JERICHO ENERGY VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in United States Dollars)

March 31, 2023 and 2022

Jericho Energy Ventures Inc.
Condensed Consolidated Interim Statements of Financial Position
(unaudited)
(Expressed in United States dollars)

	Note	March 31, 2023	December 31, 2022
Assets			
Current assets			
Cash		$ 1,434,676	$ 349,638
Accounts receivable		75,600	54,511
Prepaid expenses and deposits		122,662	43,515
		1,632,938	447,664
Non-current assets			
Equity investments	4	14,825,073	15,118,561
Intangible assets	5	2,637,358	2,747,403
Investments and other non-current assets	5	3,501,336	3,521,994
		20,963,767	21,387,958
Total assets		$ 22,596,705	$ 21,835,622
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 1,312,530	$ 1,130,803
Loans		29,590	29,512
		1,342,120	1,160,315
Non-current liabilities			
Convertible debentures	7	3,231,724	3,035,441
Total liabilities		$ 4,573,844	$ 4,195,756
Equity			
Share capital	8	52,992,465	51,742,094
Contributed surplus	7,8	7,219,499	6,801,797
Accumulated other comprehensive loss		(1,342,492)	(1,335,305)
Deficit		(40,846,611)	(39,568,720)
		18,022,861	17,639,866
Total liabilities and equity		$ 22,596,705	$ 21,835,622

Going concern (Note 2(c))

Approved on behalf of the Board on May 25, 2023

"Brian Williamson" ***"Ben Holman"***

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

Jericho Energy Ventures Inc.
Condensed Consolidated Interim Statements of Comprehensive Loss
(unaudited)
(Expressed in United States dollars)

	Note	Three Months Ended March 31, 2023	2022
Net product revenue	12	$ **18,000**	$ 8,904
Operating expenses			
Production costs		**—**	3,840
Depletion, depreciation and amortization	5	**139,988**	133,611
Accretion of decommissioning liabilities		**—**	25
General and administrative expenses	6	**867,072**	2,506,610
Total operating expenses		**1,007,060**	2,644,086
Share of income (loss) from equity investments	4	**(102,488)**	255,552
Operating loss		**(1,091,548)**	(2,379,630)
Other income (loss)			
Interest expense	7	**(180,891)**	(151,126)
Other loss		**(5,452)**	(753)
		(186,343)	(151,879)
Loss for the period		**(1,277,891)**	(2,531,509)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to income/loss			
Foreign currency exchange income (loss) on translation of foreign subsidiaries		**(7,187)**	(3,225)
Comprehensive loss for the period		$ **(1,285,078)**	$ (2,534,734)
Loss per share			
Basic		$ **(0.01)**	$ (0.01)
Weighted average number of shares			
Basic and diluted		**227,118,444**	224,538,199

(The accompanying notes are an integral part of the condensed consolidated interim financial statements)

Jericho Energy Ventures Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(unaudited)
(Expressed in United States dollars)

	Number of Shares (Note 8)	Share Capital (Note 8)	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
December 31, 2021	222,406,869	$ 50,985,070	$ 3,149,862	$ (1,520,037)	$ (35,053,415)	$ 17,561,480
Issue of shares under warrant exercise	2,471,300	251,831	—	—	—	251,831
Issue of shares under options exercise	400,000	117,650	(46,500)	—	—	71,150
Share issuance costs	—	(694)	—	—	—	(694)
Share-based payments	—	—	1,347,994	—	—	1,347,994
Conversion rights of debentures and warrants (Note 7)	—	—	1,816,391	—	—	1,816,391
Other comprehensive loss for the period	—	—	—	(3,225)	—	(3,225)
Net loss for the period	—	—	—	—	(2,531,509)	(2,531,509)
March 31, 2022	225,278,169	$ 51,353,857	$ 6,267,747	$ (1,523,262)	$ (37,584,924)	$ 18,513,418

December 31, 2022	226,252,169	$ 51,742,094	$ 6,801,797	$ (1,335,305)	$ (39,568,720)	$ 17,639,866
Issue of shares for cash	8,662,745	1,293,510	—	—	—	1,293,510
Share issuance costs	—	(43,139)	—	—	—	(43,139)
Warrants issued in connection with private placement	—	—	379,180	—	—	379,180
Share-based payments	—	—	38,522	—	—	38,522
Other comprehensive loss for the period	—	—	—	(7,187)	—	(7,187)
Net loss for the period	—	—	—	—	(1,277,891)	(1,277,891)
March 31, 2023	234,914,914	$ 52,992,465	$ 7,219,499	$ (1,342,492)	$ (40,846,611)	$ 18,022,861

(The accompanying notes are an integral part of the condensed consolidated interim financial statements)

Jericho Energy Ventures Inc.
Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

	Note	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash flows from (used in) operating activities			
Loss for the period		$ (1,277,891)	$ (2,531,509)
Adjustments for non-cash items:			
Accretion of decommissioning liabilities		—	25
Depletion, depreciation and amortization	5	132,765	133,611
Share-based payments	6	38,522	1,347,994
Share of loss (income) from equity investments	4	102,488	(255,552)
Distributions received from equity investments		191,000	—
Amortization of debt issuance costs		7,222	—
Loss on disposal of fixed assets		5,452	—
Cash provided by (used in) operating assets and liabilities:			
Accounts receivable		(21,089)	(1,595)
Prepaid expenses and deposits		(79,147)	(50,068)
Accounts payable and accrued liabilities		181,727	(25,905)
Interest payable on convertible debentures		139,359	41,480
Non-current assets and non-current liabilities		12,892	42,989
Net cash used in operating activities		(566,700)	(1,298,530)
Cash flows from (used in) investing activities			
Investment in intangible assets		(11,026)	(164,052)
Investment in equity securities	5	—	(1,974,492)
Net cash used in investing activities		(11,026)	(2,138,544)
Cash flows from (used in) financing activities			
Proceeds from issuance of shares	8	1,657,713	369,460
Share issuance costs		(10,810)	(694)
Subscriptions received for convertible debentures	7	—	533,552
Net cash from financing activities		1,646,903	902,318
Change in cash		1,069,177	(2,534,756)
Effect of exchange rate changes on cash		15,861	64,464
Cash at beginning of period		349,638	4,896,074
Cash at end of period		$ 1,434,676	$ 2,425,782

(The accompanying notes are an integral part of the condensed consolidated interim financial statements)

1. NATURE OF OPERATIONS

Jericho Energy Ventures Inc., formerly Jericho Oil Corporation, ("Jericho" or the "Company") was incorporated on October 21, 2010 under the Laws of British Columbia. The Company trades on the TSX Venture Exchange under the symbol "JEV", and on the OTC Market exchange under the symbol "JROOF".

The Company's principal activity is the acquisition, exploration, development and production of oil and natural gas fields in the United States of America (USA). As of March 31, 2023, the Company primarily conducts its operations through its various joint arrangements in the state of Oklahoma. See Note 4 for a detailed discussion of the Company's joint arrangements and their petroleum properties.

In 2021, the Company began expanding its energy portfolio to advance the global low-carbon energy transition with investments in hydrogen technologies and new energy systems. See Note 5 for a discussion of the Company's acquisitions and investments related to these activities.

The head office, principal address and records office of the Company are located at Suite 2100 - 1055 W. Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements but do not contain all of the information required for full annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements, which were also prepared in accordance with IFRS as issued by the IASB. These financial statements were approved and authorized for issue by the Board of Directors on May 25, 2023.

(b) Basis of presentation

In the fourth quarter of 2022, the Company elected to change its reporting currency from Canadian dollars to U.S. dollars since its entire portfolio of petroleum properties are located in the U.S., and the majority of the activities related to its other subsidiaries take place in the U.S., and to facilitate a more direct comparison to other similar companies in the U.S. The change in reporting currency is a voluntary change which is accounted for retrospectively. All comparative financial statements and financial information have been revised to U.S. dollars using the procedures outlined below:

- Consolidated Statements of Comprehensive Loss and Consolidated Statements of Cash Flows have been translated into U.S. dollars using actual amounts when available, and average foreign exchange rates for the relevant period when actual amounts are not available.

- Assets and liabilities in the Consolidated Statements of Financial Position have been translated into U.S. dollars at actual amounts when available, and the closing foreign exchange rates on the respective year-end dates when actual amounts are not available.

- The equity section of the Consolidated Statements of Financial Position and the Consolidated Statements of Changes in Equity have been translated into U.S. dollars using historical foreign exchange rates.

- Earnings per share disclosures have also been restated to U.S. dollars to reflect the change in reporting currency.

The functional currency of the parent entity has been and continues to be Canadian dollars and the functional currency of the U.S. subsidiaries and joint arrangements continues to be U.S. dollars. All references to $ or USD$ are to U.S. dollars and references to CAD$ are to Canadian dollars.

These condensed consolidated interim financial statements are expressed in U.S. dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all years presented in these condensed consolidated interim financial statements as if the policies have always been in effect.

(c) Going concern

These condensed consolidated interim financial statements have been prepared on the assumption that the Company is a going concern that will continue in operation for the foreseeable future and will be able to realize its assets and settle its obligations in the normal course of operations.

At March 31, 2023, the Company has incurred a net loss of $1,277,891 and had negative cash flows from operations of $566,700 in the three months ended March 31, 2023. These factors indicate the existence of a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on achieving profitable operations and/or management's ability to raise the necessary funding through future equity issuances or debt issuances. There is no assurance that any necessary future financing will be sufficient to sustain operations until such time that the Company can generate sufficiently profitable operations to support its requirements.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate, adjustments would be necessary to the recoverability and classification of recorded asset amounts and classification of liabilities. Such adjustments could be material.

(d) Foreign currency translation

Functional currencies
The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's US subsidiaries and joint arrangements is the U.S. dollar which is determined to be the currency of the primary economic environment in which the subsidiaries and joint arrangements operate.

Foreign currency transactions
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 condensed consolidated interim statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are considered not re-translated.

Foreign currency translation
The parent entity translates its consolidated statement of comprehensive loss items to U.S. dollars at the average rate during the year. Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period. Exchange rate variations resulting from differences between the consolidated statement of comprehensive loss translated at actual and average rates are recognized in accumulated other comprehensive income (loss). On disposition or partial disposition of a foreign operation, the related cumulative amount of related exchange difference is recognized in the consolidated statement of comprehensive loss.

(e) Significant accounting estimates and judgments

The timely preparation of condensed consolidated interim financial statements, in compliance with IFRS, requires management to make certain critical accounting estimates regarding the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are consistent with those disclosed in Note 4 – Critical Accounting Estimates and Judgments for the consolidated financial statements for the previous year ended December 31, 2022.

(f) Basis of consolidation

The condensed consolidated interim financial statements include the accounts of Jericho Energy Ventures Inc. and its 100% owned subsidiaries, JEV USA Inc., JEV Ventures, LLC, JEV KS, LLC, and JEV OK, LLC. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim financial statements.

(Expressed in United States dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company followed the same accounting policies in these condensed consolidated interim financial statements as those disclosed in Note 3 – Summary of Significant Accounting Policies for the consolidated financial statements for the previous year ended December 31, 2022.

4. EQUITY INVESTMENTS

As of March 31, 2023, the Company's oil and gas operations were held in Oklahoma, with operations conducted through participation in various joint ventures and associates. The Company's interests in these joint ventures and associates are accounted for using the equity method. Under the equity method, the investment in a joint venture or an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date less distributions received and any impairment in the fair value of investment. At March 31, 2023 and December 31, 2022, the Company held the following joint ventures and associates:

	March 31, 2023	December 31, 2022
Eagle Road Oil, LLC ("Eagle Road")	50 %	50 %
Lurgan Oil, LLC ("Lurgan")	50 %	50 %
Jericho Buckmanville Oil, LLC ("Buckmanville")	50 %	50 %
RSTACK Walnut, LLC ("Walnut")	26.5 %	26.5 %
Cherry Rancher, LLC ("Cherry Rancher")	31 %	31 %

Carrying amounts of the Company's interests in equity method investments as of March 31, 2023 and December 31, 2022, are as follows:

	Eagle Road	Lurgan	Buckmanville	Walnut	Cherry Rancher	Total
Balance, December 31, 2022	$ 5,370,239	$ 610,048	$ 5,489,915	$ 3,624,307	$ 24,052	$ 15,118,561
Share of income/(loss)	(81,752)	(1,415)	3,497	(29,825)	7,007	(102,488)
Distribution received	(191,000)	—	—	—	—	(191,000)
Balance, March 31, 2023	$ 5,097,487	$ 608,633	$ 5,493,412	$ 3,594,482	$ 31,059	$ 14,825,073

Advances are generally made to Eagle Road as the Operator of the Company's joint ventures in Oklahoma. As the Operator, Eagle Road bears payroll costs, pays invoices and collects and distributes revenues on behalf of the other joint ventures. Details of the joint ventures' net assets and net income (loss) are shown below along with the Company's share of the investment and income/loss.

(Expressed in United States dollars)

Results of operations of the equity investments for the three months ended March 31, 2023 are as follows:

100% Three Months Ended March 31, 2023	**Eagle Road**	**Lurgan**	**Buckmanville (*)**	**Walnut**	**Cherry Rancher**	**Total**
Revenue	$ 795,853	$ 140,918	$ 1,129,032	$ 227,056	$ 28,615	$ 2,321,474
Production cost	(226,865)	(93,999)	(929,369)	(136,426)	(5,759)	(1,392,418)
Depletion and depreciation	(299,783)	(38,200)	(177,900)	(80,826)	—	(596,709)
Accretion of decommissioning provision	(28,800)	(3,000)	(29,700)	(7,200)	—	(68,700)
Gain on disposal of asset	(8,876)	—	—	—	—	(8,876)
G&A and other operating	(356,554)	(790)	(2,421)	(115,214)	(250)	(475,229)
Interest and loan costs	(38,479)	(7,759)	(62,648)	65	—	(108,821)
100% Net income (loss)	**$ (163,504)**	**$ (2,830)**	**$ (73,006)**	**$ (112,545)**	**$ 22,606**	**$ (329,280)**
Jericho's ownership	50 %	50 %	50 %	26.5 %	31 %	
	$ (81,752)	**$ (1,415)**	**$ (36,503)**	**$ (29,825)**	**$ 7,007**	**$ (142,488)**
Basis difference adjustment	—	—	40,000	—	—	40,000
Jericho's share of net income (loss)	**$ (81,752)**	**$ (1,415)**	**$ 3,497**	**$ (29,825)**	**$ 7,007**	**$ (102,488)**

(*) Jericho's share of Buckmanville's net income includes an adjustment for a basis difference in Jericho's carrying value of its investment and Buckmanville's equity.

Results of operations of the equity investments for the three months ended March 31, 2022, are as follows:

100% Three Months Ended March 31, 2022	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
Revenue	$ 601,658	$ 169,485	$ 1,459,990	$ 374,598	$ 43,517	$ 2,649,248
Production cost	(156,454)	(51,055)	(807,063)	(130,759)	(5,994)	(1,151,325)
Depletion and depreciation	(146,150)	(22,000)	(199,000)	(63,181)	—	(430,331)
Accretion of decommissioning provision	(11,700)	(2,100)	(14,400)	(4,270)	—	(32,470)
G&A and other operating	(308,559)	(600)	(5,700)	(103,494)	—	(418,353)
Interest and loan costs	(16,539)	(3,228)	(37,407)	52	—	(57,122)
100% Net income (loss)	**$ (37,744)**	**$ 90,502**	**$ 396,420**	**$ 72,946**	**$ 37,523**	**$ 559,647**
Jericho's ownership	50 %	50 %	50 %	26.5 %	31 %	
Jericho's share of net income (loss)	**$ (18,872)**	**$ 45,251**	**$ 198,210**	**$ 19,331**	**$ 11,632**	**$ 255,552**

(Expressed in United States dollars)

Summary financial position information of the joint ventures as of March 31, 2023, is presented in the table below.

100%

As at March 31, 2023	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
Assets						
Cash and cash equivalents	$ 637,260	$ 4,456	$ 30,089	$ 585,781	$ —	$ 1,257,586
Current assets (excluding cash)	753,273	24,400	167,442	41,959	4	987,078
Non-current assets	18,932,416	1,849,283	16,144,191	13,198,757	—	50,124,647
Total assets	20,322,949	1,878,139	16,341,722	13,826,497	4	52,369,311
Liabilities						
Current liabilities	1,402,635	107,065	39,228	47,682	—	1,596,610
Intercompany	3,289,309	(189,778)	(2,823,221)	(178,053)	(98,257)	—
Non-current liabilities	5,270,071	743,586	6,630,769	737,591	—	13,382,017
Total liabilities	9,962,015	660,873	3,846,776	607,220	(98,257)	14,978,627
Equity	10,360,934	1,217,266	12,494,946	13,219,277	98,261	37,390,684
Total liabilities and equity	$ 20,322,949	$ 1,878,139	$ 16,341,722	$ 13,826,497	$ 4	$ 52,369,311

At March 31, 2023, non-current liabilities include $6.3 million related to the loan discussed below and $7.0 million for decommissioning liabilities.

Summary financial position information of the joint ventures as of March 31, 2022 is presented in the table below.

100%

As at March 31, 2022	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
Assets						
Cash and cash equivalents	$ 1,340,866	$ 4,484	$ 99,676	$ 524,404	$ —	$ 1,969,430
Current assets (excluding cash)	1,670,909	44,200	213,035	101,689	9,233	2,039,066
Non-current assets	13,548,932	1,472,658	20,404,476	13,117,704	—	48,543,770
Total assets	16,560,707	1,521,342	20,717,187	13,743,797	9,233	52,552,266
Liabilities						
Current liabilities	1,827,752	107,065	43,546	65,449	(4)	2,043,808
Intercompany	1,752,286	131,503	(1,661,637)	(104,771)	(117,381)	—
Non-current liabilities	6,199,510	836,104	6,692,304	972,581	—	14,700,499
Total liabilities	9,779,548	1,074,672	5,074,213	933,259	(117,385)	16,744,307
Equity	6,781,159	446,670	15,642,974	12,810,538	126,618	35,807,959
Total liabilities and equity	$ 16,560,707	$ 1,521,342	$ 20,717,187	$ 13,743,797	$ 9,233	$ 52,552,266

At March 31, 2022, non-current liabilities include $8.6 million for asset retirement obligations, $5.6 million, net of issuance costs, related to the loan discussed below and $0.7 million for deferred tax liability.

Three of the Company's joint ventures (Eagle Road, Lurgan, and Buckmanville) together have a $7.0 million Senior Secured Revolving Credit Facility (the "Facility") with Vast Bank. As of March 31, 2023, the carrying value of the Facility was $6.3 million. The interest rate for the Facility is Chase Prime, and the Facility matures on December 23, 2024.

5. ACQUISITIONS, INTANGIBLE ASSETS AND INVESTMENTS

In February 2022, the Company led a Seed-Series fundraising round for Supercritical Solutions, Ltd. ("Supercritical"), a company in the United Kingdom focused on developing its new class of water electrolyzer for the production of low-cost clean hydrogen. Jericho invested $1.8 million of a total $3.6 million raised to develop Supercritical's technology. Jericho owns an approximate 11% interest in the ordinary and seed preferred shares of the company, and currently holds one of five board positions. The seed preferred shares are convertible into ordinary shares upon notice of a majority of preferred investors or prior to an initial public offering. The Company accounts for its investment in Supercritical at fair value through other comprehensive income, and is included in Investments and other non-current assets on the condensed consolidated interim statements of financial position.

In the third quarter of 2021, the Company participated in a Series-A financing for H2U Technologies, Inc. ("H2U"), and invested $1.5 million in preferred shares of H2U. The preferred shares are convertible into common shares at the election of the investor. H2U is a company focused on developing electrolyser technology and catalyst that serve the growing hydrogen market. H2U will use the proceeds of its funding to develop its proprietary technology. In February of 2022, Jericho participated in a second round of Series-A financing and made an additional $225,000 investment in the preferred shares of H2U. The Company currently holds one of six board positions. The Company accounts for its investment in H2U at fair value through other comprehensive income, and is included in Investments and other non-current assets on the condensed consolidated interim statements of financial position.

In January 2021, the Company acquired the assets of California-based Hydrogen Technologies Inc. ("HTI"). The assets acquired include intellectual property primarily through two patents for an industrial and commercial steam generation technology that enables zero-emissions hydrogen to generate heat, hot-water, and high-temperature steam. The Company also hired the former management team of HTI. Since acquiring the assets of HTI, the Company has incurred approximately $1,072,000 in development expenditures for professional engineering services necessary for completing manufacturing designs in preparation of commercial development.

(Expressed in United States dollars)

The following tables present the reconciliation of the opening and closing aggregate carrying amount of the Company's intangible assets:

	Patents	Development Costs	Total Intangible Assets
Net book value			
Balance at December 31, 2021	$ 2,217,478	$ 661,139	$ 2,878,617
Additions	—	390,546	390,546
Amortization	(521,760)	—	(521,760)
Balance at December 31, 2022	$ 1,695,718	$ 1,051,685	$ 2,747,403
Additions	—	20,395	20,395
Amortization	(130,440)	—	(130,440)
Balance at March 31, 2023	$ 1,565,278	$ 1,072,080	$ 2,637,358

6. GENERAL AND ADMINISTRATIVE EXPENSES

The following table presents the general and administrative expenses incurred during the three months ended March 31, 2023 and 2022.

	Three Months Ended March 31,	
	2023	2022
General and administrative expense		
Management fees (Note 9)	$ 90,520	$ 90,451
Employee salaries and benefits	352,942	204,993
Business development costs	85,519	134,726
Directors' fees (Note 9)	20,000	15,000
Share-based payments (Note 8, 9)	38,522	1,331,098
Consulting fees	57,749	140,441
Accounting and auditing fees	65,152	47,287
Investor relations	28,093	302,269
Transfer agency and filing fees	32,750	24,306
Legal fees	4,486	151,500
Travel	20,388	18,742
Short-term lease obligation	4,806	4,974
Insurance	11,586	12,859
Office, computer and miscellaneous	54,559	27,964
General and administrative expense	$ 867,072	$ 2,506,610

(Expressed in United States dollars)

7. CONVERTIBLE DEBENTURES

The following table presents a reconciliation of the convertible debentures:

		Convertible Debentures $
Proceeds from issuance of convertible debentures	$	4,219,240
Less transaction costs, net of accumulated amortization		(50,580)
	$	4,168,660
Amount classified as equity (conversion rights and warrants), net of transaction costs		(1,728,623)
Interest accrued		791,687
Balance as of March 31, 2023	$	3,231,724

8. SHARE CAPITAL AND EQUITY RESERVES

The Company's share capital structure consists of two classes of shares, (i) common shares and (ii) variable voting shares, which are held by shareholders that are U.S. residents and were created to limit share ownership of the common shares to shareholders that are Non-U.S. residents (the common and variable voting shares, together, the "shares"). Aside from the differences in (a) the residency status of shareholders of the common shares and variable voting shares and (b) the voting rights attributable to each class of shares, the shares are otherwise treated the same by the Company in all material respects, including payment of dividends and participation in earnings of the Company. The shares trade on the TSX Venture Exchange under the single and current ticker "JEV."

(a) Authorized share capital

The authorized share capital consists of unlimited number of the shares without a par value.

(b) Issued share capital

At March 31, 2023, 54,982,129 common shares and 179,932,785 variable voting shares.

As the common shares and variable voting shares participate in the Company's earnings on the same basis, the weighted average number of shares outstanding used to compute loss per share includes both the common shares and variable voting shares.

For the three months ended March 31, 2023

In March 2023, the Company closed an oversubscribed non-brokered private placement of 8,662,745 units at a price of CAD $0.26 per unit for gross proceeds of approximately $1,650,000 (CAD $2,252,000). Each unit is comprised of one common share and one warrant with each warrant exercisable for one additional common share at a price of CAD $0.50 per share for a period of 24 months from the date of issuance.

(Expressed in United States dollars)

For the year ended December 31, 2022

During 2022, 1,374,000 stock options were exercised at a weighted average price of CAD $0.22 per share for gross proceeds of CAD $308,500. In addition, 2,471,300 warrants were exercised at CAD $0.13 per share for gross proceeds of CAD $320,174.

(c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding shares of the Company. The options vest on a date set by the directors and expire at a time set by the directors, being not more than 10 years from the date of grant, provided that any outstanding options will expire on a date to be determined by the directors following the date that the holder ceases to be a senior officer, director, employee or consultant of the Company, such period not being more than twelve months from the date of such cessation.

During first quarter 2023, the Company granted stock options for 325,000 shares to certain employees of the Company. The options are exercisable at a price of CAD$0.35 for a period of up to three years. The Company recorded approximately $38,522 of share-based payments included as General and administrative expense in the condensed consolidated interim statements of comprehensive loss (see Note 6). Additionally, the Company issued 8,719,257 warrants in relation to the private placement discussed above, exercisable at a price of CAD$0.50 for a period of up to two years.

At March 31, 2023, 3,425,491 options are available for issuance under the plan. The following is a continuity table of stock options outstanding as at March 31, 2023:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2021	15,675,000	$ 0.31
Granted	7,800,000	0.45
Exercised	(1,374,000)	0.22
Expired	(1,560,000)	0.45
Outstanding, December 31, 2022	20,541,000	$ 0.35
Granted	325,000	0.35
Forfeited	(800,000)	0.45
Outstanding, March 31, 2023	20,066,000	$ 0.34

(Expressed in United States dollars)

As at March 31, 2023, the following incentive stock options were outstanding:

Expiration date	Options outstanding and exercisable	Unvested options		Exercise price
April 4, 2023	100,000	—	$	0.25
April 4, 2023	175,000	—	$	0.80
June 15, 2023	1,541,000	—	$	0.15
July 3, 2023	50,000	—	$	0.90
August 23, 2023	160,000	—	$	0.25
January 21, 2024	1,850,000	—	$	0.45
January 21, 2024	200,000	—	$	0.50
February 3, 2024	500,000	—	$	0.60
February 7, 2024	215,000	—	$	0.65
April 14, 2024	50,000	—	$	0.90
May 19, 2024	100,000	—	$	0.75
August 1, 2024	100,000	—	$	0.30
September 30, 2024	200,000	—	$	0.55
January 31, 2025	250,000	—	$	0.60
February 1, 2025	1,275,000	—	$	0.25
February 7, 2025	150,000	—	$	0.65
June 15, 2025	4,725,000	—	$	0.15
August 4, 2025	225,000	—	$	0.40
November 14, 2025	1,000,000	—	$	0.30
November 17, 2025	250,000	—	$	0.33
December 29, 2025	2,125,000	—	$	0.35
January 21, 2026	700,000	—	$	0.45
January 9, 2027	3,500,000	—	$	0.50
November 29, 2027	300,000	—	$	0.35
January 3, 2026	81,250	243,750	$	0.35
	19,822,250	243,750	$	0.34

As of March 31, 2023, the weighted-average remaining contractual life of stock options outstanding was 2.10 years (December 31, 2022 - 2.30 years).

(Expressed in United States dollars)

(d) Share purchase warrants

The number and weighted average exercise prices of warrants outstanding as at March 31, 2023 were as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding, December 31, 2021	15,501,273	$	0.13
Granted	8,227,257		1.00
Exercised	(2,471,300)		0.13
Outstanding, December 31, 2022	21,257,230	$	0.47
Granted	8,719,830		0.50
Outstanding, March 31, 2023	29,977,060	$	0.48

The following table summarizes the warrants outstanding and exercisable at March 31, 2023:

Expiration Date	Warrants Outstanding and Exercisable		Weighted Average Exercise Price
June 10, 2023	13,029,973	$	0.13
January 7, 2025	8,227,257		1.00
March 22, 2025	8,719,830		0.50
Outstanding, March 31, 2023	29,977,060	$	0.48

As of March 31, 2023, the weighted-average remaining contractual life of warrants outstanding was 1.15 years (2022 – 1.05 years).

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management are the officers and directors of the Company.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Three Months Ended			
		March 31, 2023		March 31, 2022
Management fees	$	90,520	$	90,451
Directors' fees		20,000		15,000
Share-based payments		—		1,140,407
	$	110,520	$	1,245,858

At March 31, 2023, included in accounts payable and accrued liabilities is $6,600 payable to a company controlled by a joint venture partner of the Company ($6,600 at December 31, 2022).

(Expressed in United States dollars)

At March 31, 2023, the Company had $Nil in advances and $859,691 in accounts payable to equity investments as described in Note 4 ($Nil and $759,181 at December 31, 2022).

Accounts payable and accrued liabilities to related parties are non-interest bearing, due on demand and with no specific terms of repayment.

10. FINANCIAL INSTRUMENTS AND RISK

As of March 31, 2023, and December 31, 2022, the Company's financial instruments consist of cash, accounts receivable, investments in equity securities, convertible debentures, accounts payable and loans.

	March 31, 2023	December 31, 2022
Financial Assets:		
Fair value through profit or loss	$ 1,434,676	$ 349,638
Fair value through other comprehensive income	3,491,874	3,491,874
Amortized cost	38,000	30,000
Financial Liabilities:		
Amortized cost	$ 4,448,857	$ 4,027,548

See Note 3(n) of the Company's 2022 year-end consolidated financial statements for classifications.

IFRS 7 *Financial instruments – disclosures*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities. The Company considers its cash to be at fair value using Level 1 inputs.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

(Expressed in United States dollars)

Financial assets and liabilities measured at fair value on a recurring basis are presented on the Company's condensed consolidated interim statement of financial position as of March 31, 2023 and December 31, 2022 as follows:

	Balance as at	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:				
Cash	$ 1,434,676	$ 1,434,676	$ —	$ —
Investment in equity securities	3,491,874	—	—	3,491,874
March 31, 2023	$ 4,926,550	$ 1,434,676	$ —	$ 3,491,874
Cash	$ 349,638	$ 349,638	$ —	$ —
Investment in equity securities	3,491,874	—	—	3,491,874
December 31, 2022	$ 3,841,512	$ 349,638	$ —	$ 3,491,874

The recorded value of accounts receivable and accounts payable approximate their current fair values because of their nature and relatively short maturity dates or durations and current market rates for similar instruments. The Company estimates that the recorded value of the convertible debenture approximate its fair value based on the effective interest rate used to measure the convertible debentures.

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous year as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risk exposures are described below:

(a) Credit risk

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

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper. The Company's accounts receivables consist mainly of oil sales and purchase taxes remitted from the Government of Canada. The Company does not consider itself to be economically dependent on its hydrocarbon customers as transactions with these parties can be easily replaced by transactions with other parties on similar terms and conditions. The Company has not recorded any allowance against its trade receivables because historically all balances owed have been settled in full when due (typically within sixty days of submission).

(b) 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 manages liquidity risk through its management of capital as outlined in Note 11. The Company held cash at March 31, 2023 in the amount of $1,434,676 (December 31, 2022 - $349,638) in order to meet short-term business requirements and strategic investments. See Note 2(c) that discusses the material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

At March 31, 2023, the Company had current liabilities (due within the 12 months) of $1,342,120 (December 31, 2022 - $1,160,315). Contractual undiscounted cash flow requirements for financial liabilities as of March 31, 2023 are as follows:

	<1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	$ 1,312,530	$ —	$ —	$ —	$ 1,312,530
Loans	29,590	—	—	—	29,590
Convertible debentures and interest	—	4,725,548	—	—	4,725,548
	$ 1,342,120	$ 4,725,548	$ —	$ —	$ 6,067,668

(c) Market risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of lower interest rates is insignificant.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars at March 31, 2023:

Cash	CAD$	1,518,562
Receivables		33,400
Accounts payable and accrued liabilities		(249,810)
Net exposure	CAD$	1,302,152
U.S. dollar equivalents	USD$	1,760,249

The result of sensitivity analysis shows that a 10 percent change in the US$ exchange rate, with all other variables held constant, could impact the net loss by approximately CDN$ (176,025).

Price risk
The Company's profitability and ability to raise capital to fund development of oil properties is subject to risks associated with fluctuations in oil prices. Management closely monitors oil prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is not subject to any externally imposed capital requirements. As of March 31, 2023, the Company considers capital to consist of all components of shareholders' equity and convertible debentures. The Company manages the capital structure and adjusts it based on changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue shares, issue debt, or dispose of assets to increase the amount of cash on hand. The Company does not pay out dividends at this stage of the Company's development to maximize ongoing development efforts.

The Company expects its current capital resources to be sufficient to carry its exploration and development plans related to its oil and gas business through the next twelve months, but the Company expects to require additional capital to support its corporate operations. See Note 2 (c) Going concern for a discussion of the Company's working capital deficiency and other factors that may indicate a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. See Notes 7 and 8, respectively, for discussion of a private placement capital raise for convertible debentures completed in January 2022 for gross proceeds of approximately $4.4 million, and $1.6 million from a private placement capital raise in March 2023.

12. SEGMENTED INFORMATION, MAJOR CUSTOMERS AND ECONOMIC DEPENDENCE

At March 31, 2023, all of the Company's non-current assets (other than financial instruments and intangible assets) are located in Oklahoma, USA. Geographical information relating to the Company's non-current assets is presented in Notes 3, 4 and 5.

The Company's revenues of $18,000 are attributable to the Company's performance of prefeasibility studies for potential purchasers of the boiler being developed by Hydrogen Technologies, LLC. For the three months ended March 31, 2023, the Company's revenues of $8,904 were primarily attributable to the Company's property in Oklahoma where sales were recorded from deliveries of crude oil and gas.

The income (loss) from equity investments of $ (102,488) (2022 –$255,552) is attributable to the Company's share of income (loss) from its equity investments in Oklahoma (Note 4).