quebec, Canada. Since April 3, 2017, the Company has been listed on the Canadian Stock Exchange, under the symbol SQX.

The condensed interim financial statements of the Company have been prepared in compliance with IAS 34 Interim Financial Reporting. They use the same accounting policies as those described in the Company's annual financial statements for the year ended March 31, 2024, prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements do not include all disclosures required under IFRS for complete financial statements and should therefore be read in conjunction with the Company's annual financial statements for the year ended March 31, 2024. The annual financial statements of the Company are available on the SEDAR website at: www.sedar.com.

The Company is incorporated under the Canadian Business Corporations Act.

The address of the Company's registered office and its principal place of business is 500-7055, boulevard Taschereau, Brossard (Québec), Canada, J4Z 1A7.

These financial statements were approved and authorized for publication by the Board of Directors on November 22, 2024.

SQUATEX ENERGY AND RESOURCES INC.

(An oil and gas exploration company)

Notes to the Condensed Interim Financial Statements**September 30, 2024**

(Unaudited - in Canadian dollars)

2. Going Concern

These condensed interim financial statements have been prepared in accordance with IFRS and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. To determine whether the principle of going concern is valid, management takes into account all the information at its disposal concerning the Company's prospects for at least the next 12 months following the end of the period of its financial information presentation.

The Company has not yet found an oil and gas property containing deposits that are economically recoverable, the Company has not yet generated any income or cash flows from its operations. As at June 30, 2024, the Company had a negative working capital of \$ 2,834,528 and a accumulated deficit of \$ 10,691,581.

Furthermore, there is uncertainty about the future of oil and gas exploration in Quebec. Since 2011, a moratorium on shale gas exploration has been imposed in Quebec. This moratorium could have been lifted when the new Hydrocarbons Law (the "Law") was put in place in September 2018. However, certain regulations of this new law cause additional difficulties for oil and gas operations. On April 12, 2022, Bill 21 was passed by the National Assembly of Quebec. This law puts an end to all oil and gas research and exploitation activities in Quebec and the government of Quebec will compensate companies that hold permits, such as Squatex. Squatex is currently considering alternative exploration activities in the energy sector. The obligations, in relation to the exploration permits, are contested by the Company.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing for the pursuit of other activities, on the compensation by the Government of Quebec and the continued support from its suppliers and the company under common control. While management has been successful in securing financing in the past, there can be no assurance that such sources of funding or initiatives will be available to the Company. These material uncertainties cast a significant doubt regarding the Company's ability to continue its operations, and accordingly, the appropriateness of the use of IFRS applicable to a going concern.

The carrying amounts and classification of assets, liabilities, revenues and expenses presented in the condensed interim financial statements and the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. These adjustments could be material.

SQUATEX ENERGY AND RESOURCES INC.

(An oil and gas exploration company)

Notes to the Condensed Interim Financial Statements**September 30, 2024**

(Unaudited - in Canadian dollars)

3. Application of International Financial Reporting Standards (IFRS) new and modified**3.1 Standard adopted during the period**

There are no new standards and interpretations which were adopted by the Company during the interim period.

3.2 Existing standards not yet in force

At the date of the approval of these condensed interim financial statements, new standards and interpretations of the existing standards and new amendments have been published but are not yet in force and the Company has not adopted them in advance. Management anticipates that all positions will be adopted in the Company's accounting policies for the first fiscal year beginning after the effective date of the Company's accounting policies. Management will continue to assess the potential impact of the new standards and interpretations published which are not expected to have a material impact on the condensed interim financial statements of the Company.

4. Critical accounting estimates, judgements and assumptions

When preparing these condensed interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information on significant judgments, estimates and assumptions that have the greatest impact on the recognition and measurement of assets, liabilities, revenues and expenses with regards to the presentation of the condensed interim financial statements are not different from those presented in the annual financial statements of March 31, 2024.

Estimates and assumptions are continually revised and are based on historical experience and other factors, including expectations regarding future events that are believed to be reasonable under the circumstances.

SQUATEX ENERGY AND RESOURCES INC.

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Notes to the Condensed Interim Financial Statements

September 30, 2024

(Unaudited - in Canadian dollars)

5. Accounts receivables

	September 30	March 31
	2024	2024
	\$	\$
Accounts receivable	463 522	423 221
Allowance for expected credit losses	(463 522)	(423 221)
	-	-
Sales tax receivable	10 088	10 812
Receivables	10 088	10 812

6. Trade payables and other payables

	September 30	March 31
	2024	2024
	\$	\$
Accounts payable	241 272	114 561
Interest payable - company under common control	554 442	481 819
Trade payables and other payables	795 714	596 380

7. Provisions

	September 30	March 31
	2024	2024
	\$	\$
Annual fees for 2019-2020, for 2020-2021 and for 2021-2022	1 075 234	1 075 234
Account to be paid in negotiation	8 000	8 000
Provisions	1 083 234	1 083 234

8. Equity

8.1 Authorized share capital

Unlimited number of common shares without par value.

8.2 Issued share capital

There were no changes in the issued share capital during the six-month period ended September 30, 2024.

8.3 Stock options

There were no changes in the number of outstanding stock options during the six-month period ended September 30, 2024.

No stock-based compensation was recognized in condensed interim statement of loss and comprehensive loss during the six-month period ended September 30, 2024 (nil during the six-month period ended September 30, 2023).

SQUATEX ENERGY AND RESOURCES INC.

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Notes to the Condensed Interim Financial Statements**September 30, 2024***(Unaudited - in Canadian dollars)***9. Exploration and evaluation expenditures**

Exploration and evaluation expenditures by region are detailed as follows:

	For the three-month period ended September 30, 2024		
	Additions	Net tax	Net balance
	\$	\$	\$
St.Lawrence Lowlands	-	-	-
Lower St.Lawrence/Gaspe	2 000	-	2 000
Total	2 000	-	2 000

	For the three-month period ended September 30, 2023		
	Additions	Net tax credits	Net balance
	\$	\$	\$
St.Lawrence Lowlands	-	-	-
Lower St.Lawrence/Gaspe	2 000	-	2 000
Total	2 000	-	2 000

	For the six-month period ended September 30, 2024		
	Additions	Net tax	Net balance
	\$	\$	\$
St.Lawrence Lowlands	-	-	-
Lower St.Lawrence/Gaspe	2 000	-	2 000
Total	2 000	-	2 000

	For the six-month period ended September 30, 2023		
	Additions	Net tax credits	Net balance
	\$	\$	\$
St.Lawrence Lowlands	-	-	-
Lower St.Lawrence/Gaspe	2 000	-	2 000
Total	2 000	-	2 000

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Notes to the Condensed Interim Financial Statements**September 30, 2024***(Unaudited - in Canadian dollars)***9. Exploration and evaluation expenditures (cont'd)**

Exploration and evaluation expenditures by nature are detailed as follows:

	For the three-month periods ended September 30	
	2024	2023
	\$	\$
Geology and geophysics	2 000	2 000
Technical consultation	-	-
Total	2 000	2 000
Tax credits, net	-	-
Exploration and evaluation expenditures net of tax credits	2 000	2 000

	For the six-month periods ended September 30	
	2024	2023
	\$	\$
Geology and geophysics	2 000	2 000
Technical consultation	-	-
Total	2 000	2 000
Tax credits, net	-	-
Exploration and evaluation expenditures net of tax credits	2 000	2 000

10. General and administrative expenses

	For the three-month periods ended September 30		For the six-month periods ended September 30	
	2024	2023	2024	2023
Nature of the expenses	\$	\$	\$	\$
Professional services	26 268	4 816	108 728	68 796
Registration and publication fees	6 758	7 499	10 219	14 174
Expected credit losses	18 185	-	40 301	-
	51 211	12 315	159 248	82 970

11. Financial expenses

	For the three-month periods ended September 30		For the six-month periods ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Interests due to a company under common cont	36 999	34 038	72 623	65 643
Interest and other bank expenses	21	24	42	36
	37 020	34 062	72 665	65 679

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Notes to the Condensed Interim Financial Statements

September 30, 2024

(Unaudited - in Canadian dollars)

12. Transactions with related parties

The related parties of the Company include key executives and companies controlled by them, as explained below.

Unless otherwise specified, none of the transactions include special characteristics or conditions and no guarantees were given or received.

Transactions with key management

Key management includes directors (members of the management committee or not) and senior executives. There is no compensation paid or payable to key management, with the exception of fees charged by them or to a company controlled by them, for their professional and other services which are presented below:

	For the three-month periods ended September 30		For the six-month periods ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Professional services	23 223	4 188	35 242	19 613
Financial expenses	36 999	34 038	72 623	65 643

As at September 30, 2024, there is an outstanding balance of \$ 39,757 (\$ 5,354 at March 31, 2024) resulting from these operations plus interest payable of \$ 554,442 (\$ 481,819 at March 31, 2024). The due to a company under common control of \$ 1,018,600 (\$ 948,600 at March 31, 2024) is also considered a related party transaction.