

ORACLE ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

(Unaudited)

ORACLE ENERGY CORP.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Oracle Energy Corp. have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

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

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (Expressed in Canadian Dollars) (Unaudited)

	Note	SEPTEMBER 30 2023	DECEMBER 31 2022
ASSETS			
Current			
Cash		\$ 15,510	\$ 39,710
Amounts receivable		1,103	2,675
Notes receivable	4	69,014	69,014
Total Assets		\$ 85,627	\$ 111,399
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 203,684	\$ 91,049
Notes payable	5	50,283	45,283
Due to related parties	6	94,644	43,842
Total current liabilities		348,611	180,174
Notes payable	5,6	244,073	249,684
Total liabilities		592,684	429,858
(DEFICIENCY) EQUITY			
Share capital	7	22,426,336	22,426,336
Reserves		4,978,375	4,978,375
Deficit		(27,911,768)	(27,723,170)
Total (deficiency) equity		(507,057)	(318,459)
Total liabilities and (deficiency) equity		\$ 85,627	\$ 111,399

These financial statements were authorized for issuance by the Board of Directors on November 20, 2023. They are signed on behalf of the Board of Directors by:

“Loren Currie”

Director

“James Ladner”

Director

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

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)
(Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30		FOR THE NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Expenses				
Advertising and communications	\$ 180	\$ 180	\$ 540	\$ 540
Accretion (Note 5)	2,407	3,852	(5,583)	11,279
Bank charges and interest	218	210	849	773
Consulting (Note 6)	53,000	48,000	149,000	165,500
Foreign exchange loss (gain)	375	1,087	(31)	1,412
Office	2,878	5,683	7,782	13,249
Professional fees (Note 6)	6,000	6,550	27,563	34,701
Regulatory and listing fees	1,250	1,249	5,642	4,751
Salaries and benefits (Note 6)	-	2,500	-	2,500
Transfer agent fees	874	692	2,836	2,671
	67,182	70,003	188,598	237,376
Net Loss and Comprehensive Loss For The Period	\$ (67,182)	\$ (70,003)	\$ (188,598)	\$ (237,376)
Basic And Diluted Loss Per Share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted Average Number Of Common Shares Outstanding	23,464,487	23,464,487	23,464,487	23,464,487

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

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022
Cash flows provided by (used for):		
Operating activities		
Net loss for the period	\$ (188,598)	\$ (237,376)
Items not affecting cash:		
Accretion	(5,583)	11,279
Foreign exchange	(28)	1,232
Net change in non-cash working capital items:		
Amounts receivable	1,572	211
Accounts payable and accrued liabilities	112,635	(86,701)
Due to related parties	50,802	(17,364)
	(29,200)	(328,719)
Financing activities		
Cash received from notes payable	5,000	-
Investing activity		
Notes receivable	-	(51,241)
	(24,200)	(379,960)
Net (decrease) increase in cash		
Cash, beginning of year	39,710	503,525
Cash, end of period	\$ 15,510	\$ 123,565
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash financing activities		
Fair value of agent warrants issued	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN (DEFICIENCY) EQUITY (Expressed in Canadian Dollars) (Unaudited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

	SHARE CAPITAL				TOTAL
	NUMBER	AMOUNT	RESERVES	DEFICIT	(DEFICIENCY) EQUITY
Balance, December 31, 2021	23,464,487	22,426,336	4,978,375	(27,386,157)	18,554
Net loss for the period	-	-	-	(237,376)	(237,376)
Balance, September 30, 2022	23,464,487	22,426,336	4,978,375	(27,623,533)	(218,822)
Net loss for the period	-	-	-	(99,637)	(99,637)
Balance, December 31, 2022	23,464,487	22,426,336	4,978,375	(27,723,170)	(318,459)
Net loss for the period	-	-	-	(188,598)	(188,598)
Balance, September 30, 2023	23,464,487	\$ 22,426,336	\$ 4,978,375	\$ (27,911,768)	\$ (507,057)

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

ORACLE ENERGY CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Oracle Energy Corp. (the “Company”) was incorporated on October 2, 1985 under the Business Corporations Act of British Columbia and was in the business of acquiring, exploring and evaluating oil and gas properties, and developing these properties further or disposing of them when the evaluation is completed. The Company continues to evaluate options and is considering biotechnology as part of its future plan.

The address of the Company, the principal place of business and the registered and records office is located at Suite 1400 – 1040 West Georgia Street, Vancouver, British Columbia, Canada.

During the nine months ended September 30, 2023, the Company continued productive negotiations with Methanogenesis Corporation (“Methano”) to acquire Methano and the Company is still pursuing a concurrent move to the Canadian Securities Exchange (“CSE”). The Board of Directors of the Company advised that these extended negotiations resulted from market conditions and a renewed approach to acquire Methano. The Company proposes to acquire Methano by way of a share exchange, and the Company will provide further details when discussions are formalized in an agreement. There are no assurances that the proposed transaction will be successful.

To date, the Company has not earned significant revenues. During the nine months ended September 30, 2023, the Company recorded net loss of \$188,598 (2022 - \$237,376) and as of that date, the Company had a working capital deficiency of \$262,984 (December 31, 2022 - \$68,775). As at September 30, 2023, the Company has an accumulated deficit of \$27,911,768 (December 31, 2022 - \$27,723,170). The Company’s operations are primarily funded with debt or equity financing, which is dependent upon many external factors and may be difficult to raise when required. The Company does not have sufficient cash to fund current operations, amounts payable, or amounts required to complete planned acquisitions and will require additional funding, which if not raised, may result in the delay, postponement, or curtailment of some of its activities.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. However, the above material uncertainties may cast significant doubt on the use of the going concern basis of accounting used in the preparation of these financial statements. These financial statements do not give effect to adjustments that would be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

ORACLE ENERGY CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

a) Statement of Compliance

The condensed interim financial statements of the Company for the nine months ended September 30, 2023 and 2022, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for the year-end reporting process.

b) Basis of Preparation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Presentation and Functional Currency

The presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Significant Accounting Judgments and Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments.

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2. BASIS OF PRESENTATION (continued)

d) Significant Accounting Judgments and Estimates (continued)

based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) *Going concern assessment:*

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Elements of these financial statements subject to material estimation uncertainty include:

i) *Discounting of long-term notes payable:*

The discounting of long-term notes payable involves estimates in determining the discount rate used by the Company and the estimated timing of the repayments as indicated in Note 5.

ii) *Recoverability of notes receivable:*

The Company uses an expected credit loss model in determining the recoverability and loss allowance for notes receivable. In establishing our allowances for any non-recoverable balances, significant judgment is exercised by management in determining the amount of outstanding notes receivable that is expected to be recovered from debtors.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied to the financial statements as at and for the year ended December 31, 2022 and 2021. Certain comparative figures may have been reclassified in order to conform to the current period's financial statement presentation.

b) New accounting standards and amendments effective for future periods

Amendment to IAS 1 – Non-current Liabilities with Covenants

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

This amendment is effective for reporting periods beginning on or after January 1, 2024.

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
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4. NOTES RECEIVABLE

Notes receivable are comprised of amounts loaned to an arm's length corporation for which the Company has been pursuing potential opportunities. The outstanding amount is due on the completion of a transaction with the corporation or on completing a private placement and is unsecured and bears no interest.

5. NOTES PAYABLE

During the year ended December 31, 2020, the Company entered into debt deferral arrangements in the amount of \$302,677 whereby various related parties, key management and third parties agreed to defer 75% of the amounts owing to three equal installments, repayable from each of the first three private placements completed by the Company subsequent to the first year after the Company completes a qualifying transaction. The 25% current portion was to be repaid from the proceeds from the next private placement after a qualifying transaction is completed. As a result of the debt settlements and debt deferral arrangements, 25% of the amounts were reclassified from related party debt to current and 75% to long term notes payable. The long-term portion was discounted using a rate of 14.76% with estimated repayment dates of December 31, 2024, June 30, 2025, and December 31, 2025 for each of the installments.

During the year ended December 31, 2020, the Company borrowed \$40,000 from the Canada Emergency Business Account ("CEBA") program. The CEBA Loan has an initial term that expires on December 31, 2023, throughout which, the CEBA Loan remains interest free. Repayment of \$30,000 by December 31, 2023 results in a \$10,000 loan forgiveness. If the balance is not paid prior to December 31, 2023, the remaining balance will be converted to a 2-year term loan at 5% annual interest, paid monthly effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025.

During the nine months ended September 30, 2023, the Company borrowed \$5,000 from a shareholder. The amount owing is non-interest bearing and has no specific terms of repayment. The amount is included in current notes payable.

As at September 30, 2023, the total amounts owing were \$304,544 (December 31, 2022 - \$299,572). The outstanding loans are unsecured and bear no interest except as noted above.

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5. NOTES PAYABLE (continued)

The summary of notes payable as of September 30, 2023 and December 31, 2022 is as follows:

	SEPTEMBER 30	DECEMBER 31
	2023	2022
Notes payable	\$ 264,544	\$ 259,572
CEBA	40,000	40,000
Total notes payable	<u>304,544</u>	<u>299,572</u>
Current notes payable	<u>(50,283)</u>	<u>(45,283)</u>
Long term portion	254,261	254,289
Discounting of long-term notes payable	(4,605)	(19,827)
True up of discount	(12,657)	-
Accretion	7,074	15,222
Long term notes payable	<u>\$ 244,073</u>	<u>\$ 249,684</u>

6. RELATED PARTY BALANCES AND TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Key Management Personnel

	NINE MONTHS ENDED	
	SEPTEMBER 30	
	2023	2022
Salaries and benefits	-	2,500
Consulting fees	36,000	36,000
Legal fees, included in professional fees	18,000	23,907
	<u>\$ 54,000</u>	<u>\$ 62,407</u>

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at September 30, 2023, \$94,644 (December 31, 2022 - \$43,842) was owing to key management personnel or to a company controlled by an officer or director and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at September 30, 2023, \$78,414 (December 31, 2022 - \$78,442) was owing to key management personnel or to a company controlled by an officer or director and the amounts were included in notes payable.

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7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value
 5,000,000 preferred shares, par value of \$5 per share (none issued)

b) Issued and Outstanding

There were no shares issued during the nine months ended September 30, 2023 or the year ended December 31, 2022.

c) Warrants

A summary of the changes in the Company's share purchase warrants is as follows:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2021	5,579,600	\$ 0.15
Expired	(5,579,600)	0.15
Balance, September 30, 2023, and December 31, 2022	-	\$ -

As at September 30, 2023 and December 31, 2022, there were no outstanding warrants.

d) Incentive Stock Options

The Company's Stock Option Plan ("the Plan") follows the policies of the TSX Venture Exchange regarding stock option awards granted to employees, directors, and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan, and the maximum term for the stock options granted is 10 years.

There were no options granted and no options outstanding during and as at the nine months ended September 30, 2023 and the year ended December 31, 2022.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties, or businesses with a view to acquisition. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2023 and December 31, 2022, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or borrow cash.

The Company's investment policy is to invest its excess cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

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8. MANAGEMENT OF CAPITAL (continued)

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2023.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and its ability to attain profitable operations.

9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk

Credit risk primarily arises from the Company's cash, amounts receivable and notes receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash is held as cash deposits. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Goods and Services Tax (GST) credits. The Company evaluates the creditworthiness of the counterparty and the fair value of the credit loss of the notes receivable.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities, and cash flows. The Company's accounts payable and accrued liabilities and due to related parties are due within one year and notes payables are due within three years based on the expected timing of completing a qualifying transaction. The undiscounted contractual cash flows of its financial liabilities are as follows:

	Within 1 year	2 to 3 years	Total
Accounts payable	\$ 203,684	\$ -	\$ 203,684
Notes payable	50,283	254,261	304,544
Due to related parties	94,644	-	94,644
	<u>\$ 348,611</u>	<u>\$ 254,261</u>	<u>\$ 602,872</u>

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9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

b) Liquidity Risk (continued)

The Company's cash is deposited in major banks, which are available on demand to fund the Company's operating costs and other financial demands.

The Company plans to raise additional capital through the issuance of equity instruments during the year in order to meet its current obligations.

c) Market Risk

The significant market risks to which the Company is exposed are currency, interest rate, commodity, and equity price risks.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at September 30, 2023 and December 31, 2022, the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	SEPTEMBER 30	DECEMBER 31
	2023	2022
Cash	USD 12	USD -
Accounts payable	USD 1,383	USD 1,383
Notes payable	USD 12,000	USD 12,000

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of \$1,808 (2022 - \$1,813) in income/loss from operations

9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

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c) Market Risk (continued)

ii) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest to maintain liquidity, while achieving a satisfactory return for shareholders. As at September 30, 2023 and December 31, 2022, no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

iii) Commodity and Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's financing abilities due to movements in individual equity prices or general movements in the stock market. The Company closely monitors equity prices and the stock market to determine the appropriate course of action to be taken by the Company.

As at September 30, 2023 and December 31, 2022, the Company had no investments subject to commodity and equity price risk.

9. SUBSEQUENT EVENTS

None