JERICHO ENERGY VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in United States Dollars)

June 30, 2024 and 2023

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

	Note		June 30, 2024		December 31, 2023
Assets					
Current assets					
Cash		$	94,202	$	36,529
Accounts receivable			28,741		89,388
Prepaid expenses and deposits			170,080		113,608
			293,023		239,525
Non-current assets					
Equity investments	4		12,828,943		13,188,970
Intangible assets	5		1,627,563		2,092,563
Investments and other non-current assets	5		3,753,873		3,500,393
			18,210,379		18,781,926
Total assets		$	18,503,402	$	19,021,451
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	2,085,300	$	1,721,222
Loans	9		172,676		30,243
Convertible debentures	7,13		4,182,042		—
			6,440,018		1,751,465
Non-current liabilities					
Convertible debentures	7,13		—		3,890,413
Other non-current liabilities			52,228		—
Total liabilities		$	6,492,246	$	5,641,878
Equity					
Share capital	8		56,453,574		54,738,590
Contributed surplus	7,8		6,961,654		6,961,654
Accumulated other comprehensive loss			(1,332,964)		(1,430,318)
Deficit			(50,071,108)		(46,890,353)
			12,011,156		13,379,573
Total liabilities and equity		$	18,503,402	$	19,021,451

Going concern (Note 2(c))

Approved on behalf of the Board on August 28, 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 June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net service revenue	12	**$ —**	$ 10,000	**$ 11,138**	$ 28,000
Operating expenses					
Depletion, depreciation and amortization	5	**237,681**	131,612	**471,117**	264,377
General and administrative expenses	6	**1,027,273**	1,260,364	**1,911,268**	2,127,436
Total operating expenses		**1,264,954**	1,391,976	**2,382,385**	2,391,813
Share of loss from equity investments	4	**(35,957)**	(156,375)	**(360,027)**	(258,863)
Operating loss		**(1,300,911)**	(1,538,351)	**(2,731,274)**	(2,622,676)
Other income (expense)					
Finance costs	7	**(222,720)**	(191,448)	**(448,692)**	(379,562)
Other expense		**(793)**	—	**(789)**	(5,452)
		(223,513)	(191,448)	**(449,481)**	(385,014)
Loss for the period		**(1,524,424)**	(1,729,799)	**(3,180,755)**	(3,007,690)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to income/loss					
Foreign currency exchange income (loss) on translation of foreign subsidiaries		**(4,610)**	(50,800)	**97,354**	(57,987)
Comprehensive loss for the period		**$ (1,529,034)**	$ (1,780,599)	**$ (3,083,401)**	$ (3,065,677)
Loss per share					
Basic		**$ (0.01)**	(0.01)	**$ (0.01)**	$ (0.01)
Weighted average number of shares					
Basic and diluted		**259,629,974**	237,250,059	**255,415,336**	232,212,239

(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 7,8)	Share Capital (Note 8)	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
December 31, 2022	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	1,293,510	—	—	—	1,293,510
Issue of shares under warrant exercise	12,323,823	1,198,430	—	—	—	1,198,430
Issue of shares under options exercise	901,000	168,554	(67,499)	—	—	101,055
Share issuance costs	—	(43,139)	—	—	—	(43,139)
Warrants issued in connection with private placement	—	—	379,141	—	—	379,141
Share-based payments	—	—	185,820	—	—	185,820
Other comprehensive loss for the period	—	—	—	(57,987)	—	(57,987)
Net loss for the period	—	—	—	—	(3,007,690)	(3,007,690)
June 30, 2023	248,139,737	$ 54,359,449	$ 7,299,259	$ (1,393,292)	$ (42,576,410)	$ 17,689,006

	Number of Shares (Note 7,8)	Share Capital (Note 8)	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
December 31, 2023	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
Issue of shares for interest debt settlement	473,114	66,130	—	—	—	66,130
Share issuance costs	—	(6,985)	—	—	—	(6,985)
Other comprehensive income for the period	—	—	—	97,354	—	97,354
Net loss for the period	—	—	—	—	(3,180,755)	(3,180,755)
June 30, 2024	259,754,751	$ 56,453,574	$ 6,961,654	$ (1,332,964)	$ (50,071,108)	$ 12,011,156

(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	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from (used in) operating activities			
Loss for the period		$ (3,180,755)	$ (3,007,690)
Adjustments for non-cash items:			
Depletion, depreciation and amortization	5	466,584	264,377
Share-based payments	6	—	185,820
Share of loss from equity investments	4	360,027	258,863
Distributions received from equity investments	4	—	191,000
Amortization of debt issuance costs	7	14,382	14,495
Loss on disposal of fixed assets		—	5,452
Finance costs	7	434,310	365,066
Cash provided by (used in) operating assets and liabilities:			
Accounts receivable		60,647	(39,209)
Prepaid expenses and deposits		(56,472)	(306,353)
Accounts payable and accrued liabilities		313,493	256,557
Non-current assets and non-current liabilities		(68,524)	18,950
Net cash used in operating activities		(1,656,308)	(1,792,672)
Cash flows from (used in) investing activities			
Investment in intangible assets	5	—	(35,125)
Investment in equity securities	5	(141,626)	—
Sale of other assets		—	12,892
Net cash used in investing activities		(141,626)	(22,233)
Cash flows from (used in) financing activities			
Proceeds from issuance of units	8	1,721,969	2,939,806
Share issuance costs		(6,985)	(10,810)
Proceeds from loan	9	141,646	—
Net cash from financing activities		1,856,630	2,928,996
Change in cash		58,696	1,114,091
Effect of exchange rate changes on cash		(1,023)	576
Cash at beginning of period		36,529	349,638
Cash at end of period		$ 94,202	$ 1,464,305

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

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 ("TSXV") 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 June 30, 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 intangible assets 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 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 August 28, 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.

(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 six months ended June 30, 2024, the Company incurred a net loss of $3,180,755, had negative cash flows from operations of $1,656,308, and has a working capital deficiency of $6,146,995 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 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.

(Expressed in United States dollars)

(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 June 30, 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 June 30, 2024 and December 31, 2023, the Company held the following joint ventures and associates:

	June 30, 2024	**December 31, 2023**
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 %

(Expressed in United States dollars)

Carrying amounts of the Company's interests in equity method investments as of June 30, 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)	(302,540)	(8,708)	13,251	(78,195)	16,165	(360,027)
Balance, June 30, 2024	$ 3,273,528	$ 615,162	$ 5,478,514	$ 3,400,001	$ 61,738	$ 12,828,943

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 six months ended June 30, 2024 are as follows:

100% Six Months Ended June 30, 2024	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
Revenue	$ 711,537	$ 208,870	$ 1,747,308	$ 298,569	$ 66,006	$ 3,032,290
Production cost	(262,004)	(131,548)	(1,258,742)	(199,068)	(13,558)	(1,864,920)
Depletion and depreciation	(292,539)	(67,700)	(259,100)	(123,400)	—	(742,739)
Accretion of decommissioning provision	(62,400)	(6,600)	(60,600)	(14,400)	—	(144,000)
Loss on disposal of asset	(28,696)	—	—	—	—	(28,696)
G&A and other operating	(575,811)	(1,920)	(13,071)	(258,004)	(300)	(849,106)
Interest and loan costs	(95,166)	(18,517)	(149,292)	1,228	—	(261,747)
100% Net income (loss)	**$ (605,079)**	**$ (17,415)**	**$ 6,503**	**$ (295,075)**	**$ 52,148**	**$ (858,919)**
Jericho's ownership	50 %	50 %	50 %	26.5 %	31 %	
	$ (302,540)	**$ (8,708)**	**$ 3,251**	**$ (78,195)**	**$ 16,165**	**$ (370,027)**
Basis difference adjustment	—	—	10,000	—	—	10,000
Jericho's share of net income (loss)	**$ (302,540)**	**$ (8,708)**	**$ 13,251**	**$ (78,195)**	**$ 16,165**	**$ (360,027)**

(Expressed in United States dollars)

Results of operations of the equity investments for the six months ended June 30, 2023, are as follows:

100% Six Months Ended June 30, 2023	**Eagle Road**	**Lurgan**	**Buckmanville (*)**	**Walnut**	**Cherry Rancher**	**Total**
Revenue	$ 1,415,752	$ 266,222	$ 2,166,653	$ 394,515	$ 40,143	$ 4,283,286
Production cost	(418,109)	(148,525)	(1,744,979)	(272,598)	(8,886)	(2,593,097)
Depletion and depreciation	(528,884)	(75,200)	(352,100)	(157,768)	—	(1,113,951)
Accretion of decommissioning provision	(57,600)	(6,000)	(59,400)	(14,400)	—	(137,400)
Gain/loss on disposal of asset	(1,876)	—	—	—	—	(1,876)
G&A and other operating	(697,136)	(1,330)	(8,001)	(228,893)	(250)	(935,610)
Interest and loan costs	(85,120)	(16,911)	(136,527)	129	—	(238,428)
100% Net income (loss)	**$ (372,973)**	**$ 18,256**	**$ (134,354)**	**$ (279,015)**	**$ 31,007**	**$ (737,076)**
Jericho's ownership	50 %	50 %	50 %	26.5 %	31 %	
	$ (186,487)	**$ 9,128**	**$ (67,177)**	**$ (73,939)**	**$ 9,612**	**$ (308,863)**
Basis difference adjustment	—	—	50,000	—	—	50,000
Jericho's share of net income (loss)	**$ (186,487)**	**$ 9,128**	**$ (17,177)**	**$ (73,939)**	**$ 9,612**	**$ (258,863)**

(*) 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 June 30, 2024, is presented in the table below.

100% As at June 30, 2024	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
Assets						
Cash and cash equivalents	$ 271,402	$ 3,251	$ —	$ 182,839	$ —	$ 457,492
Current assets (excluding cash)	914,530	44,900	152,585	178,288	—	1,290,303
Non-current assets	16,879,378	1,686,583	15,652,554	12,808,488	—	47,027,003
Total assets	18,065,310	1,734,734	15,805,139	13,169,615	—	48,774,798
Liabilities						
Current liabilities	3,751,592	547,551	3,654,173	74,915	296	8,028,527
Intercompany	4,078,035	(376,143)	(3,357,786)	(146,579)	(197,527)	—
Non-current liabilities	3,636,663	333,000	3,123,600	755,891	—	7,849,154
Total liabilities	11,466,290	504,408	3,419,987	684,227	(197,231)	15,877,681
Equity	6,599,020	1,230,326	12,385,152	12,485,388	197,231	32,897,117
Total liabilities and equity	$ 18,065,310	$ 1,734,734	$ 15,805,139	$ 13,169,615	$ —	$ 48,774,798

At June 30, 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 $7.5 million for decommissioning liabilities.

(Expressed in United States dollars)

Summary financial position information of the joint ventures as of June 30, 2023, is presented in the table below.

100%

As at June 30, 2023	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
Assets						
Cash and cash equivalents	$ 629,605	$ 4,456	$ 26,411	$ 532,086	$ —	$ 1,192,558
Current assets (excluding cash)	633,218	30,900	40,153	38,989	4	743,264
Non-current assets	18,935,453	1,812,283	16,133,870	13,121,815	—	50,003,421
Total assets	20,198,276	1,847,639	16,200,434	13,692,890	4	51,939,243
Liabilities						
Current liabilities	1,373,438	107,066	38,121	49,964	—	1,568,589
Intercompany	3,437,453	(244,365)	(2,931,755)	(154,674)	(106,659)	—
Non-current liabilities	5,285,920	746,586	6,660,469	744,791	—	13,437,766
Total liabilities	10,096,811	609,287	3,766,835	640,081	(106,659)	15,006,355
Equity	10,101,465	1,238,352	12,433,599	13,052,809	106,663	36,932,888
Total liabilities and equity	$ 20,198,276	$ 1,847,639	$ 16,200,434	$ 13,692,890	$ 4	$ 51,939,243

At June 30, 2023, non-current liabilities include $6.3 million net of issuance costs, related to the Facility with Vast Bank and $7.1 million for decommissioning liabilities.

(Expressed in United States dollars)

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
Net book value			
Balance at December 31, 2022	$ 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)
Balance at December 31, 2023	$ 1,206,106	$ 886,457	$ 2,092,563
Amortization	(268,020)	(196,980)	(465,000)
Balance at June 30, 2024	$ 938,086	$ 689,477	$ 1,627,563

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:

Investments and other non-current assets	**June 30, 2024**	**December 31, 2023**
Supercritical Solutions, Ltd., valued at fair value	$ 1,749,492	$ 1,749,492
H2U Technologies, Inc., valued at fair value	1,884,008	1,742,382
Other non-current assets, valued at historical cost	120,373	8,519
Balance, end of period	$ 3,753,873	$ 3,500,393

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 has invested a total of $1.9 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 invested an additional $141,626 to maintain its equity ownership in the second quarter of 2024.

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 June 30, 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 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.

(Expressed in United States dollars)

6. GENERAL AND ADMINISTRATIVE EXPENSES

The following table presents the general and administrative expenses incurred during the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
General and administrative expense				
Management fees (Note 9)	$ 140,520	$ 124,015	$ 231,040	$ 214,535
Employee salaries and benefits	270,939	358,554	578,809	711,496
Business development costs	145,367	189,925	271,345	275,444
Directors' fees (Note 9)	20,000	20,000	40,000	40,000
Share-based payments (Note 8, 9)	—	147,298	—	185,820
Consulting fees (Note 9)	45,627	43,825	118,307	101,574
Accounting and auditing fees	74,249	124,128	150,075	189,280
Investor relations	55,507	49,399	98,959	77,492
Transfer agency and filing fees	20,295	12,816	36,049	45,566
Legal fees	171,981	97,576	222,218	102,062
Travel	24,716	28,697	49,985	49,085
Short-term lease obligation	5,093	4,914	10,171	9,720
Insurance	10,723	11,305	21,517	22,891
Office, computer and miscellaneous	42,256	47,912	82,793	102,471
General and administrative expense	$ 1,027,273	$ 1,260,364	$ 1,911,268	$ 2,127,436

(Expressed in United States dollars)

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:

		Convertible Debentures
Proceeds from issuance of convertible debentures	$	4,413,991
Less transaction costs		(84,548)
	$	4,329,443
Amount classified as equity (conversion rights and warrants), net of transaction costs		(1,856,291)
Accumulated accretion		1,345,804
Interest payable		479,419
Issue of shares for interest debt settlement		(66,130)
Accumulated amortization of debt issuance costs		71,365
Foreign exchange adjustment		(121,568)
Balance as of June 30, 2024	$	4,182,042

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Accretion expense	$ 174,011	$ 141,825	$ 350,564	$ 281,121
Interest expense	41,569	42,350	83,746	83,946
Amortization of debt issuance costs	7,140	7,273	14,382	14,495
Finance costs	$ 222,720	$ 191,448	$ 448,692	$ 379,562

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 June 30, 2024, 259,754,751 shares were outstanding, including 73,091,142 common shares and 186,663,609 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 six months ended June 30, 2024

During second quarter 2024, the Company issued 473,114 shares to settle $66,130 in interest debt related to the convertible debentures discussed in Note 7.

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.

(Expressed in United States dollars)

(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 12 months from the date of such cessation.

At June 30, 2024, 9,450,475 options are available for issuance under the plan. The following is a continuity table of stock options outstanding as at June 30, 2024:

	Number of Options	**Weighted Average Exercise Price (CAD$)**
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	(3,015,000)	0.50
Outstanding, June 30, 2024	16,525,000	$ 0.33

(Expressed in United States dollars)

As of June 30, 2024, the following incentive stock options were outstanding:

Expiration date	Options outstanding and exercisable	Unvested options		Exercise price (CAD$)
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
	16,525,000	—	$	0.33

As of June 30, 2024, the weighted-average remaining contractual life of stock options outstanding was 1.51 years (December 31, 2023 - 1.72 years).

(d) Share purchase warrants

The number and weighted average exercise prices of warrants outstanding as of June 30, 2024, were as follows:

	Number of Warrants		Weighted Average Exercise Price (CAD$)
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, June 30, 2024	28,135,987	$	0.54

(Expressed in United States dollars)

The following table summarizes the warrants outstanding and exercisable at June 30, 2024:

Expiration Date	Warrants Outstanding and Exercisable	Weighted Average Exercise Price (CAD$)
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, June 30, 2024	28,135,987	$ 0.54

As of June 30, 2024, the weighted-average remaining contractual life of warrants outstanding was 1.05 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Management fees	$ 140,520	$ 124,015	$ 231,040	$ 214,535
Directors' fees	20,000	20,000	40,000	40,000
Consulting fees	—	—	15,000	—
	$ 160,520	$ 144,015	$ 286,040	$ 254,535

At June 30, 2024, included in accounts payable and accrued liabilities is $7,763 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 $80,000 for quarterly fees ($40,000 at December 31, 2023) and $14,491 for expense reimbursements to Directors or Officers of the Company ($16,465 at December 31, 2023).

At June 30, 2024, the Company had $Nil in advances and $1,142,839 in accounts payable to equity investments as described in Note 4 ($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.

In the second quarter of 2024, the Company entered into a short-term loan agreement with a joint venture associate for up to $160,000. The Company received proceeds of $141,626 in May 2024. The loan is unsecured, bears interest of eight and one half percent per annum and is due on May 22, 2025.

In June 2024, the Company entered into a two-year lease for office space with an entity in which the CEO owns a minority interest.

(Expressed in United States dollars)

10. FINANCIAL INSTRUMENTS AND RISK

As of June 30, 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.

	June 30, 2024	December 31, 2023
Financial Assets:		
Fair value through profit or loss	$ 94,202	$ 36,529
Fair value through other comprehensive income	3,633,500	3,491,874
Amortized cost	28,741	65,000
Financial Liabilities:		
Amortized cost	$ 6,195,441	$ 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.

(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 June 30, 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)
Financial Assets:				
Cash	$ 94,202	$ 94,202	$ —	$ —
Investment in equity securities	3,633,500	—	—	3,633,500
June 30, 2024	$ 3,727,702	$ 94,202	$ —	$ 3,633,500
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. The Company has no investments in asset-backed commercial paper. The Company's accounts receivables are primarily attributable to its performance of prefeasibility studies for potential purchasers of the hydrogen boiler being developed by its wholly owned subsidiary, Hydrogen Technologies, LLC., and purchase taxes remitted from the Government of Canada. The Company is exposed to the concentration of credit risk with respect to its trade accounts receivable balance because its prefeasibility studies are with one counterparty. 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 60 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 June 30, 2024 in the amount of $94,202 (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 June 30, 2024, the Company had current liabilities (due within the 12 months) of $6,440,018 (December 31, 2023 - $1,751,465). Contractual undiscounted cash flow requirements for financial liabilities as of June 30, 2024 are as follows:

	<1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	$ 2,085,300	$ —	$ —	$ —	$ 2,085,300
Loans	172,676	—	—	—	172,676
Convertible debentures and interest	4,667,200	—	—	—	4,667,200
Other non-current liabilities	—	52,228	—	—	52,228
	$ 6,925,176	$ 52,228	$ —	$ —	$ 6,977,404

(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 June 30, 2024:

Cash	CAD$	11,655
Receivables		39,338
Accounts payable and accrued liabilities		(453,524)
Net exposure	CAD$	(402,531)
U.S. dollar equivalents	USD$	(294,097)

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$29,707.

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 June 30, 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. See Note 13, Subsequent Events, for discussion of a non-brokered private placement offering of non-convertible and unsecured debenture financing completed subsequent to June 30, 2024.

12. SEGMENTED INFORMATION, MAJOR CUSTOMERS AND ECONOMIC DEPENDENCE

At June 30, 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 six months ended June 30, 2024, and $28,000 for the six months ended June 30, 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 $360,027 and $258,863 for the six months ended June 30, 2024 and 2023, respectively, are attributable to the Company's share of loss from its equity investments in Oklahoma (Note 4).

13. SUBSEQUENT EVENTS

During second quarter 2024, the Company applied to the 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 also applied 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 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 Company received formal TSXV approval of these amendments in August 2024, and is in the process of amending the debenture agreements.

In August 2024, the Company completed a non-brokered private placement offering of non-convertible and unsecured debentures for aggregate gross proceeds of $1,075,000. The debentures mature at the earlier of (i) 12 months from the closing date, or (ii) 60 days following the closing of a financing or similar transaction for proceeds to the Company of not less than US $5 million. The principal amount of the debentures accrues simple interest at 10 percent per annum, commencing on the first anniversary of the issuance date, with interest payable thereafter. The Company intends to use the proceeds of the offering for working capital purposes and no finders’ fees or commissions were paid in connection with the offering.