



**JERICO ENERGY VENTURES INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**(Expressed in United States Dollars)**

**March 31, 2024 and 2023**

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

	Note	March 31, 2024	December 31, 2023
<b>Assets</b>			
Current assets			
Cash		\$ 709,822	\$ 36,529
Accounts receivable		35,731	89,388
Prepaid expenses and deposits		232,797	113,608
		978,350	239,525
Non-current assets			
Equity investments	4	12,864,900	13,188,970
Intangible assets	5	1,860,063	2,092,563
Investments and other non-current assets	5	3,499,343	3,500,393
		18,224,306	18,781,926
<b>Total assets</b>		<b>\$ 19,202,656</b>	<b>\$ 19,021,451</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,676,488	\$ 1,721,222
Loans		—	30,243
Convertible debentures	7,13	4,022,292	—
		5,698,780	1,751,465
Non-current liabilities			
Loans		29,816	—
Convertible debentures	7,13	—	3,890,413
<b>Total liabilities</b>		<b>\$ 5,728,596</b>	<b>\$ 5,641,878</b>
<b>Equity</b>			
Share capital	8	56,387,444	54,738,590
Contributed surplus	7,8	6,961,654	6,961,654
Accumulated other comprehensive loss		(1,328,354)	(1,430,318)
Deficit		(48,546,684)	(46,890,353)
		13,474,060	13,379,573
<b>Total liabilities and equity</b>		<b>\$ 19,202,656</b>	<b>\$ 19,021,451</b>

Going concern (Note 2(c))

Approved on behalf of the Board on May 22, 2024

"Brian Williamson"

"Carolyn Hauger"

(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,	
		2024	2023
Net service revenue	12	\$ 11,138	\$ 18,000
Operating expenses			
Depletion, depreciation and amortization	5	233,436	132,765
General and administrative expenses	6	883,995	867,072
Total operating expenses		1,117,431	999,837
Share of loss from equity investments	4	(324,070)	(102,488)
Operating loss		(1,430,363)	(1,084,325)
Other income (expense)			
Finance costs	7	(225,972)	(188,114)
Other income/(loss)		4	(5,452)
		(225,968)	(193,566)
<b>Loss for the period</b>		<b>(1,656,331)</b>	<b>(1,277,891)</b>
<b>Other comprehensive income (loss)</b>			
Items that may be reclassified subsequently to income/loss			
Foreign currency exchange income (loss) on translation of foreign subsidiaries		101,964	(7,187)
<b>Comprehensive loss for the period</b>		<b>\$ (1,554,367)</b>	<b>\$ (1,285,078)</b>
Loss per share			
Basic		\$ (0.01)	\$ (0.01)
Weighted average number of shares			
Basic and diluted		251,200,699	227,118,444

(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
<b>December 31, 2022</b>	226,252,169	\$ 51,742,094	\$ 6,801,797	\$ (1,335,305)	\$ (39,568,720)	\$ 17,639,866
Issue of units for cash	8,662,745	1,672,690	—	—	—	1,672,690
Share issuance costs	—	(43,139)	—	—	—	(43,139)
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)
<b>March 31, 2023</b>	234,914,914	\$ 53,371,645	\$ 6,840,319	\$ (1,342,492)	\$ (40,846,611)	\$ 18,022,861
<b>December 31, 2023</b>	248,139,737	\$ 54,738,590	\$ 6,961,654	\$ (1,430,318)	\$ (46,890,353)	\$ 13,379,573
Issue of units for cash	11,141,900	1,655,839	—	—	—	1,655,839
Share issuance costs	—	(6,985)	—	—	—	(6,985)
Other comprehensive income for the period	—	—	—	101,964	—	101,964
Net loss for the period	—	—	—	—	(1,656,331)	(1,656,331)
<b>March 31, 2024</b>	259,281,637	\$ 56,387,444	\$ 6,961,654	\$ (1,328,354)	\$ (48,546,684)	\$ 13,474,060

(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)

		<b>Three Months Ended</b>	
	<b>Note</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Cash flows from (used in) operating activities</b>			
Loss for the period		\$ (1,656,331)	\$ (1,277,891)
Adjustments for non-cash items:			
Depletion, depreciation and amortization	5	233,436	132,765
Share-based payments	6	-	38,522
Share of loss from equity investments	4	324,070	102,488
Distributions received from equity investments	4	-	191,000
Amortization of debt issuance costs	7	7,243	7,222
Finance costs	7	218,729	180,892
Loss on disposal of fixed assets		-	5,452
Cash provided by (used in) operating assets and liabilities:			
Accounts receivable		53,657	(21,089)
Prepaid expenses and deposits		(119,189)	(79,147)
Accounts payable and accrued liabilities		(44,734)	181,727
Non-current assets and non-current liabilities		7,871	(28,641)
<b>Net cash used in operating activities</b>		<b>(975,248)</b>	<b>(566,700)</b>
<b>Cash flows from (used in) investing activities</b>			
Investment in intangible assets	5	—	(11,026)
<b>Net cash used in investing activities</b>		<b>—</b>	<b>(11,026)</b>
<b>Cash flows from (used in) financing activities</b>			
Proceeds from issuance of units	8	1,655,839	1,657,713
Share issuance costs		(6,985)	(10,810)
<b>Net cash from financing activities</b>		<b>1,648,854</b>	<b>1,646,903</b>
Change in cash		673,606	1,069,177
Effect of exchange rate changes on cash		(313)	15,861
<b>Cash at beginning of period</b>		<b>36,529</b>	<b>349,638</b>
<b>Cash at end of period</b>		<b>\$ 709,822</b>	<b>\$ 1,434,676</b>

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

## **JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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### **1. NATURE OF OPERATIONS**

Jericho Energy Ventures Inc., (“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, 2024, 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 IFRS Accounting Standards (“IFRS”) as issued by the International 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 22, 2024.

#### (b) Basis of presentation

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 periods presented in these condensed consolidated interim financial statements as if the policies have always been in effect.

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

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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## (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.

In the three months ended March 31, 2024, the Company incurred a net loss of \$1,656,331, had negative cash flows from operations of \$975,248, and has a working capital deficiency of \$4,720,430 at the end of the period. 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, including the ability to refinance its convertible debentures as described in Note 13. 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 period. 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.

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

**(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, 2023.

**(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, JEV OK, LLC., and Hydrogen Technologies LLC. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim financial statements.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The Company followed the same accounting policies in these condensed consolidated interim financial statements as those disclosed in Note 3 – Summary of Material Accounting Policies for the consolidated financial statements for the previous year ended December 31, 2023.

**4. EQUITY INVESTMENTS**

As of March 31, 2024, 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, 2024 and December 31, 2023, the Company held the following joint ventures and associates:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
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 %



**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

Carrying amounts of the Company's interests in equity method investments as of March 31, 2024 and December 31, 2023, are as follows:

	Eagle Road	Lurgan	Buckmanville	Walnut	Cherry Rancher	Total
Balance, December 31, 2023	\$ 3,576,068	\$ 623,870	\$ 5,465,263	\$ 3,478,196	\$ 45,573	\$ 13,188,970
Share of income/(loss)	(196,320)	(4,726)	(93,737)	(40,341)	11,054	(324,070)
<b>Balance, March 31, 2024</b>	<b>\$ 3,379,748</b>	<b>\$ 619,144</b>	<b>\$ 5,371,526</b>	<b>\$ 3,437,855</b>	<b>\$ 56,627</b>	<b>\$ 12,864,900</b>

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.

Results of operations of the equity investments for the three months ended March 31, 2024 are as follows:

**100%****Three Months Ended****March 31, 2024**

	Eagle Road	Lurgan	Buckmanville	Walnut	Cherry Rancher	Total
Revenue	\$ 364,104	\$ 120,082	\$ 843,274	\$ 156,638	\$ 44,321	\$ 1,528,419
Production cost	(217,353)	(78,683)	(785,635)	(103,876)	(8,659)	(1,194,206)
Depletion and depreciation	(151,605)	(37,900)	(136,600)	(60,900)	—	(387,005)
Accretion of decommissioning provision	(31,200)	(3,300)	(30,300)	(7,200)	—	(72,000)
G&A and other operating	(310,552)	(695)	(6,030)	(136,949)	—	(454,226)
Interest and loan costs	(46,033)	(8,955)	(72,185)	54	—	(127,119)
<b>100% Net income (loss)</b>	<b>\$ (392,639)</b>	<b>\$ (9,451)</b>	<b>\$ (187,476)</b>	<b>\$ (152,233)</b>	<b>\$ 35,662</b>	<b>\$ (706,137)</b>
<b>Jericho's ownership</b>	50 %	50 %	50 %	26.5 %	31 %	
<b>Jericho's share of net income (loss)</b>	<b>\$ (196,319)</b>	<b>\$ (4,727)</b>	<b>\$ (93,737)</b>	<b>\$ (40,341)</b>	<b>\$ 11,054</b>	<b>\$ (324,070)</b>

**JERICO ENERGY VENTURES INC.**

## Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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

**100%****Three Months Ended**

<b>March 31, 2023</b>	<b>Eagle Road</b>	<b>Lurgan</b>	<b>Buckmanville (*)</b>	<b>Walnut</b>	<b>Cherry Rancher</b>	<b>Total</b>
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/loss 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)
<b>100% Net income (loss)</b>	<b>\$ (163,504)</b>	<b>\$ (2,830)</b>	<b>\$ (73,006)</b>	<b>\$ (112,545)</b>	<b>\$ 22,606</b>	<b>\$ (329,280)</b>
<b>Jericho's ownership</b>	50 %	50 %	50 %	26.5 %	31 %	
	\$ (81,752)	\$ (1,415)	\$ (36,503)	\$ (29,825)	\$ 7,007	\$ (142,488)
<b>Basis difference adjustment</b>	-	-	40,000	-	-	40,000
<b>Jericho's share of net income (loss)</b>	<b>\$ (81,752)</b>	<b>\$ (1,415)</b>	<b>\$ 3,497</b>	<b>\$ (29,825)</b>	<b>\$ 7,007</b>	<b>\$ (102,488)</b>

(\*) 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.

Summary financial position information of the joint ventures as of March 31, 2024, is presented in the table below.

**100%**

<b>As at March 31, 2024</b>	<b>Eagle Road</b>	<b>Lurgan</b>	<b>Buckmanville</b>	<b>Walnut</b>	<b>Cherry Rancher</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 299,110	\$ 3,251	\$ 1,090	\$ 331,024	\$ —	\$ 634,475
Current assets (excluding cash)	611,369	29,600	70,475	41,139	20,256	772,839
Non-current assets	16,580,142	1,716,383	15,768,638	12,930,308	—	46,995,471
<b>Total assets</b>	<b>17,490,621</b>	<b>1,749,234</b>	<b>15,840,203</b>	<b>13,302,471</b>	<b>20,256</b>	<b>48,402,785</b>
<b>Liabilities</b>						
Current liabilities	3,675,675	547,251	3,643,746	76,328	—	7,943,000
Intercompany	3,765,289	(366,007)	(3,088,016)	(150,778)	(160,488)	—
Non-current liabilities	3,238,200	329,700	3,093,300	748,691	—	7,409,891
<b>Total liabilities</b>	<b>10,679,164</b>	<b>510,944</b>	<b>3,649,030</b>	<b>674,241</b>	<b>(160,488)</b>	<b>15,352,891</b>
<b>Equity</b>	<b>6,811,457</b>	<b>1,238,290</b>	<b>12,191,173</b>	<b>12,628,230</b>	<b>180,744</b>	<b>33,049,894</b>
<b>Total liabilities and equity</b>	<b>\$ 17,490,621</b>	<b>\$ 1,749,234</b>	<b>\$ 15,840,203</b>	<b>\$ 13,302,471</b>	<b>\$ 20,256</b>	<b>\$ 48,402,785</b>

At March 31, 2024, current liabilities include \$6.3 million, net of issuance costs, related to the \$7.0 million Senior Secured Revolving Credit Facility (the "Facility") with Vast Bank. The Facility is held by three of the Company's joint ventures (Eagle Road, Lurgan, and Buckmanville). The interest rate for the Facility is Chase Prime, and it matures on December 23, 2024.

Non-current liabilities include \$7.4 million for decommissioning liabilities.

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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

**100%**

<b>As at March 31, 2023</b>	<b>Eagle Road</b>	<b>Lurgan</b>	<b>Buckmanville</b>	<b>Walnut</b>	<b>Cherry Rancher</b>	<b>Total</b>
<b>Assets</b>						
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
<b>Total assets</b>	<b>20,322,949</b>	<b>1,878,139</b>	<b>16,341,722</b>	<b>13,826,497</b>	<b>4</b>	<b>52,369,311</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>9,962,015</b>	<b>660,873</b>	<b>3,846,776</b>	<b>607,220</b>	<b>(98,257)</b>	<b>14,978,627</b>
<b>Equity</b>	<b>10,360,934</b>	<b>1,217,266</b>	<b>12,494,946</b>	<b>13,219,277</b>	<b>98,261</b>	<b>37,390,684</b>
<b>Total liabilities and equity</b>	<b>\$ 20,322,949</b>	<b>\$ 1,878,139</b>	<b>\$ 16,341,722</b>	<b>\$ 13,826,497</b>	<b>\$ 4</b>	<b>\$ 52,369,311</b>

At March 31, 2023, non-current liabilities include \$6.3 million net of issuance costs, related to the Facility with Vast Bank and \$7.0 million for decommissioning liabilities.

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

**5. INTANGIBLE ASSETS AND INVESTMENTS***Intangible assets*

The Company holds intangible assets through its wholly owned subsidiary, Hydrogen Technologies LLC. The intangible assets include patented intellectual property and development costs for an industrial and commercial steam generation technology that enables zero-emissions hydrogen to generate heat, hot-water, and high-temperature steam. 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
<b>Net book value</b>			
<b>Balance at December 31, 2022</b>	\$ 1,695,718	\$ 1,051,685	\$ 2,747,403
Additions	35,720	42,636	78,356
Amortization	(525,332)	(98,490)	(623,822)
Reclassifications	—	(109,374)	(109,374)
<b>Balance at December 31, 2023</b>	\$ 1,206,106	\$ 886,457	\$ 2,092,563
Amortization	(134,010)	(98,490)	(232,500)
<b>Balance at March 31, 2024</b>	\$ 1,072,096	\$ 787,967	\$ 1,860,063

*Investments and other non-current assets*

The following table presents a summary of our investments and other non-current assets as of the dates indicated below:

<b>Investments and other non-current assets</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Supercritical Solutions, Ltd., valued at fair value	\$ 1,749,492	\$ 1,749,492
H2U Technologies, Inc., valued at fair value	1,742,382	1,742,382
Other non-current assets, valued at historical cost	7,469	8,519
<b>Balance, end of period</b>	<b>\$ 3,499,343</b>	<b>\$ 3,500,393</b>

The Company invested \$1.8 million in and owns an approximate 11% interest in the ordinary and seed preferred shares of Supercritical Solutions, Ltd. ("Supercritical"), a company in the United Kingdom focused on developing a water electrolyzer for the production of low-cost clean hydrogen. Jericho currently holds one of five board positions.

The Company invested \$1.7 million and currently holds approximately 7% of the preferred shares of H2U Technologies, Inc. ("H2U"), a company focused on developing electrolyser technology and catalyst to serve the growing hydrogen market. Jericho currently holds one of six board positions.

The Company accounts for its investments in Supercritical and H2U at fair value through other comprehensive income ("FVTOCI"), and they are included in Investments and other non-current assets on the condensed consolidated interim statements of financial position. Management uses judgment when estimating the fair value of its investments. As of March 31, 2024, the investees do not generate positive cash flows. Accordingly, the Company is not able to estimate fair value using an income approach. The Company's estimate of the fair

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

values of its investments is based on the price paid to acquire the investments plus qualitative and quantitative information about the investees to assess whether the fair value of the investees has changed since the Company made its initial investments. The qualitative and quantitative information includes, but is not limited to, changes in expectations that the investee's technical product milestones will be achieved, a significant change in the performance of comparable entities, or in the valuations implied by the overall market, and evidence from external transactions in the investee's equity such as a subsequent issue of equity.

**6. GENERAL AND ADMINISTRATIVE EXPENSES**

The following table presents the general and administrative expenses incurred during the three months ended March 31, 2024 and 2023.

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>General and administrative expense</b>		
Management fees (Note 9)	\$ 90,520	\$ 90,520
Employee salaries and benefits	307,870	352,942
Business development costs	125,978	85,519
Directors' fees (Note 9)	20,000	20,000
Share-based payments (Note 8, 9)	—	38,522
Consulting fees (Note 9)	72,680	57,749
Accounting and auditing fees	75,826	65,152
Investor relations	43,452	28,093
Transfer agency and filing fees	15,754	32,750
Legal fees	50,237	4,486
Travel	25,269	20,388
Short-term lease obligation	5,078	4,806
Insurance	10,794	11,586
Office, computer and miscellaneous	40,537	54,559
<b>General and administrative expense</b>	<b>\$ 883,995</b>	<b>\$ 867,072</b>

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

**7. CONVERTIBLE DEBENTURES**

The Company completed the issuance of a non-brokered convertible debenture private placement financing for total gross proceeds of approximately \$4.4 million in January 2022. Subscribers to the private placement purchased convertible debentures with principal amount of CAD \$0.70 that mature on January 7, 2025. Subscribers also received one share purchase warrant entitling the holder to purchase one additional share (a "warrant share") at an exercise price of CAD \$1.00 per warrant share for a period of three years after issuance of the debenture. The unsecured debentures bear interest of four percent per annum commencing on the first anniversary of the closing date. The principal amount of the debentures are convertible at CAD \$0.70 per share and any accrued and unpaid interest is convertible at the market price per common share on the date of any conversion of interest. See Subsequent events - Note 13 for further information regarding a proposed amendment of the exercise prices of the debentures, warrant shares, and maturity of the debentures to extend the term by one year to January 7, 2026.

The following table presents a reconciliation of the convertible debentures:

	<b>Convertible Debentures</b>
Proceeds from issuance of convertible debentures	\$ 4,413,991
Less transaction costs	(84,548)
	<u>\$ 4,329,443</u>
Amount classified as equity (conversion rights and warrants), net of transaction costs	(1,856,291)
Accumulated accretion	1,183,692
Interest payable	375,490
Accumulated amortization of debt issuance costs	64,878
Foreign exchange adjustment	(74,921)
Balance as of March 31, 2024	<u>\$ 4,022,292</u>

The following table presents the total finance costs related to the convertible debentures for the periods presented:

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Accretion expense	\$ 176,553	\$ 139,298
Interest expense	42,177	41,594
Amortization of debt issuance costs	7,243	7,222
Finance costs	<u>\$ 225,972</u>	<u>\$ 188,114</u>

## **JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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### **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, 2024, 259,281,637 shares were outstanding, including 72,353,275 common shares and 186,928,362 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, 2024**

In March 2024, the Company closed a non-brokered private placement of 11,141,900 units at a price of CAD \$0.20 per unit for gross proceeds of approximately \$1,656,000 (CAD \$2,228,000). 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 \$0.24 per share for a period of 24 months from the date of issuance.

#### **For the year ended December 31, 2023**

During 2023, 901,000 stock options were exercised at a weighted average price of CAD \$0.15 per share for gross proceeds of approximately \$101,055 (CAD \$135,150). In addition, 12,323,823 warrants were exercised at CAD \$0.13 per share for gross proceeds of approximately \$1,198,430 (CAD \$1,602,097).

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 \$1,673,000 (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.

#### (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

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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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.

At March 31, 2024, 9,153,164 options are available for issuance under the plan. The following is a continuity table of stock options outstanding as at March 31, 2024:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price (CAD\$)</b>
Outstanding, December 31, 2022	20,541,000	\$ 0.35
Granted	1,825,000	0.28
Exercised	(901,000)	0.15
Expired	(1,125,000)	0.31
Forfeited	(800,000)	0.45
Outstanding, December 31, 2023	19,540,000	\$ 0.35
Expired	(2,765,000)	0.50
Outstanding, March 31, 2024	16,775,000	\$ 0.33



**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

As of March 31, 2024, the following incentive stock options were outstanding:

<b>Expiration date</b>	<b>Options outstanding and exercisable</b>	<b>Unvested options</b>	<b>Exercise price (CAD\$)</b>
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	325,000	—	\$ 0.35
May 10, 2026	1,200,000	—	\$ 0.35
July 16, 2026	300,000	—	\$ 0.26
	<b>16,775,000</b>	<b>—</b>	<b>\$ 0.33</b>

As of March 31, 2024, the weighted-average remaining contractual life of stock options outstanding was 1.74 years (December 31, 2023 - 1.72 years).

## (d) Share purchase warrants

The number and weighted average exercise prices of warrants outstanding as of March 31, 2024, were as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price (CAD\$)</b>
Outstanding, December 31, 2022	21,257,230	\$ 0.47
Granted	8,719,830	0.50
Exercised	(12,323,823)	0.13
Expired	(706,150)	0.13
Outstanding, December 31, 2023	16,947,087	\$ 0.74
Granted	11,188,900	0.24
Outstanding, March 31, 2024	28,135,987	\$ 0.54

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

The following table summarizes the warrants outstanding and exercisable at March 31, 2024:

<b>Expiration Date</b>	<b>Warrants Outstanding and Exercisable</b>	<b>Weighted Average Exercise Price (CAD\$)</b>
January 7, 2025	8,227,257	\$ 1.00
March 22, 2025	8,719,830	\$ 0.50
March 6, 2026	11,188,900	\$ 0.24
Outstanding, March 31, 2024	28,135,987	\$ 0.54

As of March 31, 2024, the weighted-average remaining contractual life of warrants outstanding was 1.30 years (2023 – 1.13 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:

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Management fees	\$ 90,520	\$ 90,520
Directors' fees	20,000	20,000
Consulting fees	11,123	—
	<b>\$ 121,643</b>	<b>\$ 110,520</b>

At March 31, 2024, included in accounts payable and accrued liabilities is \$10,557 payable to a company controlled by a joint venture partner of the Company (\$641 at December 31, 2023). In addition, included in accounts payable and accrued liabilities is \$60,000 for quarterly fees, \$11,123 for consulting and \$12,235 for expense reimbursements to Directors or Officers of the Company (2023 - \$Nil).

At March 31, 2024, the Company had \$Nil in advances and \$1,070,784 in accounts payable to equity investments as described in Note 4 (\$Nil and \$1,016,605 at December 31, 2023).

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

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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**10. FINANCIAL INSTRUMENTS AND RISK**

As of March 31, 2024, and December 31, 2023, the Company's financial instruments consist of cash, accounts receivable, investments in equity securities, convertible debentures, accounts payable and loans.

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Financial Assets:</b>		
Fair value through profit or loss	\$ 709,822	\$ 36,529
Fair value through other comprehensive income	3,491,874	3,491,874
Amortized cost	35,731	65,000
<b>Financial Liabilities:</b>		
Amortized cost	\$ 5,424,923	\$ 5,442,536

See Note 3(n) of the Company's 2023 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.

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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, 2024 and December 31, 2023 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)
<i>Financial Assets:</i>				
Cash	\$ 709,822	\$ 709,822	\$ —	\$ —
Investment in equity securities	3,491,874	—	—	3,491,874
March 31, 2024	\$ 4,201,696	\$ 709,822	\$ —	\$ 3,491,874
Cash	\$ 36,529	\$ 36,529	\$ —	\$ —
Investment in equity securities	3,491,874	—	—	3,491,874
December 31, 2023	\$ 3,528,403	\$ 36,529	\$ —	\$ 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).

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

**(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, 2024 in the amount of \$709,822 (December 31, 2023 - \$36,529) 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, 2024, the Company had current liabilities (due within the 12 months) of \$5,698,780 (December 31, 2023 - \$1,751,465). Contractual undiscounted cash flow requirements for financial liabilities as of March 31, 2024 are as follows:

	<1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	\$ 1,676,488	\$ —	\$ —	\$ —	\$ 1,676,488
Loans	—	29,816	—	—	29,816
Convertible debentures and interest	4,714,388	—	—	—	4,714,388
	\$ 6,390,876	\$ 29,816	\$ —	\$ —	\$ 6,420,692

**(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 Canadian dollars at March 31, 2024:

Cash	CAD\$	233,436
Receivables		31,372
Accounts payable and accrued liabilities		(334,009)
Net exposure	CAD\$	(69,201)
U.S. dollar equivalents	USD\$	(51,071)

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 USD\$5,159.

## **JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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### *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, 2024, 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, \$1.6 million from a private placement capital raise in March 2023, and \$1.6 million from a private placement capital raise in March 2024.

## **12. SEGMENTED INFORMATION, MAJOR CUSTOMERS AND ECONOMIC DEPENDENCE**

At March 31, 2024, 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 \$11,138 for the three months ended March 31, 2024, and \$18,000 for the three months ended March 31, 2023 are attributable to the Company's performance of prefeasibility studies for potential purchasers of the hydrogen boiler being developed by its wholly owned subsidiary, Hydrogen Technologies, LLC.

The loss from equity investments of \$324,070 and \$102,488 for the three months ended March 31, 2024 and 2023, respectively, are attributable to the Company's share of loss from its equity investments in Oklahoma (Note 4).

## **13. SUBSEQUENT EVENTS**

In April 2024, the Company applied to the TSX Venture Exchange ("TSXV") to amend the convertible debentures described in Note 7 from an original conversion price of \$0.70 per share to \$0.20 per share and extend the term by one year to January 7, 2026. The Company is also applying to amend the exercise price of 6,839,920 of the 8,147,954 warrants to CDN\$0.25 due to the TSXV limitation of no more than 10% of the

**JERICO ENERGY VENTURES INC.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States dollars)

Three months ended March 31, 2024 and 2023

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total number of warrants eligible to be repriced for insiders of the Company. All other terms of the warrants and debentures are expected to remain the same. The finalization of these amendments is subject to the approval of the TSXV.