WEDGEMOUNT RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

WEDGEMOUNT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
As at

		January 31, 2024		July 31, 2023
ASSETS				
Current				
Cash	$	335,350	$	950,618
Receivables (Note 5)		54,626		246,389
Prepaids and advances		30,011		33,385
Inventory		337,121		118,711
		757,108		1,349,103
Investment (Note 6)		150,000		150,000
Property, plant and equipment (Note 8)		5,829,834		3,662,605
	$	6,736,943	$	5,161,708
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Notes 9 and 13)	$	1,185,152	$	453,949
Loans payable (Notes 10 and 13)		568,762		537,483
		1,735,915		991,432
Loans payable (Notes 10 and 13)		979,118		231,511
Decommissioning obligations (Note 11)		1,307,331		942,636
		2,286,449		2,165,579
SHAREHOLDERS' EQUITY				
Share capital (Note 12)		6,194,953		6,037,453
Share-based reserves (Note 12)		685,309		573,267
Foreign currency translation reserves (Note 12)		1,633		1,818
Deficit		(4,185,316)		(3,616,409)
		2,696,579		2,996,129
	$	6,736,943	$	5,161,708

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors by:

/s/ "Mark Vanry"
Mark Vanry, Director

/s/ "Richard Barth"
Richard Barth, Director

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

WEDGEMOUNT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended January 31		Six months ended January 31		
	2024	**2023**	**2024**		**2023**
Revenue					
Oil and gas sales	135,261	-	390,491		-
Royalties	(24,482)	-	(81,856)		-
	110,779	-	308,635		-
Expenses					
Accretion (Note 11)	12,948	-	22,692		-
Administrative	13,500	9,000	27,000		18,000
Consulting	36,834	50,822	77,562		55,822
Exploration evaluation expenditures	-	2,199	-		7,272
Filing and regulatory	12,654	9,751	21,234		18,218
Foreign exchange	104,398	14,901	(25,973)		14,901
Loan interest (Note 11 and 13)	33,978	-	68,472		-
Management fees (Note 13)	37,500	37,500	75,000		75,000
Marketing	2,437	2,157	8,612		4,657
Office and miscellaneous	6,343	13,043	24,490		18,614
Operating (Note 8)	82,469	-	352,509		-
Professional fees (Note 13)	110,368	21,185	128,012		33,750
Property investigation costs	-	70,214	-		77,122
Share-based payments (Notes 12 and 13)	66,714	92,212	127,042		97,412
Shareholder communication	934	1,569	2,334		2,802
Transfer agent	1,268	2,752	2,874		3,287
Travel	-	11,666	9,819		11,666
	(522,345)	(338,971)	(921,680)		(438,523)
Flow through share recovery	118,169		118,169		
Inventory impairment	(80,069)		(80,069)		
Interest income	6,037		6,037		
Write-off of exploration and evaluation assets	-	(222,128)	-		(222,128)
Loss for the period	(367,429)	(561,099)	(568,908)		(660,651)
Other comprehensive income					
Foreign currency translation adjustment	8,592	-	(185)		-
Comprehensive loss for the period	(358,837)	(561,099)	(569,093)	$	(660,651)
Loss per common share –basic and diluted	(0.01)	(0.02)	(0.01)	$	(0.03)
Weighted average number of common shares outstanding – basic and diluted	52,197,718	26,874,281	51,926,142		26,060,408

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

WEDGEMOUNT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital					
	Number of shares	Amount	Share-based reserves	Foreign currency translation reserves	Deficit	Total
July 31, 2022	25,246,536	$ 2,605,185	$ 489,956	$ -	$ (2,560,081)	$ 535,060
Issuance of common shares (Note 12)	3,652,500	693,975	36,525	-	-	730,500
Share issue costs	-	(22,726)	8,376	-	-	(14,350)
Options cancelled (Note 12)	-	-	(302,232)	-	302,232	-
Warrants expired (Note 12)	-	17,362	(17,362)	-	-	-
Share-based payments (Note 12)	-	-	97,412	-	-	97,412
Loss for the period	-	-	-	-	(660,651)	(660,651)
January 31, 2023	28,899,036	$ 3,293,796	$ 312,675	$ -	$ (2,918,500)	$ 687,971
July 31, 2023	50,762,935	$ 6,037,453	$ 573,267	$ 1,818	$ (3,616,409)	$ 2,996,129
Warrants exercised (Note 12)	1,425,000	142,500	-	-	-	142,500
Share-based payments (Note 12)	100,000	15,000	112,042	-	-	127,042
Foreign currency translation	-	-	-	(185)	-	(185)
Loss for the period	-	-	-	-	(568,907)	(568,907)
January 31, 2024	52,287,935	$ 6,194,953	$ 685,309	$ 1,633	$ (4,185,316)	$ 2,696,579

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

WEDGEMOUNT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

		Six months ended January 31, 2024		Six months ended January 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(568,908)	$	(660,651)
Adjust for items not involving cash:				
Share-based payments		127,042		97,412
Accretion		22,692		-
Depletion		190,665		-
Foreign exchange		(26,077)		-
Loan interest		57,401		-
Write-off of exploration and evaluation assets		-		222,128
Change in non-cash working capital items:				
Receivables		191,763		120,204
Prepaids and advances		3,374		(151,340)
Inventory		(233,624)		-
Accounts payable and accrued liabilities		45,512		82,154
Net cash provided by (used in) operating activities		(110,091)		(290,093)
CASH FLOWS FROM INVESTING ACTIVITY				
Acquisition of property, plant and equipment		(607,677)		-
Acquisition of exploration and evaluation assets				(5,650)
Deposit				(335,080)
Net cash used in investing activity		(607,677)		(340,730)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital		-		730,500
Share issue costs		-		(14,350)
Warrants exercised		142,500		-
Repayment of loans payable		(40,000)		-
Net cash provided by financing activities		102,500		716,150
Change in cash		(615,268)		85,327
Cash, beginning of period		950,618		220,459
Cash, end of period	$	335,350	$	305,786

Supplemental cash flow information (Note 15)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Wedgemount Resources Corp. (the "Company") was incorporated on August 27, 2020 under the Business Corporations Act of British Columbia. The Company is engaged in the exploration for and the development of petroleum and natural gas in the U.S.A. The Company's head office and registered and records office address is 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol WDGY.

These condensed interim 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. The continued operations of the Company and the recoverability of amounts shown for property, plant, and equipment, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company's continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Although the Company raised capital in current and prior periods through private placements of its common shares and warrants exercises and from loans, management estimates additional funding will be required to further operations in the upcoming twelve months and additional capital may not be available on acceptable terms or at all. These factors indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of such event as the Russian invasion of Ukraine and its effects on the Company's business or results of operations or its ability to raise funds.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2023, prepared in accordance with IFRS as issued by the IASB.

Approval of the consolidated financial statements

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on April 2, 2024.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value.

Functional and presentation currency

These condensed interim consolidated financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent company, Wedgemount Resources Corp., and its subsidiary, 1265459 B.C. Ltd., is the Canadian dollar and the functional currency of Company's subsidiary, Wedgemount Texas Corp., is the United States ("USD") dollar.

Principles of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity's financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that may arise upon the exercise or conversion of non-voting securities are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and they are deconsolidated from the date on which control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Percentage of ownership	Principal activity
1265459 B.C. Ltd.	Canada	100%	Holding company
Wedgemount Texas Corp. ("WTC")	U.S.A.	100%	Oil and gas in U.S.A.

Significant estimates

The preparation of these condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial period and are, but are not limited to, the following:

Accounting for acquisitions

The determination of fair value of assets acquired and liabilities assumed as of the acquisition date requires management to make certain estimates about future events, including, but not restricted to, fair value of assets including acquired oil and gas reserves and resources, exploration potential, decommissioning obligations, future operating costs and capital expenditures, future oil and gas prices, long-term foreign exchange rates and discount rates as well as the determination of fair value of consideration provided. The estimated acquisition-date fair value of property, plant and equipment ("PP&E"), including oil and gas properties, decommissioning obligations, and exploration and evaluation ("E&E") assets acquired generally require the most judgement. The determination of the estimated acquisition-date fair value of oil and gas properties involves significant estimates, including proved and probable oil and gas reserves and discount rates. The estimate of proved and probable reserves includes significant assumptions related to forecasted oil and gas commodity prices, forecasted production volumes, forecasted operating costs, forecasted royalty costs and forecasted future development costs.

Cash Generating Units ("CGU's")

The Company's oil and gas properties are aggregated into cash-generating units ("CGU's"), based on the identifiable, independent group of assets ability to generate independent cash inflows. The determination of the Company's CGUs is based on management's judgments in regards to shared infrastructure, geographical proximity, resource type, similar exposure to market risk, and materiality.

Reserves

Estimating proved and probable oil and gas reserves requires significant judgment based on geological and geophysical engineering and economic data, such as forecasted production volumes, forecasted oil and gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. Estimated changes in expected future cash flows in reported reserves can impact the impairment of assets, decommissioning obligations, the economic feasibility of exploration and evaluation assets and depletion and depreciation of property, plant, and equipment. As information becomes available, these estimates may change which could have a material impact on earnings.

Decommissioning obligations

The Company's decommissioning obligations for its operations are based on current legal requirements and expected plans for remediation. The actual costs and cash outflows may differ from these estimates due to changes in laws and regulations, site conditions, cleanup requirements, prices, and future removal technologies. In most circumstances, the retirement and remediation of the Company's assets occurs many years into the future. The amounts recorded for these decommissioning obligations and the related accretion expense require the use of estimates with respect to the amount and timing of the related cashflows, future environmental and regulatory legislation, as well as the credit-adjusted risk-free rate applied.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

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

Oil and gas properties included in PP&E are depleted using the unit-of-production method based on estimated proved and probable oil and gas reserves determined using a number of significant assumptions, such as forecasted oil and gas commodity prices, forecasted production volumes, forecasted operating costs, forecasted royalty costs and forecasted future development costs.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are, but are not limited to, the following:

Carrying value and the recoverability of exploration and evaluation assets

Management makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. Management has determined that expenditures incurred on exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

Title to exploration and evaluation assets and oil and gas leases

Although the Company takes steps to verify title to exploration and evaluation assets and oil and properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Business combinations versus asset acquisitions

Transactions are assessed against the criteria in IFRS 3 Business Combinations ("IFRS 3") to assess whether they constitute a business combination or an asset acquisition. Determination of whether a set of assets acquired, and liabilities assumed, constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. In fiscal 2023, the acquired assets of Willowbend and Millican and in fiscal 2024, the acquired assets of TCS, were calculated to be asset acquisitions.

Determination of functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Impairment of property, plant and equipment

Judgments are required to assess when internal or external indicators of impairment, or indicators of impairment reversal, exist and impairment testing is required. In determining the recoverable amount of PP&E, which includes oil and gas properties, impairment tests are based on estimates of proved and probable oil and gas reserves which are based upon a number of significant assumptions, such as forecasted production volumes, forecasted oil and gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs.

Financial instruments

Management uses its judgement to determine the category in which a financial asset or a financial liability is recorded.

Going concern

The Company has exercised judgment in determining whether its available funds are sufficient to continue operations for 12 months from the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended July 31, 2023.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after August 1, 2025 which have not been applied in preparing these condensed interim consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the consolidated financial statements of the Company are the following:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment is effective for financial statements beginning on or after January 1, 2024, with early adoption permitted.

The Company is assessing the potential impact of the application of this standard.

(Expressed in Canadian Dollars)

4. OIL AND GAS ACQUISITIONS

Millican

On March 20, 2023, the Company completed the acquisition of a 100% working interest in oil and gas assets ("Millican"), located in the Permian Basin of west central Texas. The acquisition of Millican was completed for total cash consideration of USD $160,000 ($219,086). The Company applied the optional IFRS 3 concentration test to this acquisition which resulted in the acquired assets being accounted for as an asset acquisition. Fair value of consideration paid is allocated to assets and liabilities acquired.

The fair value assigned to the identified assets acquired and liabilities assumed are presented below:

Cost of acquisition:	
Cash consideration	$ 219,086
	$ 219,086
Allocated as follows:	
Oil and gas properties	$ 440,888
Decommissioning obligations	(221,802)
	$ 219,086

Willowbend

On March 31, 2023, the Company completed the acquisition of a 100% working interest in oil and gas assets ("Willowbend"), located in the Permian Basin of west Texas. The acquisition of Willowbend was completed for total cash consideration of USD $1,500,000 ($2,029,418) plus transactions costs of $19,940. The Company applied the optional IFRS 3 concentration test to this acquisition which resulted in the acquired assets being accounted for as an asset acquisition. Fair value of consideration paid is allocated to assets and liabilities acquired.

The fair value assigned to the identified assets acquired and liabilities assumed are presented below:

Cost of acquisition:	
Cash consideration	$ 2,029,418
Transactions costs	$ 19,940
	$ 2,049,358
Allocated as follows:	
Inventory	$ 56,388
Oil and gas properties	2,398,790
Decommissioning obligations	(405,820)
	$ 2,049,358

(Expressed in Canadian Dollars)

TCS

On November 1, 2023, the Company closed a purchase and sale agreement (the "TCS Transaction") with an arm's length private company for the purchase of 100% working interest in the TCS oil and gas property located in Runnels County, Texas. Closing of the TCS Transaction was completed for total consideration of USD $650,000 comprised of USD $50,000 in cash ($69,355 paid) and a USD $600,000 vendor take back ("VTB") loan ($832,260). The VTB loan bears interest at 10% per annum and will be repaid from 50% of the net cash flows of the acquired assets over a period of 24 months. The Company applied the optional IFRS 3 concentration test to this acquisition which resulted in the acquired assets being accounted for as an asset acquisition. Fair value of consideration paid is allocated to assets and liabilities acquired.

The fair value assigned to the identified assets acquired and liabilities assumed are presented below:

Cost of acquisition:		
Cash consideration	$	69,355
VTB	$	832,260
	$	**2,049,358**
Allocated as follows:		
Oil and gas properties	$	1,242,174
Decommissioning obligations		(340,559)
	$	**901,615**

5. RECEIVABLES

		January 31, 2024		July 31, 2023
Trade receivables	$	40,528	$	217,081
GST receivable		14,098		29,308
	$	54,626	$	246,389

6. INVESTMENT

In fiscal 2023, the Company purchased 150,000 common shares at a cost of $150,000 in a private British Columbia company ("BC Co."). As at January 31, 2024, the fair value of BC Co. is $150,000 (July 31, 2023 - $150,000).

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

Eagle property

On September 23, 2020, subsequently amended on December 9, 2021, the Company entered into an option agreement (the “Eagle Agreement”) with ArcWest Exploration Inc. (“ArcWest”) to acquire an initial 60% percent interest (“First Option”) in and to certain mineral claims located in northern British Columbia which are collectively known and described as the Eagle Property (“Eagle”). To acquire Eagle, the Company must make cash payments totaling $110,000, fund a total of $2,050,000 in exploration expenditures, and issue a total of 1,350,000 common shares by December 31, 2024. In fiscal 2022, the Company wrote off the carrying value of $146,000 on the Eagle property.

Cookie property

On May 26, 2021, subsequently amended on August 30, 2021 and June 27, 2022, the Company entered into an option agreement (the “Cookie Agreement”) with DL Cooke & Associates Ltd. (“DL Cooke”) to acquire a 100% percent interest in and to certain mineral claims located in the southern Toodoggone copper belt of north-central British Columbia which are collectively known and described as the Cookie property (“Cookie”). To acquire Cookie, the Company must make cash payments totaling $210,000, fund a total of $1,075,000 in exploration expenditures, and issue a total of 1,900,000 common shares by May 26, 2026. In fiscal 2023 and in fiscal 2021, the Company acquired additional contiguous claims by staking. In fiscal 2023, the Company wrote off a carrying value of $223,927 on the Cookie property as the Company terminated the option agreement.

Friendly property

On May 27, 2021, the Company entered into an option agreement (the “Friendly Agreement”) with Electrum Resource Corporation (“Electrum”) to acquire a 100% percent interest in and to certain mineral claims located in south-central British Columbia which are collectively known and described as the Friendly Lake-Deer Lake copper-gold property (“Friendly”). To acquire Friendly, the Company must make cash payments totaling $775,000, fund a total of $6,750,000 in exploration expenditures, and issue a total of 5,000,000 common shares by May 27, 2026. In fiscal 2022, the Company wrote off the carrying value of $240,000 on the Friendly property.

Exploration and evaluation expenditures

There were no exploration and evaluation expenditures for the six months ended January 31, 2024.

Exploration and evaluation expenditures for the six months ended January 31, 2023 are as follows:

Property	Eagle	Cookie	Friendly	Total
Equipment and supplies	$ -	$ 1,900	$ -	$ 1,900
Geology	575	521	4,276	5,372
	$ 575	$ 2,421	$ 4,276	$ 7,272

(Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT

		Oil and gas properties
Cost		
July 31, 2022	$	-
Acquisitions (Note 4)		2,839,678
Additions		703,722
Reclamation provision adjustment		325,349
Adjustment on currency translation		(80,580)
July 31, 2023		3,788,169
Acquisitions (Note 4)		1,242,174
Additions		1,181,877
Adjustment on currency translation		(2,393)
January 31, 2024	$	6,209,827
Accumulated depletion		
July 31, 2022	$	-
Depletion		127,160
Adjustment on currency translation		(1,596)
July 31, 2023		125,564
Depletion		255,520
Adjustment on currency translation		(1,090)
January 31, 2024	$	379,993
Net Book Value		
July 31, 2023	$	3,662,605
January 31, 2024	$	5,829,834

During the six months ended January 31, 2024, depletion of $190,665 (2023 - $nil) was included in operating expenses and $64,855 (2023 - $nil) was recognized in inventory.

(Expressed in Canadian Dollars)

Oil and gas properties

Millican

In fiscal 2023, the Company completed the acquisition of Millican (Note 4). In connection with the acquisition, the Company acquired certain leases, producing wells, and surface facilities of $440,888. Millican is subject to a 19% underlying royalty.

Willowbend

In fiscal 2023, the Company completed the acquisition of Willowbend (Note 4). In connection with the acquisition, the Company acquired certain leases, producing wells, and surface facilities of $2,398,790. Willowbend is subject to a 19% underlying royalty.

TCS

In fiscal 2024, the Company completed the acquisition of TCS (Note 4). In connection with the acquisition, the Company acquired certain leases, producing wells, and surface facilities of $1,242,174. TCS is subject to a 19% underlying royalty

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2024	July 31, 2023
Accounts payable	$ 973,334	$ 306,587
Accrued liabilities	211,818	147,362
	$ 1,185,152	$ 453,949

10. LOANS PAYABLE

In fiscal 2023, the Company entered into a loan agreement with the President and CEO, under which USD $400,000 ($535,000) was loaned (the “Vanry Loan”). The Vanry Loan bears interest at a rate of 15% per annum, payable monthly for the first 22 months and thereafter at the rate of 18% per annum. The Company will make payments on account of principal on the Vanry Loan commencing June 30, 2023 at the rate of USD $20,000 per month plus an amount equal to 25% of net cash flows over USD $200,000. The Vanry Loan matures, and all outstanding principal shall be payable, on February 28, 2025. The Company may repay the Vanry Loan at any time without penalty. The Vanry Loan is secured by a pledge of the shares of WTC and a general security interest over the assets of WTC. Additionally, the Company, as further compensation, issued 275,000 warrants to the President. Each warrant is exercisable at a price of $0.30 until February 21, 2026. The warrants were valued at $39,440, calculated using the Black-Scholes option pricing model assuming a life expectancy of three years, a risk-free interest rate of 3.96%, a dividend rate of nil%, a forfeiture rate of nil%, and volatility of 134%. The fair value of the warrants were recorded as transaction cost of the loan and will be amortized to loan interest over the term of the loan, of which $9,833 (2023 - $nil) was amortized to loan interest during the six months ended

January 31, 2024. As at January 31, 2024, the Vanry Loan has a current liability of $382,762 (July 31, 2023 - $297,483) and a long-term liability of $25,298 (July 31, 2023 - $41,511). During the six months ended January 31, 2024, the Company accrued interest of $28,688 (2023 - $nil), recorded in loan interest.

In fiscal 2023, the Company also entered into a loan agreement with an arm's length individual, under which $450,000 was loaned (the "Loan"). The Loan bears interest at a rate of 15% per annum, payable monthly for the first 22 months and thereafter at the rate of 18% per annum. The Company will make payments on account of principal on the Loan commencing June 30, 2023 at the rate of $20,000 per month plus an amount equal to 25% of net cash flows over USD $200,000. The Loan matures, and all outstanding principal shall be payable, on February 28, 2025. The Company may repay the Loan at any time without penalty. The Loan is guaranteed by a general security interest over the assets of WTC. As at January 31, 2024, the Loan has a current liability of $240,000 (July 31, 2023 - $240,000) and a long-term liability of $150,000 (July 31, 2023 - $190,000). During the six months ended January 31, 2024, the Company accrued interest of $29,951 (2023 - $nil), recorded in loan interest.

On November 1, 2023, the Company closed a purchase and sale agreement for the TCS property, the consideration for which included a USD $600,000 vendor take back ("VTB") loan ($832,260). The VTB loan bears interest at 10% per annum and will be repaid from 50% of the net cash flows of the acquired assets over a period of 24 months. As at January 31, 2024, the Loan has a long term liability of $803,820.

11. DECOMMISSIONING OBLIGATIONS

The decommissioning obligations represent costs to reclaim and abandon the wells and facilities on the Company's oil and gas properties (Note 8). As at January 31, 2024, the Company had decommissioning obligations of $1,307,331 (July 31, 2023 - $942,636). The obligation is recognized based on the estimated future reclamation costs of USD $1,067,789 which has been inflated using an inflation rate of 3.0% and then discounted a risk-free discount rate of 3.97% with an estimated timeline to abandoned between 5 and 23 years. In fiscal 2023, the Company recorded a change in estimate related to the decommissioning obligations of $325,349, which was recorded as an increase to oil and gas properties. During the six months ended January 31, 2024, the Company recorded accretion related to the decommissioning obligations of $26,666 (2023 - $nil), which was recorded as an increase to the decommissioning obligations, with an offsetting amount to accretion expense in profit and loss, and a foreign currency translation gain of $1,371 (2023 - $nil).

12. SHARE CAPITAL

Authorized share capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

Issued share capital

During the six months ended January 31, 2024, the Company issued:

a) issued 1,425,000 common shares pursuant to the exercise of warrants for proceeds of $142,500;
b) issued 100,000 common shares pursuant to the exercise of RSUs for proceeds of $nil.

During the six months ended January 31, 2023, the Company issued:

3,652,500 units at a price of $0.20 per unit by way of a brokered private placement, for total proceeds of $730,500. Each unit was comprised of one common share and one common share purchase warrant, with each full warrant entitling the holder to acquire one additional common share of the Company at a price of $0.30 per common share until December 21, 2024. The 3,652,600 warrants were valued at $36,525, calculated using the residual value method. The Company paid a total of $14,350 in cash for fees and issued 71,750 finders' warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.30 per common share until December 21, 2024. The finders' warrants were valued at $8,376, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk-free interest rate of 3.72%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 140%.

Escrow shares

On January 12, 2021, the Company entered into an escrow agreement pursuant to which 1,125,000 common shares have been placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed shares will be released from escrow upon the original CSE listing date and that an additional 15% will be released therefrom every six-month interval thereafter, over a period of 36 months. As at January 31, 2024, there are 168,750 (July 31, 2023 - 464,999) shares held in escrow.

Stock options

The Company's shareholders approved an amended equity incentive plan ("the Plan") on June 15, 2023, which provides for the grant of stock options and awards ("Awards") that enable the acquisition of common shares of the Company. Awards now include RSUs. The options are equity-settled awards and will be exercisable for a period not to exceed ten years and are subject to such vesting provisions as may be determined by the Board. Common shares reserved and available for issuance upon exercise of options granted pursuant this Plan shall be 10,000,000. Under the Plan the maximum number of shares of the Company that are reserved pursuant to the Plan is limited to 15% of all issued and outstanding common shares of the Company at any given time. This Plan replaces the previous stock option plan of the Company (the "Original Plan"). Under the Original Plan, the exercise price of each option could not be less than the market price of the Company's shares on the date prior to the date of grant less any discounts permitted by the CSE under its policies and could be granted for a maximum term of 10 years with vesting provisions as determined by the Board.

During the six months ended January 31, 2024, the Company recorded share-based payments of $96,694 (2023 - $5,200).

(Expressed in Canadian Dollars)

Option transactions are summarized as follows:

	Number of options		Weighted average exercise price
Balance as at July 31, 2022	1,725,000	$	0.32
Granted	2,000,000		0.20
Cancelled	(800,000)		0.45
Balance as at July 31, 2023	2,925,000	$	0.20
Granted	300,000		0.08
Balance at January 31, 2024	3,225,000		0.19
Exercisable as at January 31, 2024	2,306,250	$	0.19

As at January 31, 2024, the Company had outstanding options enabling the holders to acquire common shares as follows:

Number of options	Number of exercisable options		Exercise price	Weighted average remaining life (years)	Expiry date
325,000	325,000	$	0.10	2.15	December 23, 2025
200,000	200,000	$	0.45	2.57	May 25, 2026
400,000	400,000	$	0.165	3.09	December 3, 2026
375,000	375,000	$	0.23	4.04	November 14, 2027
1,050,000	250,000	$	0.21	4.18	January 5, 2028
100,000	100,000	$	0.17	4.43	April 5, 2028
475,000	356,250	$	0.17	4.49	April 25, 2028
300,000	300,000	$	0.08	4.96	January 16, 2029
3,225,000	2,306,250			3.48	

The weighted average remaining life of exercisable options is 3.62 years.

Restricted share units

On June 15, 2023, the Board approved a new share compensation plan, which included the grant of RSUs. The RSUs and can be cash-settled or equity-settled awards as determined by the Board. The maximum number of shares of the Company that are reserved pursuant to the share compensation plan is limited to 10,000,000 shares, provided that the aggregate number of shares available for issuance under this share compensation plan together with all other share compensation arrangements may not exceed 15% of all issued and outstanding common shares at any given time.

(Expressed in Canadian Dollars)

During the six months ended January 31, 2024, the Company expensed $30,349 (2023 - $nil) for the fair value of RSUs, which was recorded in share-based compensation.

The continuity of RSUs transactions of the Company was as follows:

	Number of RSUs
Balance as at July 31, 2022	-
Granted	400,000
Balance as at July 31, 2023	400,000
Exercised	(100,000)
Balance as at January 31, 2024	300,000

Warrants

Warrant transactions are summarized as follows:

	Number of warrants	**Weighted average exercise price**
Balance as at July 31, 2022	14,653,747	$ 0.16
Issued	14,616,294	0.30
Exercised	(11,611,000)	0.10
Expired	(60,480)	0.70
Balance as at July 31, 2023	17,598,561	0.31
Exercised	(1,425,000)	0.10
Expired	(1,557,267)	0.62
Balance as at January 31, 2024	14,616,294	$ 0.30

(Expressed in Canadian Dollars)

As at January 31, 2024, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Number of warrants		Exercise price	Weighted average remaining life (years)	Expiry date
3,724,250	$	0.30	1.14	December 21, 2024
3,727,044	$	0.30	1.40	March 24, 2025
710,282	$	0.30	1.47	April 20, 2025
5,590,600	$	0.30	1.55	May 19, 2025
589,118	$	0.30	1.72	July 19, 2025
275,000	$	0.30	2.31	February 21, 2026
14,616,294			1.17	

Escrow warrants

On January 12, 2021, the Company entered into an escrow agreement pursuant to which 699,999 warrants have been placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed warrants will be released from escrow upon the original CSE listing date and that an additional 15% will be released therefrom every six-month interval thereafter, over a period of 36 months. As at January 31, 2024, there are nil (July 31, 2023 - 82,500) warrants held in escrow.

13. RELATED PARTY DISCLOSURES

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel:

		Six months ended January 31, 2024		Six months ended January 31, 2023
Management fees	$	75,000	$	75,000
Professional fees		26,500		18,000
Share-based payments		49,664		35,597
	$	151,164	$	128,597

In fiscal 2023, the Company entered into a loan agreement with its President (Note 10). During the six months ended January 31, 2024, interest expense was $28,532.27 (2023 - $nil).

(Expressed in Canadian Dollars)

As at January 31, 2024, included in accounts payable and accrued liabilities was $197,468 (July 31, 2023 - $150,574) owing to a director, a corporation controlled by a director and a corporation controlled by an officer.

The Company has a management services agreement with its President which provides that in the event the President's services are terminated without cause or upon a change of control of the Company, a termination payment of an amount equal to 200% of the current annual compensation plus an amount equal to two times the average of the cash discretionary bonuses paid for the two most recently completed years will be payable.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash financing and investing activities are as follows:

		Six months ended January 31, 2024		Six months ended January 31, 2023
Property, plant, and equipment included in accounts payable and accrued liabilities	$	624,200	$	-
Depletion included in inventory		64,855		-
Exploration and evaluation assets costs included in accounts payable and accrued liabilities		-		1,799
Residual value of warrants issued in private placement		-		36,525
Fair value of agents' warrants		-		8,376
Reclassification of reserves to deficit on cancellation of options		-		302,232
Reclassification of reserves to share capital on expiry of warrants		-		17,362

During the six months ended January 31, 2024, the Company paid interest of $nil (2023 - $nil) and paid income taxes of $nil (2023 - $nil).

15. SEGMENTED INFORMATION

The Company has an operating segment of oil and gas production; all property, plant, and equipment relates to this and is located in the U.S.A. All revenue is derived from these assets (Note 8). The Company also had an operating segment of the acquisition and exploration of exploration and evaluation assets; these were located in Canada (Note 8).

16. FINANCIAL INSTRUMENT RISK

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at January 31, 2024, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash and receivables. The maximum credit risk of the investments is their carrying value. The Company's primary bank accounts are held with a major Canadian bank and funds are transferred to the subsidiary's foreign bank account as required to cover current expenditures, minimizing the risk to the Company. Receivables are due from a government agency and from oil and gas marketers. The Company's policy to mitigate credit risk going forward is to maintain marketing relationships with established and reputable purchasers that are considered to be creditworthy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company does not have sufficient cash as at January 31, 2024 to settle its current liabilities as they come due and additional funds are required to continue current operations for the upcoming twelve months (Note 1).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

<u>Foreign currency exchange risk</u>

This risk relates to any changes in foreign currencies in which the Company transacts. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payables and accrued liabilities, and loans that are denominated in United States Dollars. The effect of a 10% change in foreign exchange rates would be approximately $194,000 for the six months ended January 31, 2024.

<u>Interest rate risk</u>

This risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with variable interest rates, with the exception of cash. Loans payable carry fixed interest rates. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% increase or decrease in interest rates would result in a nominal difference for the three months ended January 31, 2024.

<u>Price risk</u>

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, and of oil and gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

The Company does not currently use financial instruments designed to hedge these market risks.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1

Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2

Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3

Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, receivables, accounts payable and accrued liabilities, and loans payable approximates their carrying values because of the short-term nature of these instruments. The long term portion of the loans payable approximates its carrying value because it bears interest at the market rate. The BC Co. shares, recorded in investment, are measured using level 3 of the fair value hierarchy. Investments classified within level 3 may have significant unobservable inputs. The investment was made shortly before the prior year end, accordingly, cost is considered to remain most representative of its fair value.

18. CAPITAL MANAGEMENT

The Company defines capital as cash, debt, and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financings, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There have been no significant changes in the Company's objectives, policies, and processes for managing its capital during the six months ended January 31, 2024.