Equity Research

January 4, 2024

Price (as of close on January 3, 2023)
$0.0722

Rating
Buy-Venture

12- Month Target Price
$0.20

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Hillcrest Energy Technologies (HLRTF): Wraps Up Accomplishment Filled Year with Financing; Reiterate Buy-Venture rating.

Hillcrest Energy Technologies (CSE: HEAT; U.S. OTC: HLRTF) accomplished multiple major milestones during FY:22 and wrapped up the year with a successful financing offering. **We reiterate our Buy–Venture rating and a $0.20 price target.**

52-Week Range	$0.0682-$0.1512	Total Debt	--
Shares Outstanding	327.32 million	Debt/Equity	--
Insider/Institutional	13.95%/0%	ROE (LTM)	NM
Public Float	296.3 million	Book Value/Share	$0.01
Market Capitalization	$24.75 million	Daily Volume (90-day)	21,717

FYE Dec EPS ($)	FY 2021A ACTUAL	FY 2022E CURRENT	FY 2022E PREVIOUS	FY 2023E CURRENT	FY 2023E PREVIOUS
Q1 Mar	$(0.00)A	$(0.00)A	$(0.00)A	$(0.01)E	$(0.00)E
Q2 Jun	$(0.03)A	$(0.00)A	$(0.00)E	$(0.01)E	$(0.00)E
Q3 Sep	$(0.00)A	$(0.01)A	$(0.00)E	$(0.01)E	$(0.00)E
Q4 Dec	$(0.01)A	$(0.01)E	$(0.00)E	$(0.01)E	$(0.00)E
Year*	**$(0.05)A**	**$(0.02)E**	**$(0.01)E**	**$(0.02)E**	**$(0.01)E**
P/E Ratio	NM	NM		NM	
Change	NM	NM		NM	

FYE Dec Revenue ($ mil.)	FY 2021A ACTUAL	FY 2022E CURRENT	FY 2022E PREVIOUS	FY 2023E CURRENT	FY 2023E PREVIOUS
Q1 Mar	$0.29A	$0.05A	$0.05A	$0.00E	$0.00E
Q2 Jun	$0.27A	$0.00A	$0.00E	$0.00E	$0.00E
Q3 Sep	$0.02A	$0.00A	$0.00E	$0.00E	$0.00E
Q4 Dec	$0.05A	$0.00E	$0.00E	$0.75E	$0.75E
Year*	**$0.62A**	**$0.05E**	**$0.05E**	**$0.75E**	**$0.75E**
Change	-10.3%	-91.7%		643%	

** Numbers may not add up due to rounding and changes in diluted shares outstanding.*

Hillcrest Energy Technologies Ltd., has transitioned from being an energy exploration and production company to a clean technology company. The Company's high efficiency inverter technology enables high-switching frequency at high efficiency, eliminating switching losses and reducing heat produced in the inversion process. Initial target markets include electric vehicles and clean energy applications.

H2:22 Highlights

- Hillcrest had an extremely productive H2:22, as commercial interest in their software and hardware for their ZVS (Zero Voltage Switching) inverter ramped up significantly. The Company completed its first commercial prototype in H2:22.
- In early October, 2022, the Company announced the appointment of James Bolen as chief commercialization officer. Bolen served as an advisor to the Company for nine months prior to the appointment.
- Later in October, a Memorandum of Understanding with Hercules Electric Mobility was signed. Hercules will initially target commercial integration of Hillcrest technology in marine applications through its Hercules Electric Marine Brand.
- Also in October, Hillcrest announced a partnership with a Tier 1 automotive supplier. Under the Memorandum of Understanding, the two companies will jointly develop a powertrain underpinned by Hillcrest's ZVS inverter technology.
- At the end of October, the Company announced commencement of a financing transaction. The initial tranche closed in October, with additional funding commitments secured in late December.
- We remain bullish on Hillcrest's long-term prospects and reiterate our Buy-Venture rating and a price target of $0.20, implying capital appreciation potential of 177%.

PRIMARY RISKS

- Hillcrest is not yet generating revenue from its inverter technology.
- Hillcrest is currently cash flow negative and is not expected to generate meaningful future cash flows for the next several quarters. There is a risk that without incremental investment in the Company, Hillcrest could be unable to continue as a going concern.

H2:22 Highlights

Hillcrest Energy Technologies (HLRTF) has a proof of concept for the Hillcrest 250kW, 800V ZVS inverter, a potential breakthrough clean technology solution for the electric vehicle and clean energy industries. During H2:22, the Company completed its first commercial prototype and announced meaningful commercial interest in the technology that leads us to stronger conviction in our bullish sentiment for revenue realization sometime in FY:23.

In early October, the Company announced the appointment of James Bolen as chief commercialization officer. Bolen had previously been an advisor to the Company and will now focus full time on commercialization of the Company's ZVS technology. Bolen has over 30 years of executive-level experience leading innovation teams from concept to commercial success. He is currently Co-Owner and General Manager of Global Power Technologies USA, a global leader in ultra-reliable power systems for remote industrial architecture. Mr. Bolen holds an MBA from Ivey School of Business at University of Western Ontario and electrical engineering and computer science degrees from University of Saskatchewan.

Major Steps Towards Commercialization

On October 13, 2022, Hillcrest announced the signing of a memorandum of understanding with Hercules Electric Mobility. Under the terms of the MOU, Hillcrest and Hercules will work together to build and test an electric powertrain system that includes a Hillcrest 250kW, 800V inverter that has been optimized for a Hercules powertrain. Work was to begin immediately and is expected to run through March 2023, with potential applications including marine, automotive, and other electric mobility products. Earlier in 2022, the Hercules 200kW e-drive system was selected by Coach Marine Group as the electric propulsion system it will use in its Coach and Xcursion branded electric pontoon boats. Coach announced intentions to produce up to 1,500 electric pontoon boats annually with the e-drive system, which comes with software for users to customize power levels for optimal range or to meet waterway horsepower or speed restrictions. This announcement is extremely significant for Hillcrest because monetization of the Company's technology is now closer than ever. We believe that this partnership could lead to top line revenue realization for Hillcrest during FY:23.

The other major step towards commercialization also occurred in October, 2022, when Hillcrest announced a partnership with a global Tier 1 automotive supplier to integrate an optimized version of Hillcrest's 250kw, 800V ZVS inverter technology into a new powertrain system for the automotive industry. The joint project is expected to run through 2023. During the process, Hillcrest and this new partner will test a series of configurations with the end goal of commercializing a nominal 350kW product that takes advantage of Hillcrest's unique and highly efficient inverter.

Funding Update

During October 2022, Hillcrest announced closing of a temporary warrant exercise program and first tranche of non-brokered private placement. Proceeds from the first tranche of the offering were expected to be $1.46 million, with 14.6 million shares issued. With the warrant exercise program, the Company was expecting the issuance of 4.5 million shares with gross proceeds of $450,000, resulting in a cumulative raise of approximately $1.9 million. At the end of the year, the Company updated the details of the transaction, noting that only $360,000 was raised from the warrant exercise program, but that $1.518 million in capital was raised through the share issuance. The final result is a raise of approximately $1.87 million, which should be sufficient to fund Q4:22 and the majority of Q1:23. Based upon our current estimates, we believe that the Company will need to raise an incremental $7 to $8 million to fund operating losses through the end of FY:23.

Financial Results and Forecast

With high performance inverters being resold in the aftermarket for over $5,000, we believe that it would be reasonable to assume that Hillcrest can realize revenue at the rate of at least $200 per unit. This amount would represent just 2% to 4% of the total cost of a higher end inverter. We are optimistically modeling for Hillcrest to realize approximately $750,000 in revenues in Q4:23.

Moving ahead into FY:24, we project that Hillcrest will be able to gradually grow its market share. We project the Company will be able to generate approximately $10.6 million in revenues in FY:24, with revenue growing sequentially each quarter throughout the year, as manufacturers progressively embrace the Hillcrest technology.

Hillcrest is currently burning cash at a rate slightly in excess of $1 million per quarter, and total cash operating expenses are projected to grow to $8 and $10 million in FY:23 and FY:24. While we believe that the recent equity raise will push Hillcrest through the balance of FY:22 and into Q1:23, we believe that the Company will need to raise incremental capital in Q1:23, and possibly more throughout the fiscal year. We further forecast that the Company will raise $5 million in debt capital around the end of Q2:23. We project that the interest rate on this debt financing will be approximately 12%. The combination of a debt capital raise and another equity infusion should provide Hillcrest with sufficient liquidity to survive to a revenue recognition state.

With the cash burn rate elevating from our original projection, as the Company is needing to invest more capital for R&D to build out prototypes, we now project that Hillcrest will not turn EBITDA positive until Q2:24. We are projecting FY:24 revenues of $10.6 million. We also project that it is possible that Hillcrest can achieve a cash flow positive state in late FY:24 if it can hit these revenue projections, or in early FY:25. Clearly, projecting financial results for a new technology is a highly speculative undertaking, but without a forecast of future revenues and earnings, valuation of the Company is completely impossible. Therefore, we have made what we believe to be very reasonable assumptions about Hillcrest's ability to penetrate the market with its innovative solution.

Valuation

Valuing Hillcrest is quite challenging, as most of the companies in the EV space are in the early stages of realizing revenues. We analyzed several EV charging equipment manufacturers that are currently generating revenue, and they trade at an average multiple of 11.2 times projected FY:23 revenues. Exhibit seven below shows our peer group analysis.

Exhibit 7: Hillcrest Energy Technology's Peer Group Valuation

HLRTF
Peer Group Valuations

Company Name	Ticker	Last Price	Shares o/stand (MM)	Market Cap ($MM)	Price-to-Sales FY:23
EV Charging Equipment					
Chargepoint Holdings	CHPT	$ 9.09	336.96	$ 3,062.97	6.50
Blink Charging Stations	BLNK	$ 10.95	50.84	$ 556.70	9.70
Allego N.V.	ALLG	$ 3.09	265.5	$ 820.40	5.93
EVgo	EVGO	$ 4.11	264.9	$ 1,088.74	22.51
				Average	11.2

Source: Singular Research

We value Hillcrest using a revenue multiple analysis valuation. With our publicly traded EV charging company comp group trading at an average multiple of 11.2 times FY:23 revenues, and with Hillcrest not expected to achieve meaningful revenue until FY:24, we use a multiple of 11 times projected FY:24 revenues. While this effectively represents a premium to the average FY:23 revenue multiple of the peer group, Hillcrest has a novel and innovative technology that we believe will enable the Company to grow revenues much more quickly than the already commoditized charging station peer group. This valuation yields a non-discounted price target of $0.25 per share for the stock. Discounting this projected price target at the Company's WACC of 23.2%, we arrive at a present value for the equity of $0.20 per share, representing 177% upside from its current value. Exhibit eight provides a detailed sensitivity analysis of this valuation methodology.

Exhibit 8: Hillcrest Energy Technology's Valuation Sensitivity Analysis on Projected Revenue

Going Concern Analysis: ($000)		
Projected FY24 Revenue	$	10,622,500
Multiple		11
	$	116,847,500
Cash and restricted cash 9/30/22	$	877,513
Estimated free cash flow thru 4Q24	$	(9,279,546)
Enterprise Value	$	108,445,467
Projected Debt at 12/31/24	$	5,000,000
Projected Value to Equity at 12/31/24	$	103,445,467
Projected Shares Outstanding		424,627,697
Projected FY24 Value of Equity	$	0.24
PV of Equity Discounted at 24% WACC	**$**	**0.20**

	REVENUE MULTIPLE											
		4	6	8	10	11	14	16	18	20	22	24
F	$ 1,000,000	$ (0.02)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.00	$ 0.01	$ 0.01	$ 0.02	$ 0.02	$0.02
Y	$ 2,000,000	$ (0.01)	$ (0.00)	$ 0.01	$ 0.02	$ 0.02	$ 0.03	$ 0.04	$ 0.05	$ 0.06	$ 0.07	$0.08
2	$ 3,000,000	$ (0.00)	$ 0.01	$ 0.02	$ 0.04	$ 0.05	$ 0.07	$ 0.08	$ 0.10	$ 0.11	$ 0.12	$0.14
4	$ 4,000,000	$ 0.01	$ 0.02	$ 0.04	$ 0.06	$ 0.07	$ 0.10	$ 0.12	$ 0.14	$ 0.16	$ 0.18	$0.19
	$ 5,000,000	$ 0.02	$ 0.04	$ 0.06	$ 0.09	$ 0.10	$ 0.13	$ 0.16	$ 0.18	$ 0.20	$ 0.23	$0.25
R	$ 6,000,000	$ 0.02	$ 0.05	$ 0.08	$ 0.11	$ 0.12	$ 0.17	$ 0.19	$ 0.22	$ 0.25	$ 0.28	$0.31
E	$ 7,000,000	$ 0.03	$ 0.07	$ 0.10	$ 0.13	$ 0.15	$ 0.20	$ 0.23	$ 0.27	$ 0.30	$ 0.33	$0.36
V	$ 8,000,000	$ 0.04	$ 0.08	$ 0.12	$ 0.16	$ 0.18	$ 0.23	$ 0.27	$ 0.31	$ 0.35	$ 0.38	$0.42
E	$ 9,000,000	$ 0.05	$ 0.10	$ 0.14	$ 0.18	$ 0.20	$ 0.27	$ 0.31	$ 0.35	$ 0.39	$ 0.43	$0.48
N	**$ 10,622,500**	$ 0.07	$ 0.12	$ 0.17	$ 0.22	**$ 0.24**	$ 0.32	$ 0.37	$ 0.42	$ 0.47	$ 0.52	$0.57
U	$ 11,000,000	$ 0.07	$ 0.12	$ 0.18	$ 0.23	$ 0.25	$ 0.33	$ 0.38	$ 0.43	$ 0.49	$ 0.54	$0.59
E	$ 12,000,000	$ 0.08	$ 0.14	$ 0.19	$ 0.25	$ 0.28	$ 0.36	$ 0.42	$ 0.48	$ 0.53	$ 0.59	$0.65
	$ 13,000,000	$ 0.09	$ 0.15	$ 0.21	$ 0.27	$ 0.31	$ 0.40	$ 0.46	$ 0.52	$ 0.58	$ 0.64	$0.70
	$ 14,000,000	$ 0.10	$ 0.17	$ 0.23	$ 0.30	$ 0.33	$ 0.43	$ 0.50	$ 0.56	$ 0.63	$ 0.69	$0.76
	$ 15,000,000	$ 0.11	$ 0.18	$ 0.25	$ 0.32	$ 0.36	$ 0.46	$ 0.53	$ 0.60	$ 0.67	$ 0.75	$0.82
	$ 16,000,000	$ 0.12	$ 0.19	$ 0.27	$ 0.35	$ 0.38	$ 0.50	$ 0.57	$ 0.65	$ 0.72	$ 0.80	$0.87
	$ 17,000,000	$ 0.13	$ 0.21	$ 0.29	$ 0.37	$ 0.41	$ 0.53	$ 0.61	$ 0.69	$ 0.77	$ 0.85	$0.93
	$ 18,000,000	$ 0.14	$ 0.22	$ 0.31	$ 0.39	$ 0.43	$ 0.56	$ 0.65	$ 0.73	$ 0.82	$ 0.90	$0.99

Source: Singular Research

As an alternative valuation methodology, we attempted to value Hillcrest using a total addressable market analysis (TAM). According to Mordor Intelligence, "The electric vehicle market was valued at USD $411.02 billion in 2021, and it is expected to reach USD $1,393.33 billion by 2027, witnessing a CAGR of 19.19% during the forecast period (2022 - 2027)." (Electric Vehicle Market Size, Share, Forecast | 2022 - 27 (mordorintelligence.com) If we assume that inverter assemblies will have an approximate 5% share of the TAM, we project that inverter manufacturers have the potential to realize approximately $69.7 billion in total revenues in 2027. If Hillcrest can capture a 1% share of this total market, the Company has the potential to realize $697 million in revenue in 2027. Discounting this figure using a five-year discount factor and a 24.5% WACC, we project that the present value of Hillcrest's potential 2027 revenue is $232.5 million. Discounting this value at 65%, to reflect Hillcrest's challenging odds of realizing this level of revenues provides a projected equity value for the Company of $81.4 million. Dividing this figure by our projected outstanding shares at the end of FY:24 yields a per share value today of $0.19 per share. We use the projected FY:24 year-end shares outstanding projection for valuation because we forecast equity issuance in FY:23 and FY:24 and many employees are receiving a significant percentage of their wages in equity in the Company. We believe using FY:24 projected year end shares outstanding is a conservative valuation approach that accounts for the expected growth in outstanding shares. Exhibit 9 below illustrates this valuation methodology.

Exhibit 9: Hillcrest Energy Technology's Valuation Using Discounted TAM Analysis

TAM VALUATION ANALYSIS - 2027 Market				
2027 TAM	$ 1,393,330,000,000			
Inverters - 5%	$ 69,666,500,000			
Hillcrest 2027 Revenue Potential - 1% Market Share	$ 696,665,000		WACC	23.18%
PV at WACC	$ 232,530,372		5 yr PV Discount Factor	3.00
Projected Value of Hillcrest at 65% Discount to 5 year PV	$ 81,385,630			
Projected Shares Outstanding	$ 424,627,697			
Value Per Share	**$ 0.19**			

Source: Singular Research

Blending our price-to-sales target of $0.20 and our TAM price of $0.19 results on a price target of $0.195, which we round up to $0.20.

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Rating Definitions

BUY, 30% or greater increase in the next 12 months.
BUY- Long-Term, near-term EPS horizon is challenging, attractive long-term appreciation potential.
Buy-Venture, initial stages with little to no revenue and the potential for outsized returns with higher amounts of risk and volatility.
HOLD, perform in line with the market.
SELL, 30% or more declines in the next 12 months.

TECHNICAL ANALYSIS

HLRTF

PE based on Proforma EPS

Hillcrest Energy Technologies Ltd.

Quarterly Results & Estimates

C$

	2019 Actual	2020 Actual	2021 Actual	2022 Estimated					2023 Estimated					2024 Estimated				
	Fiscal	Fiscal	Fiscal	1QA	2QA	3QA	4QE	Fiscal	1QE	2QE	3QE	4QE	Fiscal	1QE	2QE	3QE	4QE	Fiscal
	2019A	2020A	2021A	Mar-22	Jun-22	Sep-22	Dec-22	2022E	Mar-23	Jun-23	Sep-23	Dec-23	2023E	Mar-24	Jun-24	Sep-24	Dec-24	2024E
Revenues	$ 1,042,327	$ 696,749	$ 624,874	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 750,000	$ 750,000	$ 1,968,750	$ 2,415,000	$ 2,878,750	$ 3,360,000	$ 10,622,500
Revenue Growth		***-33.2%***	***-10.3%***	***-100.0%***	***-100.0%***	***-100.0%***	***-100.0%***	***-100.0%***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***1432.5%***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***348.0%***	***1316.3%***
Royalties	$ 279,327	$ 160,692	$ 149,392	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Costs	$ 673,914	$ 463,280	$ 315,876	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depletion	$ 169,403	$ 160,012	$ 131,100	$ -	$ -	$ -	$ -	$ -					$ -	$ -	$ -	$ -	$ -	$ -
Gross Profit	$ (80,317)	$ (87,235)	$ 28,506	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 750,000	$ 750,000	$ 1,968,750	$ 2,415,000	$ 2,878,750	$ 3,360,000	$ 10,622,500
Gross margin	***-7.7%***	***-12.5%***	***4.6%***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Management and Consulting	$ 534,223	$ 748,918	$ 1,357,308	$ 159,562	$ 301,086	$ 67,241	$ 114,310	$ 642,199	$ 137,172	$ 142,659	$ 146,938	$ 154,285	$ 581,054	$ 138,857	$ 145,799	$ 153,089	$ 168,398	$ 606,144
% of sales	*51%*	*107%*	*217%*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*21%*	*77%*	*7%*	*6%*	*5%*	*5%*	*6%*
R&D	$ -	$ -	$ 625,483	$ 273,517	$ 370,986	$ 415,821	$ 498,985	$ 1,559,309	$ 598,782	$ 808,356	$ 1,010,445	$ 1,111,490	$ 3,529,073	$ 944,766	$ 992,004	$ 1,041,605	$ 1,145,765	$ 4,124,140
% of sales	*0.0%*	*0.0%*	*100.1%*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*148%*	*470.5%*	*48%*	*41%*	*36%*	*34%*	*39%*
Office and General	$ 522,653	$ 900,147	$ 2,251,157	$ 553,490	$ 736,854	$ 940,613	$ 893,582	$ 3,124,539	$ 915,922	$ 1,007,514	$ 1,259,393	$ 1,271,987	$ 4,454,815	$ 1,208,387	$ 1,220,471	$ 1,232,676	$ 1,245,003	$ 4,906,537
% of sales	*50.1%*	*129.2%*		*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*170%*	*594.0%*	*61%*	*51%*	*43%*	*37%*	*46%*
Share-based Compensation	$ 6,444	$ 423,403	$ 6,748,037	$ 107,407	$ (63,492)	$ 597,839	$ 298,920	$ 940,674	$ 283,974	$ 291,073	$ 298,350	$ 313,267	$ 1,186,663	$ 281,940	$ 288,989	$ 296,214	$ 311,024	$ 1,178,167
% of sales	*0.6%*	*60.8%*	*968.5%*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*42%*	*158.2%*	*14%*	*12%*	*10%*	*9%*	*11%*
Exploration and Evaluation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
% of sales	*0.0%*		*0.0%*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*0%*	*0.0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Total operating expenses	$ 1,063,320	$ 2,072,468	$ 10,981,985	$ 1,093,976	$ 1,345,434	$ 2,021,514	$ 1,805,797	$ 6,266,721	$ 1,935,849	$ 2,249,601	$ 2,715,126	$ 2,851,028	$ 9,751,605	$ 2,573,950	$ 2,647,264	$ 2,723,584	$ 2,870,190	$ 10,814,988
% of sales	***102.0%***	***297.4%***	***1757.5%***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***380.1%***	***1300.2%***	***130.7%***	***109.6%***	***94.6%***	***85.4%***	***101.8%***
Adjusted EBITDA	**$ (1,083,857)**	**$ (1,736,300)**	**$ (4,205,442)**	**$ (986,569)**	**$ (1,408,926)**	**$ (1,423,675)**	**$ (1,506,877)**	**$ (5,326,047)**	**$ (1,651,876)**	**$ (1,958,529)**	**$ (2,416,776)**	**$ (1,787,761)**	**$ (7,814,942)**	**$ (323,260)**	**$ 56,725**	**$ 451,380**	**$ 800,834**	**$ 985,679**
Asset Impairment Charges	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Stock Based Comp	$ 6,444	$ 423,403	$ 6,748,037	$ 107,407	$ (63,492)	$ 597,839	$ 298,920	$ 940,674	$ 283,974	$ 291,073	$ 298,350	$ 313,267	$ 1,186,663	$ 281,940	$ 288,989	$ 296,214	$ 311,024	$ 1,178,167
Depletion & Depreciation	$ 53,336	$ -						$ -					$ -					
Operating Profit	$ (1,143,637)	$ (2,159,703)	$ (10,953,479)	$ (1,093,976)	$ (1,345,434)	$ (2,021,514)	$ (1,805,797)	$ (6,266,721)	$ (1,935,849)	$ (2,249,601)	$ (2,715,126)	$ (2,101,028)	$ (9,001,605)	$ (605,200)	$ (232,264)	$ 155,166	$ 489,810	$ (192,488)
Operating Margin	***-109.7%***	***-310.0%***	***-1752.9%***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***#DIV/0!***	***-280.1%***	***-1200.2%***	***-30.7%***	***-9.6%***	***5.4%***	***14.6%***	***-1.8%***
Adjusted Operating Profit	**$ (1,143,637)**	**$ (2,159,703)**	**$ (10,953,479)**	**$ (1,093,976)**	**$ (1,345,434)**	**$ (2,021,514)**	**$ (1,805,797)**	**$ (6,266,721)**	**$ (1,935,849)**	**$ (2,249,601)**	**$ (2,715,126)**	**$ (2,101,028)**	**$ (9,001,605)**	**$ (605,200)**	**$ (232,264)**	**$ 155,166**	**$ 489,810**	**$ (192,488)**
Financing Expenses		$ (125,402)	$ (43,607)	$ (6,384)	$ (6,384)	$ (6,383)	$ (6,383)	$ (25,534)	$ (6,383)	$ (6,383)	$ (6,383)	$ (6,383)	$ (25,532)	$ (6,511)	$ (6,641)	$ (156,774)	$ (159,909)	$ (329,834)
Foreign Exchange Gain (Loss)	$ 3,916	$ (4,989)	$ (18,136)	$ (2,614)	$ (10,381)	$ (6,548)	$ -	$ (19,543)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain on disposal of equipment	$ 46,212	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income	$ -	$ -	$ -	$ -	$ 253,588	$ -	$ -	$ 253,588	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Impairment of Oil & Gas Assets	$ -	$ -	$ (2,180,055)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Impairment of Intangible Assets	$ (332,990)	$ (20,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of embedded derivative liabilities	$ (11,280)	$ (53,143)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of other liabilities	$ -	$ 116,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income (Loss) From Continuing Operations	$ (1,437,779)	$ (2,247,237)	$ (13,195,277)	$ (1,102,974)	$ (1,108,611)	$ (2,034,445)	$ (1,812,180)	$ (6,058,210)	$ (1,942,232)	$ (2,255,984)	$ (2,721,509)	$ (2,107,411)	$ (9,027,137)	$ (611,711)	$ (238,905)	$ (1,607)	$ 329,900	$ (522,323)
Exchange Differences on translating Foreign Ops	$ -	$ (3,389.0)	$ 35	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain (loss) on discontinued Ops	$ -	$ -	$ -	$ 6,129	$ 23,178	$ 103,547	$ -	$ -										
Forgiveness of debt	$ 235,850	$ -	$ -					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Comprehensive Net Income (Loss)	**$ (1,201,929)**	**$ (2,243,848)**	**$ (13,195,312)**	**$ (1,096,845)**	**$ (1,085,433)**	**$ (1,930,898)**	**$ (1,812,180)**	**$ (6,058,210)**	**$ (1,942,232)**	**$ (2,255,984)**	**$ (2,721,509)**	**$ (2,107,411)**	**$ (9,027,137)**	**$ (611,711)**	**$ (238,905)**	**$ (1,607)**	**$ 329,900**	**$ (522,323)**
Shares for Basic EPS	91,461,993	144,159,918	271,025,570	319,379,179	324,689,465	327,322,845	333,869,302	326,315,198	355,246,688	362,351,622	384,817,422	404,058,293	376,618,506	412,139,459	416,260,854	420,423,462	424,627,697	418,362,868
Shares for Diluted EPS	91,461,993	144,159,918	271,025,570	319,379,179	324,689,465	327,322,845	333,869,302	326,315,198	355,246,688	362,351,622	384,817,422	404,058,293	376,618,506	412,139,459	416,260,854	420,423,462	424,627,697	418,362,868
EPS Basic	$ (0.01)	$ (0.02)	$ (0.05)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.00)	$ 0.00	$ (0.00)
EPS Diluted	**$ (0.01)**	**$ (0.02)**	**$ (0.05)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ 0.00**	**$ (0.00)**

HLRTF
Hillcrest Energy Technologies Ltd.
Balance Sheet
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	2019 Actual	2020 Actual	2021 Actual					
	Fiscal 2019A	Fiscal 2020A	1QA Mar-21	2QA Jun-21	3QA Sep-21	4QA Dec-21	Fiscal 2021A	FY21 - Restated 2021A
Cash & Equivalents	$ 41,749	$ 676,087	$ 797,027	$ 3,897,640	$ 2,234,325	$ 3,722,956	$ 3,722,956	$ 3,685,100
A/R	$ 87,919	$ 121,312	$ 295,882	$ 631,582	$ 293,934	$ 48,164	$ 48,164	$ 43,588
Due from related party	$ -	$ 129,805	$ 164,805	$ -	$ -	$ -	$ -	$ -
Prepaid and Other Assets	$ 37,627	$ 45,067	$ 138,856	$ 206,166	$ 234,068	$ 539,704	$ 539,704	$ 539,704
Right-of-use Asset	$ 12,532	$ 103,128	$ 93,556	$ 85,449	$ 183,490	$ 165,490	$ 165,490	$ 165,490
Total Current Assets	**$ 179,827**	**$ 1,075,399**	**$ 1,490,126**	**$ 4,820,837**	**$ 2,945,817**	**$ 4,476,314**	**$ 4,476,314**	**$ 4,433,882**
Intangibles	$ -	$ -	$ -	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000
PPE, net	$ -	$ -	$ -	$ 40,226	$ 402,585	$ 605,101	$ 605,101	$ 605,101
Oil and gas interests	$ 684,071	$ 733,233	$ 1,606,847	$ 1,876,789	$ 2,117,190	$ -	$ -	
Assets of Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,432
TOTAL ASSETS	**$ 863,898**	**$ 1,808,632**	**$ 3,096,973**	**$ 8,287,852**	**$ 7,015,592**	**$ 6,631,415**	**$ 6,631,415**	**$ 6,631,415**
Accounts Payable and Accrued Liabilities	$ 1,411,071	$ 1,496,098	$ 1,622,970	$ 1,144,604	$ 718,856	$ 832,884	$ 832,884	$ 640,918
Embedded Derivative Liability	$ 91,439	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Short Term Debt	$ 1,311,199	$ 244,265	$ -	$ -	$ -	$ -	$ -	$ -
Operating Lease Liabilities	$ 11,265	$ 29,581	$ 42,758	$ 32,539	$ 65,204	$ 67,585	$ 67,585	$ 67,585
Total Current Liabilities	**$ 2,824,974**	**$ 1,769,944**	**$ 1,665,728**	**$ 1,177,143**	**$ 784,060**	**$ 900,469**	**$ 900,469**	**$ 708,503**
Operating Lease Liabilities	$ -	$ 78,095	$ 52,953	$ 60,346	$ 127,847	$ 110,950	$ 110,950	$ 110,950
Other liabilities	$ 116,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LTD	$ 39,763	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Decommissioning Liability	$ 373,187	$ 388,190	$ 389,215	$ 407,891	$ 363,629	$ 374,163	$ 374,163	$ -
Liabilities of Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 566,129
TOTAL LIABILITIES	**$ 3,353,924**	**$ 2,236,229**	**$ 2,107,896**	**$ 1,645,380**	**$ 1,275,536**	**$ 1,385,582**	**$ 1,385,582**	**$ 1,385,582**
Share Capital	$ 8,980,016	$ 12,431,471	$ 14,841,044	$ 25,738,140	$ 25,854,754	$ 29,196,232	$ 29,196,232	$ 29,196,232
Share Subscriptions Receivable	$ -	$ -	$ -	$ -	$ -	$ (566,054)	$ (566,054)	$ (566,054)
Shares Subscribed	$ -	$ 672,500	$ 22,485	$ -	$ -	$ -	$ -	$ -
Contributed Surplus	$ 1,357,361	$ 1,605,683	$ 1,605,683	$ 3,797,954	$ 4,157,105	$ 4,795,660	$ 4,795,660	$ 4,795,660
Reserves	$ 246,084	$ 183,473	$ 183,583	$ 183,571	$ 183,537	$ 335,996	$ 335,996	$ 335,996
Deficit	$ (13,073,487)	$ (15,320,724)	$ (15,663,718)	$ (23,077,193)	$ (24,455,340)	$ (28,516,001)	$ (28,516,001)	$ (28,516,001)
TOTAL EQUITY	**$ (2,490,026)**	**$ (427,597)**	**$ 989,077**	**$ 6,642,472**	**$ 5,740,056**	**$ 5,245,833**	**$ 5,245,833**	**$ 5,245,833**
TOTAL LIABILITIES & EQUITY	**$ 863,898**	**$ 1,808,632**	**$ 3,096,973**	**$ 8,287,852**	**$ 7,015,592**	**$ 6,631,415**	**$ 6,631,415**	**$ 6,631,415**

	2022 Estimated				
	1QA Mar-22	2QA Jun-22	3QA Sep-22	4QE Dec-22	Fiscal 2022E
Cash & Equivalents	$ 2,622,017	$ 1,221,335	$ 877,513	$ 1,194,590	$ 1,194,590
A/R	$ 6,153	$ 31,689	$ 22,712	$ -	$ -
Due from related party	$ -	$ 129,615	$ 120,972	$ -	$ -
Prepaid and Other Assets	$ 445,319	$ 516,984	$ 382,299	$ 363,184	$ 363,184
Right-of-use Asset	$ 147,489	$ 129,488	$ 111,487	$ -	$ -
Total Current Assets	**$ 3,220,978**	**$ 2,029,111**	**$ 1,514,983**	**$ 1,557,774**	**$ 1,557,774**
Intangibles	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000
PPE, net	$ 627,016	$ 669,376	$ 689,970	$ 699,707	$ 699,707
Oil and gas interests	$ -	$ -	$ -	$ -	$ -
Assets of Discontinued Operations	$ 27,170	$ 14,115	$ 69,263	$ 69,263	$ 69,263
TOTAL ASSETS	**$ 5,425,164**	**$ 4,262,602**	**$ 3,824,216**	**$ 3,876,744**	**$ 3,876,744**
Accounts Payable and Accrued Liabilities	$ 434,368	$ 206,196	$ 242,835	$ 237,978	$ 237,978
Embedded Derivative Liability	$ -	$ -	$ -	$ -	
Short Term Debt	$ -	$ -	$ -	$ -	$ -
Operating Lease Liabilities	$ 70,964	$ 70,964	$ 74,514	$ 76,514	$ 76,514
Total Current Liabilities	**$ 505,332**	**$ 277,160**	**$ 317,349**	**$ 314,492**	**$ 314,492**
Operating Lease Liabilities	$ 90,675	$ 73,779	$ 53,333	$ 48,333	$ 48,333
Other liabilities	$ -	$ -	$ -	$ -	$ -
LTD	$ -	$ -	$ -	$ -	$ -
Decommissioning Liability	$ -	$ -	$ -	$ -	$ -
Liabilities of Discontinued Operations	$ 512,329	$ 434,702	$ 259,462	$ 259,462	$ 259,462
TOTAL LIABILITIES	**$ 1,108,336**	**$ 785,641**	**$ 630,144**	**$ 622,287**	**$ 622,287**
Share Capital	$ 29,341,857	$ 29,726,789	$ 30,336,009	$ 32,156,009	$ 32,156,009
Share Subscriptions Receivable	$ (505,622)	$ (237,000)	$ -	$ 360,000	$ 360,000
Shares Subscribed	$ -	$ -	$ 235,200	$ 235,200	$ 235,200
Contributed Surplus	$ 4,757,443	$ 4,349,450	$ 4,916,039	$ 4,916,039	$ 4,916,039
Reserves	$ 335,996	$ 336,001	$ 336,001	$ 336,001	$ 336,001
Deficit	$ (29,612,846)	$ (30,698,279)	$ (32,629,177)	$ (34,748,792)	$ (34,748,792)
TOTAL EQUITY	**$ 4,316,828**	**$ 3,476,961**	**$ 3,194,072**	**$ 3,254,457**	**$ 3,254,457**
TOTAL LIABILITIES & EQUITY	**$ 5,425,164**	**$ 4,262,602**	**$ 3,824,216**	**$ 3,876,744**	**$ 3,876,744**

	2023 Estimated				
	1QE Mar-23	2QE Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2023E
Cash & Equivalents	$ 1,007,665	$ 4,009,007	$ 3,550,245	$ 1,062,070	$ 1,062,070
A/R	$ -	$ -	$ -	$ 675,000	$ 675,000
Due from related party	$ -	$ -	$ -	$ -	$ -
Prepaid and Other Assets	$ 345,025	$ 327,774	$ 311,385	$ 295,816	$ 295,816
Right-of-use Asset	$ -	$ -	$ -	$ -	$ -
Total Current Assets	**$ 1,352,690**	**$ 4,336,780**	**$ 3,861,630**	**$ 2,032,885**	**$ 2,032,885**
Intangibles	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000
PPE, net	$ 717,304	$ 739,222	$ 763,410	$ 796,902	$ 796,902
Oil and gas interests	$ -	$ -	$ -	$ -	$ -
Assets of Discontinued Operations					
TOTAL ASSETS	**$ 3,619,994**	**$ 6,626,002**	**$ 6,175,040**	**$ 4,379,787**	**$ 4,379,787**
Accounts Payable and Accrued Liabilities	$ 232,029	$ 226,228	$ 221,704	$ 243,874	$ 243,874
Embedded Derivative Liability	$ -	$ -	$ -	$ -	$ -
Short Term Debt	$ -	$ -	$ -	$ -	$ -
Operating Lease Liabilities	$ 78,514	$ 80,514	$ 82,514	$ 84,514	$ 84,514
Total Current Liabilities	**$ 310,543**	**$ 306,742**	**$ 304,218**	**$ 328,388**	**$ 328,388**
Operating Lease Liabilities	$ 43,333	$ 38,333	$ 33,333	$ 28,333	$ 28,333
Other liabilities	$ -	$ -	$ -	$ -	$ -
LTD	$ -	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000
Decommissioning Liability	$ -	$ -	$ -	$ -	$ -
Liabilities of Discontinued Operations					
TOTAL LIABILITIES	**$ 353,876**	**$ 5,345,075**	**$ 5,337,551**	**$ 5,356,721**	**$ 5,356,721**
Share Capital	$ 32,156,009	$ 32,156,009	$ 34,156,009	$ 34,156,009	$ 34,156,009
Share Subscriptions Receivable	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000
Shares Subscribed	$ -	$ -	$ -	$ -	$ -
Contributed Surplus	$ 6,416,039	$ 6,416,039	$ 6,416,039	$ 6,416,039	$ 6,416,039
Reserves	$ 336,001	$ 336,001	$ 336,001	$ 336,001	$ 336,001
Deficit	$ (36,001,931)	$ (37,987,122)	$ (40,430,560)	$ (42,244,983)	$ (42,244,983)
TOTAL EQUITY	**$ 3,266,118**	**$ 1,280,927**	**$ 837,489**	**$ (976,934)**	**$ (976,934)**
TOTAL LIABILITIES & EQUITY	**$ 3,619,994**	**$ 6,626,002**	**$ 6,175,040**	**$ 4,379,787**	**$ 4,379,787**

	2024 Estimated				
	1QE Mar-24	2QE Jun-24	3QE Sep-24	4QE Dec-24	Fiscal 2024E
Cash & Equivalents	$ 1,833,977	$ 1,527,008	$ 2,441,735	$ 2,696,220	$ 2,696,220
A/R	$ 1,575,000	$ 1,932,000	$ 2,303,000	$ 2,688,000	$ 2,688,000
Due from related party	$ -	$ -	$ -	$ -	$ -
Prepaid and Other Assets	$ 281,025	$ 266,974	$ 261,634	$ 256,401	$ 256,401
Right-of-use Asset	$ -	$ -	$ -	$ -	$ -
Total Current Assets	**$ 3,690,002**	**$ 3,725,982**	**$ 5,006,369**	**$ 5,640,621**	**$ 5,640,621**
Intangibles	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000	$ 1,550,000
PPE, net	$ 835,511	$ 884,866	$ 946,041	$ 1,013,718	$ 1,013,718
Oil and gas interests	$ -	$ -	$ -	$ -	$ -
Assets of Discontinued Operations					
TOTAL ASSETS	**$ 6,075,512**	**$ 6,160,847**	**$ 7,502,410**	**$ 8,204,339**	**$ 8,204,339**
Accounts Payable and Accrued Liabilities	$ 292,649	$ 351,178	$ 421,414	$ 505,697	$ 505,697
Embedded Derivative Liability	$ -	$ -	$ -	$ -	$ -
Short Term Debt	$ -	$ -	$ -	$ -	$ -
Operating Lease Liabilities	$ 86,514	$ 88,514	$ 90,514	$ 92,514	$ 92,514
Total Current Liabilities	**$ 379,163**	**$ 439,692**	**$ 511,928**	**$ 598,211**	$ 598,211
Operating Lease Liabilities	$ 23,333	$ 18,333	$ 13,333	$ 8,333	$ 8,333
Other liabilities	$ -	$ -	$ -	$ -	$ -
LTD	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000
Decommissioning Liability	$ -	$ -	$ -	$ -	$ -
Liabilities of Discontinued Operations					
TOTAL LIABILITIES	**$ 5,402,496**	**$ 5,458,025**	**$ 5,525,261**	**$ 5,606,544**	$ 5,606,544
Share Capital	$ 34,156,009	$ 34,156,009	$ 35,156,009	$ 35,156,009	$ 35,156,009
Share Subscriptions Receivable	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000
Shares Subscribed	$ -	$ -	$ -	$ -	$ -
Contributed Surplus	$ 8,395,760	$ 8,375,481	$ 8,355,202	$ 8,334,923	$ 8,334,923
Reserves	$ 336,001	$ 336,001	$ 336,001	$ 336,001	$ 336,001
Deficit	$ (42,574,753)	$ (42,524,669)	$ (42,230,063)	$ (41,589,138)	$ (41,589,138)
TOTAL EQUITY	**$ 673,017**	**$ 702,822**	**$ 1,977,149**	**$ 2,597,795**	$ 2,597,795
TOTAL LIABILITIES & EQUITY	**$ 6,075,512**	**$ 6,160,847**	**$ 7,502,410**	**$ 8,204,339**	$ 8,204,339

HLRTF
Hillcrest Energy Technologies Ltd.
Cash Flow Statement
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	2019 Actual	2020 Actual				
	Fiscal 2019A	1QA Mar-20	2QA Jun-20	3QA Sep-20	4QA Dec-20	Fiscal 2020A
Net Income	$ (1,201,929)	$ (232,230)	$ (117,209)	$ (1,486,967)	$ (410,831)	$ (2,247,237)
Accretion expense	$ 60,580	$ 6,008	$ -	$ 52	$ 4,757	$ 10,817
Accrued interest expense	$ 263,934	$ 31,846	$ 27,076	$ 71	$ 63,483	$ 122,476
Change in fair value of embedded derivative liabilities	$ 11,280	$ -	$ -	$ 53,143	$ -	$ 53,143
Change in fair value of other liability	$ -	$ -	$ -	$ -	$ (116,000)	$ (116,000)
Depreciation and depletion	$ 169,403	$ 56,206	$ 48,047	$ 29,220	$ 26,539	$ 160,012
Impairment of intangibles	$ -	$ -	$ -	$ -	$ 20,000	$ 20,000
Impairment of oil & gas assets	$ -	$ -	$ -	$ -	$ -	$ -
Share-based payments	$ 6,444	$ -	$ -	$ 383,513	$ 39,890	$ 423,403
Shares issued pursuant to joint development agreement	$ -	$ -	$ -	$ -	$ -	$ -
Revaluation of decommissioning liability	$ -	$ -	$ -	$ -	$ 3,690	$ 3,690
Bad debt expense	$ (143,203)	$ -	$ -	$ -	$ -	$ -
Loss (gain) on the disposal of equipment	$ (46,212)	$ -	$ -	$ -	$ -	$ -
Unrealized foreign exchange loss	$ (3,389)	$ -	$ -	$ -	$ 3,389	$ 3,389
Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal	$ (883,092)	$ (138,170)	$ (42,086)	$ (1,020,968)	$ (365,083)	$ (1,566,307)
Receivables - Decrease (Increase)	$ -	$ -	$ -			$ -
Changes in non-cash working capital:						
Prepaid expenses	$ 78,062	$ (6,581)	$ 734	$ (12,674)	$ (8,919)	$ (27,440)
Receivables	$ 68,789	$ 65,523	$ (75,245)	$ (41,769)	$ 18,098	$ (33,393)
Due from related parties	$ -	$ -	$ -	$ -	$ (129,805)	$ (129,805)
Accounts payable and accrued liabilities	$ 254,137	$ 52,532	$ 82,840	$ 68,674	$ (19,269)	$ 184,777
Change in operating assets & liabilities	$ -	$ 111,474	$ 8,329	$ 14,231	$ (139,895)	$ (5,861)
Operating Activities - Net Cash Flow	**$ (482,104)**	**$ (26,696)**	**$ (33,757)**	**$ (1,006,737)**	**$ (504,978)**	**$ (1,572,168)**
Proceeds from (additions to) oil and gas property interest	$ 170,000	$ -	$ -	$ -	$ -	$ -
Intangible assets	$ -	$ -	$ -	$ -	$ -	$ -
Capital Expenditures	$ (101,132)	$ (4,063)	$ (26,383)	$ (67,100)	$ (87,000)	$ (184,546)
Investing Activities - Net Cash Flow	**$ 68,868**	**$ (4,063)**	**$ (26,383)**	**$ (67,100)**	**$ (87,000)**	**$ (184,546)**
Proceeds from convertible debentures	$ 55,000	$ 2,632	$ -	$ (2,632)	$ -	$ -
Proceeds from private placement	$ 823,333	$ -	$ -	$ 961,600	$ 500	$ 962,100
Share subscriptions	$ -	$ -	$ 50,000	$ (50,000)	$ 672,500	$ 672,500
Proceeds from loans	$ 60,000	$ -	$ -		$ 5,000	$ 5,000
Proceeds from exercise of stock options	$ -	$ -	$ -	$ 140,000	$ -	$ 140,000
Proceeds from exercise of warrants	$ -	$ -	$ -	$ 873,983	$ 263,239	$ 1,137,222
Share issuance costs	$ (2,146)	$ -	$ -	$ (24,744)	$ (4,464)	$ (29,208)
Repayment of lease liability	$ (23,732)	$ (6,176)	$ 6,176	$ -	$ (11,368)	$ (11,368)
Repayment of convertible debenture principal and interest	$ (151,107)	$ 32,108	$ (32,108)	$ -	$ (10,356)	$ (10,356)
Repayment of loan principal and interest	$ (327,711)	$ -	$ 59,207	$ (544,994)	$ 10,949	$ (474,838)
Financing Activities - Net Cash Flow	**$ 433,637**	**$ 28,564**	**$ 83,275**	**$ 1,353,213**	**$ 926,000**	**$ 2,391,052**
Exchange Rate Effect	$ -	$ -	$ (38)	$ 38	$ -	$ -
Cash and Equivalents - Change	$ 20,401	$ (2,195)	$ 23,097	$ 279,414	$ 334,022	$ 634,338
Cash Beginning	$ 21,348	$ 41,749	$ 39,554	$ 62,651	$ 342,065	$ 41,749
Cash End	$ 41,749	$ 39,554	$ 62,651	$ 342,065	$ 676,087	$ 676,087

	2021 Actual					2022 Estimated				
	1QA Mar-21	2QA Jun-21	3QA Sep-21	4QA Dec-21	Fiscal 2021A	1QA Mar-22	2QA Jun-22	3QA Sep-22	4QE Dec-22	Fiscal 2022E
Net Income	$ (342,993)	$ (7,413,476)	$ (1,378,147)	$ (4,060,661)	$ (13,195,277)	$ (1,102,974)	$ (1,108,611)	$ (2,034,445)	$ (1,812,180)	$ (6,058,210)
Accretion expense	$ 1,025	$ 1,028	$ 2,397	$ 10,287	$ 14,737	$ -	$ -	$ -	$ -	$ -
Accrued interest expense	$ 3,280	$ 4,885	$ 5,642	$ 8,764	$ 22,571	$ 6,384	$ 6,384	$ 6,383	$ 6,383	$ 25,534
Change in fair value of embedded derivative liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of other liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation and depletion	$ 75,874	$ 54,515	$ 19,072	$ 37,719	$ 187,180	$ 40,710	$ 60,879	$ 68,851	$ 68,851	$ 239,291
Impairment of intangibles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Impairment of oil & gas assets	$ -	$ -	$ -	$ 2,180,055	$ 2,180,055	$ -	$ -	$ -	$ -	$ -
Share-based payments	$ -	$ 5,724,037	$ 385,445	$ 638,555	$ 6,748,037	$ 107,407	$ (63,492)	$ 597,839	$ 298,920	$ 940,674
Shares issued pursuant to joint development agreement	$ -	$ 591,250	$ -	$ -	$ 591,250	$ -	$ -	$ -	$ -	$ -
Revaluation of decommissioning liability	$ -	$ -	$ (39,856)	$ (15,048)	$ (54,904)	$ -	$ -	$ -	$ -	$ -
Bad debt expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss (gain) on the disposal of equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrealized foreign exchange loss	$ -	$ (264)	$ 271	$ (48)	$ (41)	$ -	$ -	$ -	$ -	$ -
Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ (25,938)	$ (301,453)	$ (126,841)	$ -	$ (454,232)
Subtotal	$ (262,814)	$ (1,038,025)	$ (1,005,176)	$ (1,200,377)	$ (3,506,392)	$ (974,411)	$ (1,406,293)	$ (1,488,213)	$ (1,438,026)	$ (5,306,943)
Receivables - Decrease (Increase)					$ -					
Changes in non-cash working capital:										
Prepaid expenses	$ (93,789)	$ (67,310)	$ (27,902)	$ (305,636)	$ (494,637)	$ 87,914	$ (65,194)	$ 134,685	$ 19,115	$ 176,520
Receivables	$ (174,570)	$ 234,300	$ (20,352)	$ 33,770	$ 73,148	$ 37,436	$ (25,537)	$ 8,977	$ 22,712	$ 43,588
Due from related parties	$ (35,000)	$ -	$ -	$ -	$ (35,000)	$ -	$ (129,615)	$ 8,643	$ -	$ (120,972)
Accounts payable and accrued liabilities	$ 123,702	$ (475,197)	$ (571,836)	$ 277,086	$ (646,245)	$ (206,552)	$ 25,413	$ 36,645	$ (4,857)	$ (149,351)
Change in operating assets & liabilities	$ (179,657)	$ (308,207)	$ (620,090)	$ 5,220	$ (1,102,734)	$ (81,202)	$ (194,933)	$ 188,950	$ 36,970	$ (50,215)
Operating Activities - Net Cash Flow	**$ (442,471)**	**$ (1,346,232)**	**$ (1,625,266)**	**$ (1,195,157)**	**$ (4,609,126)**	**$ (1,055,613)**	**$ (1,601,226)**	**$ (1,299,263)**	**$ (1,401,056)**	**$ (5,357,158)**
Proceeds from (additions to) oil and gas property interest	$ -	$ (1,238,354)	$ (106,646)	$ (206,111)	$ (1,551,111)	$ -	$ -	$ -	$ -	$ -
Intangible assets	$ -	$ (200,000)	$ -	$ -	$ (200,000)	$ -	$ -	$ -	$ -	$ -
Capital Expenditures	$ (939,916)	$ 899,690	$ (364,280)	$ (209,102)	$ (613,608)	$ (44,624)	$ (85,238)	$ (71,444)	$ (78,588)	$ (279,894)
Investing Activities - Net Cash Flow	**$ (939,916)**	**$ (538,664)**	**$ (470,926)**	**$ (415,213)**	**$ (2,364,719)**	**$ (44,624)**	**$ (85,238)**	**$ (71,444)**	**$ (78,588)**	**$ (279,894)**
Proceeds from convertible debentures	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from private placement	$ 560,740	$ (138,915)		$ 3,239,521	$ 3,661,346	$ -	$ -	$ -	$ 1,820,000	$ -
Share subscriptions	$ 22,485	$ 2,217,515		$ -	$ 2,240,000	$ 60,432	$ 309,054	$ 472,200	$ -	$ 841,686
Proceeds from loans	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from exercise of stock options	$ 107,500	$ 237,500	$ 30,000	$ -	$ 375,000	$ -	$ -	$ -	$ -	$ -
Proceeds from exercise of warrants	$ 1,068,833	$ 2,680,300	$ 418,320	$ 262,000	$ 4,429,453	$ -	$ -	$ 577,970	$ -	$ 577,970
Share issuance costs	$ -	$ -	$ -	$ (379,138)	$ (379,138)	$ -	$ -	$ -	$ -	$ -
Repayment of lease liability	$ (11,965)	$ (10,990)	$ (15,412)	$ (23,280)	$ (61,647)	$ (23,280)	$ (23,280)	$ (23,279)	$ (23,279)	$ (93,118)
Repayment of convertible debenture principal and interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of loan principal and interest	$ (244,265)	$ -	$ -	$ -	$ (244,265)	$ -	$ -	$ -	$ -	$ -
Financing Activities - Net Cash Flow	**$ 1,503,328**	**$ 4,985,410**	**$ 432,908**	**$ 3,099,103**	**$ 10,020,749**	**$ 37,152**	**$ 285,774**	**$ 1,026,891**	**$ 1,796,721**	**$ 3,146,538**
Exchange Rate Effect		$ 98	$ (31)	$ -	$ (35)	$ 2	$ 8	$ (6)	$ -	$ 4
Cash and Equivalents - Change	$ 120,941	$ 3,100,612	$ (1,663,315)	$ 1,488,733	$ 3,046,869	$ (1,063,083)	$ (1,400,682)	$ (343,822)	$ 317,077	$ (2,490,510)
Cash Beginning	$ 676,087	$ 797,028	$ 3,897,640	$ 2,234,325	$ 676,087	$ 3,685,100	$ 2,622,017	$ 1,221,335	$ 877,513	$ 3,685,100
Cash End	$ 797,028	$ 3,897,640	$ 2,234,325	$ 3,723,058	$ 3,722,956	$ 2,622,017	$ 1,221,335	$ 877,513	$ 1,194,590	$ 1,194,590

	2023 Estimated					2024 Estimated				
	1QE Mar-23	2QE Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2023E	1QE Mar-24	2QE Jun-24	3QE Sep-24	4QE Dec-24	Fiscal 2024E
Net Income	$ (1,942,232)	$ (2,255,984)	$ (2,721,509)	$ (2,107,411)	$ (9,027,137)	$ (611,711)	$ (238,905)	$ (1,607)	$ 329,900	$ (522,323)
Accretion expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued interest expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of embedded derivative liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in fair value of other liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation and depletion	$ 68,851	$ 68,851	$ 68,851	$ 68,851	$ 275,404	$ 68,851	$ 68,851	$ 68,851	$ 68,851	$ 275,404
Impairment of intangibles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Impairment of oil & gas assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Share-based payments	$ 283,974	$ 291,073	$ 298,350	$ 313,267	$ 1,186,663	$ 281,940	$ 288,989	$ 296,214	$ 311,024	$ 1,178,167
Shares issued pursuant to joint development agreement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revaluation of decommissioning liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bad debt expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss (gain) on the disposal of equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrealized foreign exchange loss	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Discontinued Operations					$ -					$ -
Subtotal	$ (1,589,408)	$ (1,896,061)	$ (2,354,308)	$ (1,725,293)	$ (7,565,070)	$ (260,920)	$ 118,935	$ 363,457	$ 709,776	$ 931,249
										$ -
Receivables - Decrease (Increase)					$ -					$ -
Changes in non-cash working capital:					$ -					$ -
Prepaid expenses	$ 18,159	$ 17,251	$ 16,389	$ 15,569	$ 67,368	$ 14,791	$ 14,051	$ 5,339	$ 5,233	$ 39,414
Receivables	$ -	$ -	$ -	$ (675,000)	$ (675,000)	$ (900,000)	$ (357,000)	$ (371,000)	$ (385,000)	$ (2,013,000)
Due from related parties	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable and accrued liabilities	$ (5,949)	$ (5,801)	$ (4,525)	$ 22,170	$ 5,896	$ 48,775	$ 58,530	$ 70,236	$ 84,283	$ 261,823
Change in operating assets & liabilities					$ -					$ -
Operating Activities - Net Cash Flow	**$ (1,577,198)**	**$ (1,884,610)**	**$ (2,342,444)**	**$ (2,362,554)**	**$ (8,166,806)**	**$ (1,097,354)**	**$ (165,484)**	**$ 68,033**	**$ 414,291**	**$ (780,514)**
Proceeds from (additions to) oil and gas property interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intangible assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Expenditures	$ (86,447)	$ (90,770)	$ (93,039)	$ (102,343)	$ (372,598)	$ (107,460)	$ (118,206)	$ (130,026)	$ (136,528)	$ (492,220)
Investing Activities - Net Cash Flow	**$ (86,447)**	**$ (90,770)**	**$ (93,039)**	**$ (102,343)**	**$ (372,598)**	**$ (107,460)**	**$ (118,206)**	**$ (130,026)**	**$ (136,528)**	**$ (492,220)**
Proceeds from convertible debentures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from private placement	$ 1,500,000	$ -	$ 2,000,000	$ -	$ 3,500,000	$ 2,000,000	$ -	$ 1,000,000	$ -	$ 3,000,000
Share subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from loans	$ -	$ 5,000,000	$ -	$ -	$ 5,000,000	$ -	$ -	$ -	$ -	$ -
Proceeds from exercise of stock options	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from exercise of warrants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Share issuance costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of lease liability	$ (23,279)	$ (23,279)	$ (23,279)	$ (23,279)	$ (93,116)	$ (23,279)	$ (23,279)	$ (23,279)	$ (23,279)	$ (93,116)
Repayment of convertible debenture principal and interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of loan principal and interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Financing Activities - Net Cash Flow	**$ 1,476,721**	**$ 4,976,721**	**$ 1,976,721**	**$ (23,279)**	**$ 8,406,884**	**$ 1,976,721**	**$ (23,279)**	**$ 976,721**	**$ (23,279)**	**$ 2,906,884**
Exchange Rate Effect	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash and Equivalents - Change	$ (186,924)	$ 3,001,341	$ (458,762)	$ (2,488,175)	$ (132,520)	$ 771,907	$ (306,969)	$ 914,727	$ 254,485	$ 1,634,150
Cash Beginning	$ 1,194,590	$ 1,007,665	$ 4,009,007	$ 3,550,245	$ 1,194,590	$ 1,062,070	$ 1,833,977	$ 1,527,008	$ 2,441,735	$ 1,062,070
Cash End	$ 1,007,665	$ 4,009,007	$ 3,550,245	$ 1,062,070	$ 1,062,070	$ 1,833,977	$ 1,527,008	$ 2,441,735	$ 2,696,220	$ 2,696,220