

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

PetroSun, Inc.

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SIC: 1311

Quarterly Report

For the period ending September 30, 2024
(the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

636,753,965 as of September 30, 2024

636,753,965 as of December 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report and Disclosure Statement contains forward-looking statements that involve risks and uncertainties and includes statistical data, market data and other industry data and forecasts, which we obtained from market research, publicly available information and independent industry publications and reports that we believe to be reliable sources.

Certain information included or incorporated by reference in this annual report may be deemed to be “forward-looking statements” within the meaning of applicable securities laws. Such forward-looking statements concern our anticipated results and progress of our operations in future periods, planned exploration and, if warranted, development of our properties and plans related to our business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. All statements contained herein that are not clearly historical in nature are forward-looking, and the words “anticipate,” “believe,” “expect,” “estimate,” “may,” “might,” “will,” “could,” “can,” “shall,” “should,” “would,” “leading,” “objective,” “intend,” “contemplate,” “design,” “predict,” “potential,” “plan,” “target” and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements. Forward-looking statements in this annual report include, but are not limited to, statements with respect to risks related to:

- our limited operating history in the helium, oil and natural gas, and lithium industries;
- investment risk and operational costs associated with our exploration activities;
- our ability to develop and achieve production on our properties;
- the amount of leasehold acreage that is prospective for helium, oil or natural gas acreage and the quantities of reserves, if any;
- the amount and nature of our capital expenditures;
- our future drilling and development plans and our potential drilling locations;
- the timing and amount of future capital and operating costs;
- production decline rates from our wells being greater than expected;
- business strategies and plans of management;
- our ability to efficiently integrate recent acquisitions;
- prospect development and property acquisitions;
- our status as an exploration-stage company, including our ability to identify commercial discoveries of helium and lithium mineralization and to achieve commercial production of helium, natural gas or lithium;
- our estimates of mineral resources and whether mineral resources will ever be developed into mineral reserves;

¹ “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

- mining, exploration and mine construction, if warranted, on our properties, including timing and uncertainties related to acquiring and maintaining mining, exploration, environmental and other licenses, permits, access rights or approvals in the State of Chihuahua, Mexico, as well as properties that we may acquire or in which we may obtain an equity interest in the future, potential action of the Mexican government on the federal level relating to mining;
- our ability to access capital and the financial markets;
- recruiting, training and developing employees;
- possible defects in title of our properties;
- compliance with government regulations;
- environmental liabilities and reclamation costs;
- estimates of and volatility in prices for commodities relating to our business, including helium, oil, natural gas and lithium;
- our common stock price and trading volume volatility, as well as the existence or development of an active trading market for our common stock;
- our status as an emerging growth company; and
- our failure to successfully execute our growth strategy, including any delays in our planned future growth.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures, including the amount, nature and sources of funding thereof, competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the securities laws of the United States, we disclaim any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. We qualify all the forward-looking statements contained in this annual report by the foregoing cautionary statements.

Cautionary Note Regarding Unaudited Financial Statements

This Annual Report and Disclosure Statement, including the Financial Statements and related footnotes, have not been the subject of a financial review or audit by a public accounting firm or other external auditor. As a result, any reader of this Annual Report and Disclosure Statement should consider whether the same reliance should be given to these financial statements that he or she would give to financial statements that have received an opinion from a public accounting firm regarding the fairness of the financial statements' presentation from a financial point of view.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The issuer of this Annual Report and Disclosure Statement is PetroSun, Inc. (“we”, “our”, “us”, “PetroSun” or the “Company”). The Company was incorporated in the state of Nevada on June 20, 2001, as JBO, Inc. On December 1, 2001, JBO, Inc. merged with LeBlanc Petroleum, Inc., a private Arizona corporation, and changed its name to LeBlanc Petroleum, Incorporated. On August 31, 2005, the Company changed its name to PetroSun Drilling, Inc. and on August 8, 2006, to PetroSun, Inc.

The Company is an active corporation incorporated under the laws of the State of Nevada.

There have been no trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

Debt Conversion Agreement

On February 3, 2022, the Company executed a Debt Conversion Agreement (the “DCA”) that converted \$11,496,100 in outstanding debt and \$778,285 in accrued interest into common shares of the Company at a conversion price of \$0.25 per share. Total shares issued under the DCA came to 36,289,428 common shares, excluding convertible debt that converted concurrently under the Stock Purchase Agreement discussed below. Including convertible debt that converted under the Stock Purchase Agreement, total debt and accrued interest that converted came to \$12,274,384 and the related common shares issued were 49,097,535.

Stock Purchase Agreement

Concurrently with the Debt Conversion Agreement, the Company entered into a Stock Purchase Agreement (“SPA”) with an existing shareholder and lender to the Company (the “SPA Investor”). Pursuant to the SPA, the purchaser agreed to acquire up to \$15,000,000, or 60,000,000 shares, including the conversion of \$2,650,000 in convertible promissory notes borrowed by the Company between November 22, 2021, and December 13, 2021, \$500,000 borrowed on January 18, 2022, and accrued interest. The conversion of principal and interest due under these promissory notes occurred at a conversion price of \$0.25 per share. Total shares issued upon the conversion of these promissory notes came to 12,808,109 shares.

The SPA also included a schedule for sales of common shares which was scheduled to close between the execution date and June 30, 2022. Proceeds of the SPA may be used by the Company to fund helium and natural gas drilling and development projects in the Holbrook Basin of Arizona, the Four Corners region of New Mexico and the Golden Eagle Gas Field of Utah, to fund acquisition and development of the Company’s lithium project in Mexico, and for other projects and operating and G&A expenses of the Company, subject to certain approval rights granted to the purchaser, and for other purposes and projects upon approval. As prescribed by the SPA, the Company received \$3,950,000 in proceeds from a sale of 15,800,000 common shares in February 2022. Two additional purchases scheduled under the SPA, which would have encompassed the sale of 31,395,343 common shares priced at the lesser of \$0.25 per share and the ten-day average trading value of the Company’s common shares, did not close, and the Company subsequently executed a Mutual Release and Settlement Agreement (the “SPA Mutual Release”) with the SPA Investor on October 17, 2022. Concurrent with the SPA Mutual Release, PetroSun and the SPA Investor entered into a senior unsecured promissory note representing up to \$1.5 million in borrowings, with committed principal of \$1,117,000 (the “Settlement Note”). The Settlement Note included \$1 million in immediately available funds in addition to refinancing \$117,000 in existing promissory notes loaned by the SPA Investor. For additional information relating to the Stock Purchase Agreement, see Note 7 to the Financial Statements attached to this Annual Report, “*Stockholders’ Equity*”.

Stock Purchase Agreement Form Regulation D

The Company issued 57,200,000 common shares in January 2023 to various purchasers (the “Issuance”). All shares sold were purchased pursuant to a Form D subscription agreement at a sale price of \$0.01 per share. The private placement of all shares was made through Galileo Asset Management, SA (“Galileo”), and Eastgate Securities, LLC, pursuant to its chaperone relationship with Galileo. Galileo and Eastgate have received total fees and commissions of \$57,500 cash and 5,700,000 common shares as compensation for their placement services. Net proceeds of the issuance were utilized to pay outstanding invoices relating to the Company’s drilling program and general and administrative expenses.

Acquisition of Golden Eagle Oil & Gas, Inc.

On February 10, 2022, the Company paid \$1.04 million and closed its previously announced acquisition in the Golden Eagle Gas Field of Grand County, Utah. As announced, the transaction was structured as a purchase of all of the equity held by Halcyon Oil & Gas Pty Ltd. (“Halcyon”) in three subsidiaries. The acquired entities own a working interest of approximately 70% in approximately 26,800 gross acres, subject to an “earn-in” obligation to spend development capital of \$30,000,000 on exploratory and developmental drilling. The Company had previously taken ownership of the three entities subject to the final closing of the acquisition, and the ownership of the two operating subsidiaries were transferred from Golden Eagle Oil & Gas Pty Ltd. to a new PetroSun subsidiary, PetroSun Golden Eagle, LLC.

Prior to closing, the Company and Halcyon executed a Second Amendment (the “Second Amendment”) to the Acquisition Agreement, which was originally executed on June 15, 2018. Total funds due under the Acquisition Agreement were \$1,800,000 in cash consideration, of which \$760,000 had been funded before December 31, 2021. The Second Amendment extended the deadline to February 10, 2026, for the Company to satisfy the earn-in obligation. The amendment also expanded the types of spending to be credited toward the earn-in obligation to encompass gathering and processing infrastructure and other specified investments. Subsequent to the execution of the Second Amendment, the Company funded the remaining \$1,040,000 of the purchase price for the acquisition and related broker fees of \$90,000.

Rae Ann, LLC

On January 10, 2022, the Company executed an Agreement and Plan of Merger (the “Merger Agreement”) with Rae Ann, LLC (“Rae Ann”), and its parent company, Rae Ann Holdings, LLC (“RA Holdings”), through which the Company acquired incremental interests in various projects and entities which PetroSun or its subsidiaries already hold interests. The transaction was effectuated through a merger of the Company with Rae Ann, and consideration consisted of 89,171,959 common shares issued by the Company to RA Holdings. Using the closing price of the Company’s common stock on January 10 of \$0.40 per share, the value of the transaction was approximately \$35.7 million.

The interests that the Company acquired encompassed equity held by Rae Ann in certain subsidiaries of PetroSun and working interests directly owned by Rae Ann in certain mineral leases, as described in the table below:

<u>Entity / Asset</u>	<u>Rae Ann, LLC Share</u>	<u>Post-Closing PetroSun⁽¹⁾ Share</u>
<u>Acquired Equity Interests in PetroSun Subsidiaries:</u>		
Princess Energy, LLC ⁽²⁾	37.5%	75.0%
PetroSun Golden Eagle, LLC	25.0%	100.0%
Eau Resources, LLC	20.0%	50.0%
AgWater Solutions, LLC	20.0%	100.0%
Teche Mining, LLC	20.0%	100.0%
<u>Acquired Leasehold Interests:</u>		
<u>Lease Location</u>	<u>Rae Ann, LLC Working Interest</u>	<u>Post-Closing PetroSun⁽¹⁾ Working Interest</u>
Apache, Navajo & Coconino Counties, Arizona	12.0% ⁽³⁾	52.7%
San Juan County, NM & La Plata County, CO	20.0% ⁽⁴⁾	100.0% ⁽⁴⁾
Socorro, Valencia & Santa Fe Counties, NM	25.0%	100.0%

1. Represents holdings of PetroSun, Inc. on a consolidated basis. Calculations are approximate.
2. Princess Energy, LLC is a subsidiary of the Company which holds working Interests in certain leases in New Mexico.
3. Includes economics from proposed projects relating to helium processing and distribution activities.
4. Subject to approval by tribal authorities.

Organic Transit, Inc. and Sun MicroMobility, LLC

In September 2021, we incorporated a new company under Nevada law using the “Organic Transit” trademark. Organic Transit, Inc. (NV) was subsequently merged into our corporate structure as a holding company for Sun MicroMobility, LLC (“Sun”). Sun was acquired by the Company on September 11, 2020, when the Company purchased all rights, title and interest to the assets, including intellectual property, of the bankruptcy estate of Organic Transit, Inc., a Delaware corporation (“Organic Transit DE”), from James B. Angell, Chapter 7 Trustee. Organic Transit DE designed, manufactured, marketed and sold a solar-rechargeable battery- and pedal-powered, micromobility vehicle prior to filing for bankruptcy protection. The purchase price paid for the assets was \$2 million.

As of December 31, 2022, we reclassified the assets of Organic Transit, Inc. and Sun MicroMobility, LLC as held for sale.

On June 22, 2023, the Company executed a sales agreement with Environmental Transit Authority, LLC for the sale of the assets associated with Organic Transit including trademarks, patents, website, customer waitlist and goodwill associated with the Organic Transit ELF. In return the Company’s subsidiary Sun MicroMobility, LLC has received a three percent (3%) non-dilutable interest Environmental Transit Authority, LLC, payment of all associated vendor debt, and retention of all assets and technology associated in any way with the product referred to as the “Mule.”

TorusMed, Inc., TorusAg, LLC & Subsidiaries

TorusMed, Inc. (“TorusMed”), a wholly-owned subsidiary of the Company, formerly developed, marketed, and sold CBD products, including a cream suitable for over-the-counter sales. Sales from that business were discontinued in approximately 2021. TorusMed is also a party to a technology development and licensing agreement with University of Arizona relating to intensive agriculture technology.

On May 10, 2024, the Company announced that LibraAg, Inc would acquire the assets only of TorusMed LLC and TorusAg LLC, both wholly owned subsidiaries of the Company and LibraAg, Inc.. This would include the patents and patents-pending associated with cell culture growth and the photobioreactor technologies. The consideration to PetroSun is a 10% royalty on all revenues derived from commercial operations of any kind associated with the technologies acquired or developed under the continuing research program

The address(es) of the issuer's principal executive office:

1012 S Stapley Dr. Ste 114
Mesa, AZ 85204

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: ClearTrust, LLC
Phone: 813.235.4490
Email: inbox@ClearTrustTransfer.com
Address: 16540 Pointe Village Dr, Ste 210, Lutz, FL 33558

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	PSUD
Exact title and class of securities outstanding:	Common Stock
CUSIP:	71676G 108
Par or stated value:	\$0.001
Total shares authorized:	750,000,000 as of date: September 30, 2024
Total shares outstanding:	<u>636,753,965</u> as of date: September 30, 2024
Total number of shareholders of record:	170 as of date: September 30, 2024

All additional class(es) of publicly quoted or traded securities (if any):

None.

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

None.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The Company does not currently pay any dividends and does not expect or plan to pay any dividends in the foreseeable future.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

No preferred stock is outstanding.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>Dec 31, 2021</u> , Common: <u>389,237,771</u> Preferred None			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
January 10, 2022	New issuance	89,171,959	Common	NA	No	Rae Ann, LLC (Robert Alexander)	Merger with Rae Ann, LLC	Restricted	Section 4(a)(2)
February 17, 2022	New issuance	15,800,800	Common	\$0.25	Yes	Beangar, LLC (Gary M. Wells)	Cash	Restricted	Section 4(a)(2)
February 3, 2022	New issuance	9,886,948	Common	\$0.25	Yes	Gordon M. LeBlanc, Jr.	Equitization of Debt	Restricted	Section 4(a)(2)
February 3, 2022	New issuance	3,560,579	Common	\$0.25	Yes	Rae Ann, LLC (Robert Alexander)	Equitization of Debt	Restricted	Section 4(a)(2)
February 3, 2022	New issuance	12,808,109	Common	\$0.25	Yes	Beangar, LLC (Gary M. Wells)	Conversion of Debt	Restricted	Section 4(a)(2)
February 3, 2022	New issuance	19,826,082	Common	\$0.25	Yes	Beangar, LLC (Gary M. Wells)	Equitization of Debt	Restricted	Section 4(a)(2)
February 3, 2022	New issuance	3,015,817	Common	\$0.25	Yes	Bakersfield Capital, LLC (Chaim Muskat)	Equitization of Debt	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	5,000,000	Common	\$0.01	Yes	Joseph C. Carmel	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	2,500,000	Common	\$0.01	Yes	Isaac Sambrowsky	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	10,000,000	Common	\$0.01	Yes	Kaylyakov Charitable Remainder Trust (Rubin Kaylyakov)	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	300,000	Common	\$0.01	Yes	Ben Rachel Corporation (Ben Rachel)	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	1,000,000	Common	\$0.01	Yes	Trust UWO Eugene H Levy	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	1,000,000	Common	\$0.01	Yes	Brendan Hughes	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	2,000,000	Common	\$0.01	Yes	Richard S Pechter	Cash	Restricted	Section 4(a)(2)

January 19, 2023	New issuance	400,000	Common	\$0.01	Yes	Yehuda Brody	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	15,000,000	Common	\$0.01	Yes	2S Holdings LLC (Christopher E Sargent)	Cash	Restricted	Section 4(a)(2)
January 19, 2023	New issuance	10,000,000	Common	\$0.01	Yes	Daniel Feinberg	Cash	Restricted	Section 4(a)(2)
January 27, 2023	New issuance	5,000,000	Common	\$0.01	Yes	Barak Shragay	Cash	Restricted	Section 4(a)(2)
January 27, 2023	New issuance	5,000,000	Common	\$0.01	Yes	LFLF 2015 DJF Family GST Trust (James Marcuccilli)	Cash	Restricted	Section 4(a)(2)
March 3, 2023	New issuance	800,000	Common	\$0.08	Yes	William Ahdout	Cash	Restricted	Rule 144
May 31, 2023	New issuance	500,000	Common	\$0.08	Yes	Raymond G Bailey	Consulting Service	Restricted	Rule 144
May 31, 2023	New issuance	50,000	Common	\$0.08	Yes	Francis Miller	Broker Incentive Fees	Restricted	Rule 144
May 31, 2023	New issuance	1,620,000	Common	\$0.08	Yes	Andrew A Levy	Broker Incentive Fees	Restricted	Rule 144
May 31, 2023	New issuance	1,620,000	Common	\$0.08	Yes	Pacific Life Policy Assets, LLC. (Chaim Muskat)	Broker Incentive Fees	Restricted	Rule 144
May 31, 2023	New issuance	1,080,000	Common	\$0.08	Yes	Isabelle H Wright	Broker Incentive Fees	Restricted	Rule 144
May 31, 2023	New issuance	1,080,000	Common	\$0.10	Yes	Doron Rafael Toledano	Broker Incentive Fees	Restricted	Rule 144
June 20, 2023	New issuance	300,000	Common	\$0.10	Yes	Eastgate Securities LLC (Edward Yao)	Broker Incentive Fees	Restricted	Rule 144
June 20, 2023	New issuance	100,000	Common	\$0.10	Yes	Orlo Ison and Devera	Consulting Services	Restricted	Rule 144
June 20, 2023	New issuance	14,796,700	Common	\$0.10	Yes	Ronald D Monat	Asset Purchase	Restricted	Rule 144
June 20, 2023	New issuance	50,000	Common	\$0.10	Yes	George C Getty	Consulting Services	Restricted	Rule 144
June 20, 2023	New issuance	50,000	Common	\$0.10	Yes	Jeremy Cheron	Consulting Services	Restricted	Rule 144
October 09, 2023	New issuance	15,000,000	Common	\$0.10	No	MarFam63, LLC	Purchase of working interest	Restricted	Rule 144
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>September 30, 2024</u>									
Common: 636,753,965									
Preferred: <u>None</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <i>*You must disclose the control person(s) for any entities listed.</i>	Reason for Issuance (e.g. Loan, Services, etc.)
October 17, 2022	\$1,294,349 ¹	\$1,133,905	\$0	October 31, 2023 ¹	None	Gary Wells	Loan
August 31, 2022	\$118,881	\$96,750	\$0	August 31, 2025	None	Rae Ann Holdings, LLC (Robert Alexander)	Loan
September 20, 2022	\$18,942	\$15,500	\$0	August 31, 2025	None	Rae Ann Holdings, LLC (Robert Alexander)	Loan

Use the space below to provide any additional details, including footnotes to the table above:

- Reflects Convertible Promissory Note for up to \$1.5 million, including committed principle of \$1,117,000 at closing. The remainder nominal amount of the loan is uncommitted. Interest is payable under the Convertible Promissory Note at an annual rate of 7.00%, payable in cash or in kind at the Company's option. The conversion price under the Convertible Promissory Note is \$0.15 per share of common stock. As of March 31, 2024 this note had not been paid and was still accruing interest at an annual rate of 7.00%.

For information relating to the Company's acquisition and cancellation of four loans to the Company and mutual release entered between the Company and its Chairman Gordon M. LeBlanc, Jr. relating to operational borrowings, please see Note 5 to the Consolidated Financial Statements attached to this Annual Report, "Notes Payable and Due to Related Parties".

4) Issuer's Business, Products and Services

A. Summary of Business Operations

We are an exploration-stage company focused primarily on exploring for and producing, processing and marketing helium, oil and natural gas. We own mineral leases that are variously prospective for helium, oil and natural gas in the Holbrook Basin of Arizona, New Mexico, and in the Golden Eagle Gas Field of Utah. We have also entered into agreements to acquire two mining properties in the Mexican state of Chihuahua that are prospective for zeolite clay, which may be used as an agricultural soil amendment, and for lithium. Collectively, we believe that our energy and resource assets provide a diverse range of development targets through which we may capitalize on commodity price trends.

The Company holds or has until recently held a range of investments relating to a new, R&D-stage technology to process mining ore, wastewater purification, intensive agriculture growth, solar thermal membrane filtration, and solar-rechargeable battery- and bicycle-powered micromobility vehicles. Most of those technology investments were held through equity stakes in joint venture vehicles. The Company also held certain media and publishing assets that it considers to be immaterial.

Helium, Oil and Natural Gas

As of September 30, 2024, we held helium, oil and natural gas leases on an estimated 351,689 gross acres located in the Holbrook Basin of Arizona and the Four Corners region of New Mexico and Colorado. The Company also held approximately 26,400 gross acres in the Golden Eagle Gas Field, which is located in the Paradox Basin of Utah. PetroSun's working interest in its acreage varies by property and generally includes working interests and overriding royalty interests held by third parties. Certain owners of working and overriding royalty interests may be considered to be affiliates of the Company.

The table below estimates our approximate existing gross leasehold acreage by state and county:

State	County	Approx. Gross Acres
<u>Holbrook Basin</u>		
Arizona	Navajo	218,379
Arizona	Coconino	21,191
Arizona	Apache	70,753
Total Holbrook Basin		310,323
<u>Four Corners Area</u>		
New Mexico	McKinley	21,567
New Mexico	San Juan	5,040
New Mexico	Socorro	480
New Mexico	Valencia	14,278
Total Four Corners Area		41,365
<u>Golden Eagle Gas Field</u>		
Utah	Grand	26,400 ¹
Total All Basins		378,089

1. Properties were acquired under a farmout agreement, which specifies steps required by the Company before irrevocable title to the properties will vest in the Company and its subsidiaries.

Holbrook Basin and Four Corners Region

As of the date of this report, we hold helium, oil and gas leases on approximately 310,323 gross acres in the Holbrook Basin of Arizona and 41,365 gross acres in New Mexico.

We do not currently produce from any lease, nor did we produce from any lease during the quarter ended September 30, 2024 or 2023. Mineral leases are structured to include a primary term, which is generally defined as a set number of years from the date of execution of the lease. If commercial production has not been established on a production unit of which

the lease forms a part by the end of the primary term, the lease will generally terminate. Our leases generally contain an option through which we, as lessee, may extend the primary term through the payment of annual sums set in the lease and referred to in the industry as “delay rental” payments. If we are unable to commence production or pay delay rental payments on our leases, the leases will expire.

Generally, following the expiration of a mineral lease’s primary term, a lease on which commercial production is established will be “held by production” so long as production continues. However, certain leases, including our leases in Navajo and Coconino counties in Arizona, contain “continuous drilling” clauses which require us to continue development activities on the leases, even after production initially commences, in order to maintain the lease *in toto*. If we are unable to continue development activities on such leases, including drilling up to four new wells per year, the undeveloped portion of those leases will terminate. On May 6, 2020, the primary term of our leases in Navajo and Coconino counties in Arizona were extended three years by agreement with the lessor, to August 16, 2024. On November 16, 2020, the primary term on our leases in Navajo and Coconino counties in Arizona were extended to October 27, 2024.

Arizona Energy Partners, LLC (“AEP”), in which we own an 80% equity stake, is the operator of our Holbrook Basin properties under a joint operating agreement.

On June 8, 2023, the Company announced that it had entered an exclusive Farmout agreement with JAYD Ventures, LLC to conduct seismic surveys and to drill helium exploration wells on its North Winslow and South Winslow helium prospects in the Holbrook Basin of Arizona. JAYD Ventures will be responsible for all cost of seismic, drilling and completion costs in the helium exploration and development phases of the North and South Winslow. The Company and its affiliates will be carried for a twenty-five per-cent (25%) working interest throughout the duration of the project. As of March 31, 2024 the Company had received \$200,000 of the \$2,000,000 for the sale of the 75% working interest. On April 30, 2024 the Farmout Agreement with JAYD Ventures, LLC was in default and was terminated.

Properties in the Golden Eagle Gas Field of Grand County, Utah

On February 10, 2022, we executed a Second Amendment to the Acquisition Agreement and to Previous Amendments with Halcyon Oil & Gas, Ltd. (“HOG”), and we closed the acquisition with payment of the remaining purchase price of \$1.04 million and related broker fees of \$90,000. Pursuant to the acquisition, we acquired HOG subsidiaries that held and operate leases that are prospective for natural gas and helium in the Golden Eagle Gas Field in Grand County, Utah. The Golden Eagle leases comprise approximately 26,400 gross acres and include three wells that were drilled by HOG and shut in due to the need for a processing plant capable of extracting helium from natural gas production.

Resource Mining

Acting through our subsidiary, Teche Mining, LLC, and its 77.5%-owned Mexican subsidiary, Compañía Minera La Meseta, S.A. de C.V. (“MLM”), we entered into agreements on June 1, 2021 under which we acquired options to purchase two properties, which we refer to as San Judas I and San Judas II and which have been designated as mining concessions by Mexican federal mining regulators. San Judas I and San Judas II lie in the Mexican state of Chihuahua approximately 250 miles south of El Paso, Texas, and comprise approximately 395 acres and 244 acres, respectively. As a result of coring tests and subsequent laboratory analysis conducted during the year ended December 31, 2020, we believe that these concessions are prospective for surface deposits of zeolite clay, which is a soil amendment suitable to agriculture, and potentially for lithium that is suspended in the zeolite clay.

We have exercised the options to purchase San Judas I and II, which carry purchase prices of US\$6.0 million and US\$3.0 million, respectively, excluding broker fees of 10% of the respective purchase price for each concession. The purchase prices also include Mexican value-added taxes, calculated as 16% of the respective purchase prices, due on the transactions.

MLM also holds options to acquire four properties, which we refer to as “Grupo Poker”, that are contiguous to San Judas I and II and which may also be prospective for lithium and zeolite clay. Coring tests have not been performed at this time to confirm the presence of zeolite and lithium on these four properties. Title diligence is continuing on these properties, which have not received final approval as mining concessions by the Mexican mine regulatory authority. The properties comprise a total of approximately 2,579 gross acres and, if all options were exercised, would carry a total purchase price of \$8.0 million, excluding broker fees of 10% of the respective purchase price for each concession. Future installment payments

under these purchase contracts for these properties must be paid according to a schedule that is dependent upon the receipt of approval for documentation submitted for each property from the General Mining Office of the Mexican federal government (the “DGM”) and the registry of each property with the Mexico’s Public Mining Registry (the “RPM”).

Finally, we have also executed a purchase contract to acquire acreage, which we refer to as “Rancho Refflor”, nearby San Judas I and II that may be suitable to support mining operations. That property, which is not prospective for minerals, comprises approximately 763 acres.

Funding under the San Judas I and II purchase agreements was originally set under an installment payment schedule, including payments in varying amounts and various dates commencing on February 2, 2021 and ending on June 18, 2022. As of September 30, 2022, we had funded the equivalent of approximately \$3.9 million toward the purchase contracts for San Judas I and II, Grupo Poker, and Rancho Refflor, including required VAT taxes and a pro rata proportion of related broker fees.

The parties have entered into two amendments to the installment payment schedule. Remaining payments are currently scheduled to occur between May and December 2022 but were suspended while Mexico’s Congress considered constitutional amendments and legislation proposed by the country’s President Andrés Manuel López Obrador that sought to reform Mexico’s electrical power industry and to terminate the issuance of new lithium mining concessions. President Obrador subsequently proposed legislation, which was enacted on April 21, 2022, that directed governmental authorities to cease the issuance of lithium mining concessions and to create a new, state-sponsored national lithium company to be responsible for the development and processing of Mexico’s lithium resources. For further information relating to the impact of this legislation, please see Item 8.B. in this Annual Report and Note 3 to the Financial Statements attached to this Annual Report, “*Exploration and Evaluation Assets*”.

As of September 30, 2024, the Company has terminated its 77.5% stake in its Mexican affiliate, Compania Minera La Meseta, S.A. de C.V. (“Meseta”). There are current ongoing negotiations with the Concessionaries and LitoMx to enter into a new agreement. Due to changes in the government administration in Mexico, negotiations will remain ongoing until a mutually acceptable agreement can be reached with the LitoMx and the Sheinbaum Administration.

Renewables and Other Technology

TorusMed, Inc., TorusAg, LLC & Subsidiaries

TorusMed, Inc. (“TorusMed”), a wholly-owned subsidiary of the Company, formerly developed, marketed, and sold CBD products, including a cream suitable for over-the-counter sales. Sales from that business were discontinued in approximately 2021. TorusMed is also a party to a technology development and licensing agreement with Arizona State University relating to intensive agriculture technology.

Our wholly-owned subsidiary TorusAg, LLC (“TorusAg”) is currently conducting research into a technology utilizing cell cultures to grow and supply industrial hemp to the CBD industry. The research is being conducted under a Research Agreement with the University of Arizona. As of December 31, 2021, TorusAg held one patent for intensive agriculture technology and had submitted an application for another patent.

On May 10, 2024, the Company announced that LibraAg, Inc would acquire the assets only of TorusMed LLC and TorusAg LLC, both wholly owned subsidiaries of the Company and LibraAg, Inc.. This would include the patents and patents-pending associated with cell culture growth and the photobioreactor technologies. The consideration to PetroSun is a 10% royalty on all revenues derived from commercial operations of any kind associated with the technologies acquired or developed under the continuing research program.

Organic Transit, Inc. & Sun MicroMobility, LLC

The assets of Sun MicroMobility, LLC (“SMM”), which is a wholly-owned subsidiary of Organic Transit, Inc., were acquired in 2021, and steps were subsequently taken to develop a new model of an electric and pedal-powered, micromobility vehicle with a solar-rechargeable battery for potential manufacture and resale. On June 26, 2023, the Company announced that Sun Micromobility, Inc., a wholly owned subsidiary of the Company and Environmental Transit Authority, LLC, closed an Asset Purchase Agreement regarding the sale of assets of Organic Transit. Sun Micromobility, Inc. received a three percent (3%) non-dilutable interest in Environmental Transit Authority subsidiary OT Acquisition, LLC, payment in full of all

vendor debt and the retention of those assets related to work and technology associated in any manner with the product. The Company will retain some intellectual property valued at \$ 32,846

Other Businesses

On September 3, 2021, we executed a Letter of Understanding with Rare Metal Recovery, LLC (“RMR”), under which we agreed to acquire up to 25% of RMR for approximately \$1.1 million (the “RMR Agreement”). RMR is in the business of developing and commercializing gravimetric separation technology using patents and other intellectual property held by its affiliate Good Earth IP, LLC (“Good Earth IP”; formerly known as Infinite Tao, LLC). As of September 30, 2022, we held an approximately 5.0% equity interest in Good Earth IP and an approximately 8.7% equity interest in RMR.

Through various subsidiaries, we also own intellectual property relating to the media and publishing, including children’s books and a small catalog of country music. The intellectual property was held by subsidiaries of Torus MediaWorks, LLC, including Americana Records, InPerpetuity Records, LLC, and Notable Kids Publishing, LLC. During the quarter ended June 30, 2022, the Company’s Board determined that these assets are unrelated to the Company core business and do not have material economic value to the Company. The Board therefore approved a proposal to convey these assets to previous owners for nominal consideration. Since that transaction was not consummated, the assets were disposed of in a transaction with the Company’s Chairman for nominal consideration on January 27, 2023.

We have also held a 50% equity stake in Eau Resources, LLC (“Eau”), a joint venture which operated equipment and held a license to intellectual property relating to processing wastewater, such as oilfield production water and frac flow-back water, into organic-free brine water. On September 9, 2022, we provided notice to our joint venture partner, ELD Resources, LLC (“ELD”), of the dissolution of Eau Resources, LLC due to the insolvency of ELD, pursuant to the Eau operating agreement. Related assets and liabilities were reported as assets and liabilities of discontinued operations in the Consolidated Balance Sheets through date of dissolution. As of December 31, 2022 Eau Resources, LLC (“Eau”) has been dissolved.

On June 30, 2022, we also dissolved two joint ventures which we determined did not hold significant economic value to the Company. The Company held 50% of the equity in Sonoran Dish Energy, LLC (“Sonoran Dish”) and in a sister company, Sonoran CryoDesal, LLC (“Sonoran CryoDesal”). Sonoran Dish held proprietary technology relating to the use of concentrated arrays to generate heat for industrial processes and to the filtration of industrial wastewater. Sonoran CryoDesal held a proprietary technology relating to desalination of wastewater. On approximately June 30, 2022, the Company agreed with its joint venture partner in both entities to wind up the businesses. The Company expects to generate an accounting in conjunction with the dissolution of each entity but does not expect those accountings to require cash payments to the joint venture partner.

B. List any subsidiaries, parent company, or affiliated companies.

The list below identifies the Company’s corporate subsidiaries alphabetically and lists indirect subsidiaries under the relevant holding company. The Company’s direct or indirect ownership stake as of September 30, 2024, in each entity appears in parentheses after each entity’s name. To better understand the full scope of the Company’s subsidiaries and affiliated companies, in addition to the information below, please see the Notes to PetroSun’s consolidated financial statements.

- I. PetroSun, Inc.
 - a. AgWater Solutions, LLC (100%; Inactive)
 - i. AgWater, LLC (10%; Inactive)
 - b. Arizona Energy Partners, LLC (80%)
 - c. Noble Gas Partners, LLC (50%; inactive)
 - d. Organic Transit, Inc. (100% - assets sold as of Sept. 30, 2023)
 - i. Sun MicroMobility, LLC (100%)
 - e. PetroSun, Inc., an Arizona corporation (100%)
 - f. PetroSun Energy Services, LLC (100%; Inactive)
 - g. PetroSun Golden Eagle, LLC (100%)
 - i. Golden Eagle Exploration, LLC (100%)

- ii. Golden Paradox Inc. (100%)
- h. PetroSun Lithium, LLC (100%; inactive)
- i. Princess Energy, LLC (75%; Inactive)
- j. Teche Mining, LLC (100%; Inactive)
- k. TorusAg, LLC (100%; Inactive)
- l. TorusMed, Inc. (100% - assets sold as of May 10, 2024)
 - i. TorusAg, Inc. (100%)
- m. Torus TechWorks, Inc. (100%; inactive)
- n. United Gas of North America, LLC (100%)
- o. United Helium, Inc. (74.8%)

C. Describe the issuers' principal products or services.

As of September 30, 2024, we were primarily an exploratory-stage company. Our operations consisted primarily of planning to commence drilling projects in the Holbrook Basin of Arizona, in the Four Corners region of New Mexico and Colorado, and in the Golden Eagle Gas Field of Utah.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Please refer to Item 4 above for information relating to our oil, natural gas and helium leases in the U.S. and our two mining concessions under agreements to purchase, other real property and options to acquire real property in Mexico. The level of the Company's working interests in its mineral leases varies. The Company does not own 100% of the working interests in any of its mineral leases at this time and does not own any royalty interests in its leases.

We did not hold any operating leases on properties during the quarter ended September 30, 2024 and one property lease during the comparable period in 2023.

During the quarter ended December 31, 2021, we vacated approximately 5,920 square feet of office and warehouse space at 4000 Monroe Road in Farmington, New Mexico, which we had used as a field office and storage yard. The lease was billed monthly at \$2,750. We completed a relocation of the field office and storage yard to St Johns, Arizona in January 2022, when we entered into leases on two properties on a month-to-month basis. We subsequently discontinued those leases during the quarter ended September 30, 2022. Prior to the termination of those two leases, the total payments for the St. Johns properties were approximately \$1,500 per month, plus utilities, with the lease payment obligation on the storage yard dependent upon actual use to store equipment.

The Company's subsidiary Sun MicroMobility, LLC also leased a facility that was primarily used to warehouse parts and inventory in Winston-Salem, North Carolina. The lease encompassed approximately 5,500 square feet and was month-to-month for \$1,710 per month. This lease terminated on June 26, 2023 at the time Sun Micromobility, Inc., a wholly owned subsidiary of the Company and Environmental Transit Authority, LLC, closed on an Asset Purchase Agreement regarding the sale of assets of Organic Transit

On May 31st 2024 the corporate office lease was terminated, the lease encompasses approximately 1,781 square feet.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Gordon LeBlanc, Jr.	Chief Executive Officer	Phoenix, AZ	100,921,141	Common	17.1%	Appointed CEO & President effective Mar. 31, 2023
R. Gerald Bailey	Executive Vice President	Phoenix, AZ	500,000	Common	0.0%	Appointed Executive Vice President effective May 29, 2024
Andrew Levy	Owner	Greenwich, CT	2,400,000	Common	0.5%	
Beangar, LLC	Owner of more than 5%	Milford, IA	92,082,677	Common	15.1%	Beneficially owned by Gary Wells
Cede & Co.	Owner more than 5%	Jersey City, NJ	66,735,280	Common	11.3%	Beneficial Holder
Rae Ann Holdings, LLC	Owner of more than 5%	Princeton, TX	92,732,538	Common	15.5%	Beneficially owned by Robert Alexander

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

On April 21, 2022, new legislation was signed into law by Mexican President Andrés Manuel López Obrador to reform the lithium mining industry in Mexico. The legislation banned the issuance to private or foreign companies of concessions for the operation of lithium mines. The applicability of the new legislation to existing mining concessions remains unclear at this time, given that the Mexican Constitution contains a prohibition on nationalizations by the country's federal government. The Company has retained legal counsel in Mexico to advise regarding the impact of the legislation on the business plan of the Company's wholly-owned subsidiary Teche Mining, LLC. The Company is a party to installment purchase contracts for a lithium concession, another prospective lithium property, an installment purchase contract to acquire a property that may be suitable to support mine logistics and operations, and option contracts to acquire four properties that are potentially prospective for lithium. For further information, see Note 3 – Exploration and Evaluation Assets, to the financial statements attached to this Disclosure Statement following Item 10.

There are no other material pending legal proceedings to which the issuer or any of its subsidiaries is a party or to which any of their property is subject.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Aaron D. McGeary
Firm: The McGeary Law Firm, P.C.
Address 1: 1600 Airport Fwy., Suite 300
Address 2: Bedford, Texas 76022
Phone: 817 282-5885
Email: aaron@mcgearylawnfirm.com

Accountant or Auditor

Name: Mark Shelley
Firm: Mark Shelley CPA
Address 1: 1012 S Stapley Dr., Ste. 114
Address 2: Mesa, AZ 85204
Phone: 480 461-8301
Email: markshelleycpa@gmail.com

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Don D. Meyers
Firm: Don Meyers and Assoc
Address 1: 1320 S Val Vista Dr. Apt 1052
Address 2: Mesa, AZ 85204
Phone: 801-602-8925
Email: larenadon@gmail.com

9) Disclosure & Financial Statements

A. This Disclosure Statement was prepared by (name of individual):

Name: Mark Shelley
Title: Internal Accountant
Relationship to Issuer: Contract Accountant

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual)²:

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Name: Mark Shelley
Title: Internal Accountant
Relationship to Issuer: Contract Accountant

Describe the qualifications of the person or persons who prepared the financial statements: BS degree in accounting, 49 years auditing/accounting experience, CPA.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Gordon M. LeBlanc, Jr., Chief Executive Officer of PetroSun, Inc., certify that:

1. I have reviewed this Disclosure Statement for PetroSun, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/20/2024

/s/ Gordon M. LeBlanc, Jr. _____

Gordon M. LeBlanc, Jr., Chairman, CEO & President

PETROSUN, INC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
Current assets:		
Cash	\$ (26)	\$ 9,267
Receivables	1,800,000	2,687,926
Inventory	-	-
Current assets of discontinued operations	(11)	89
Total current assets	1,799,964	2,697,282
Non-current assets:		
Helium, oil and natural gas properties	35,298,265	38,879,556
Property, plant and equipment, net	560,521	621,545
Intangible assets	515,667	515,667
Investment in affiliates	759,093	759,093
Other assets	132,750	166,640
Other assets of discontinued operations	76,944	76,944
Total assets	<u>\$ 39,143,203</u>	<u>\$ 43,716,727</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other liabilities	\$1,503,358	\$ 1,486,800
Accrued interest	-	-
Current portion of notes payable	-	-
Current liabilities of discontinued operations	-	-
Total current liabilities	1,503,358	1,486,800
Non-current liabilities:		
Due to related parties	-	-
Notes payable	1,435,897	1,359,977
Total liabilities	<u>2,939,256</u>	<u>2,846,777</u>
Stockholders' Equity:		
Common stock, \$0.001 par value per share; 750,000,000 shares authorized 621,753,965 and 542,507,265 issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	636,753	636,753
Additional paid-in capital	81,958,378	81,958,378
Accumulated deficit	(46,391,183)	(41,725,181)
Total stockholders' equity (deficit)	<u>36,203,948</u>	<u>40,869,950</u>
Total liabilities and stockholders' equity	<u>\$ 39,143,203</u>	<u>\$ 43,716,727</u>

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

PETROSUN, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ -	\$ (520,330)	\$ -	\$ -
Cost of sales	-	-	-	-
Gross income	-	(520,330)	-	-
Operating expenses:				
Exploration and other operating expenses	-	184,719	-	5,690
General and administrative	16,578	649,057	-	90,912
Depreciation, amortization and impairment	61,023	61,023	20,341	20,341
Research and development	-	-	-	-
Total operating expenses	77,601	894,799	20,341	116,944
Loss from operations	(77,601)	(374,469)	(20,341)	(116,944)
Other income (expenses):				
Other income (expense)	(443,458)	(157)	(443,458)	-
Loss on investments	(4,512,376)	-	-	-
Loss on sale of subsidiary	-	-	-	-
Debt forgiveness income	-	-	-	-
Foreign exchange gain (loss)	6	(249)	-	(2)
Gains on Debt Transactions	-	-	-	-
Interest expense	(75,921)	(15,734)	(25,960)	30,311
Total other income (expenses)	(5,031,748)	(16,141)	(469,417)	30,308
Loss from continuing operations before income taxes	(5,109,349)	(390,610)	(489,758)	(86,636)
Income tax expense	-	-	-	-
Loss from continuing operations, net of taxes	(5,109,349)	(390,610)	(489,758)	(86,636)
Loss from discontinued operations, net of tax	443,348	(1,433,868)	-	(30)
Net loss	\$ (4,666,002)	\$ (1,824,478)	\$ (489,757)	\$ (86,666)
Basic and diluted loss per weighted-average share				
Continuing operations	\$ (0.008)	\$ (0.001)	\$ (0.001)	\$ -
Discontinued operations	0.001	(0.002)	-	-
Total basic and diluted loss per weighted-average shares	\$ (0.007)	\$ (0.001)	\$ (0.001)	\$ -
Basic and diluted weighted-average number of shares outstanding	636,753,965	604,625,251	636,753,965	621,753,965

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

PETROSUN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Quarter Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Loss from continuing operations	\$ -	\$ (410,359)
Loss from discontinued operations	-	-
Net loss	(4,666,002)	(410,359)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization and impairment	61,024	20,341
Impairment on investment		-
Stock options granted for consulting services		-
Loss on dissolution of a subsidiary		-
Debt forgiveness income		-
Changes in operating assets and liabilities:		
Receivables	887,926	(1,887)
Inventory		-
Other assets	100	-
Accounts payable and other liabilities	16,558	(202,097)
Due to related parties		-
Cash used in operating activities - continuing operations	(4,588,320)	(594,002)
Cash used in operating activities - discontinued operations		(2,485)
Net cash used in operating activities	(4,588,320)	(596,487)
Cash flows from investing activities:		
Addition to Helium, oil and natural gas properties		(1,758)
Addition to property, plant and equipment		-
Investment in affiliates		-
Other Assets	33,890	
Net cash used in investing activities	33,890	(1,758)
Cash flows from financing activities:		
Issuance of common shares for cash		572,000
Issuance of common shares for property		
Proceeds from notes payable	75,920	2
Net cash provided by financing activities	75,920	572,002
Increase (decrease) in cash	(4,478,510)	(26,243)
Cash at beginning of period	9,267	83,964
Cash at end of period	\$ (4,469,242)	\$ 57,721
Supplemental disclosure:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

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

PETROSUN, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year period ended September 30, 2023
(Unaudited)

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, December 31, 2023	636,753,965	\$ 636,753	\$ 81,958,378	\$ (41,725,181)	40,869,950
Common stock issued for cash	-	-	-		-
Net loss	-	-	-	(4,666,002)	(4,666,002)
Balance, September 30, 2024	636,753,965	\$ 636,753	\$ 81,958,378	\$ (46,391,183)	\$ 36,203,948

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

PETROSUN, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization and Business

PetroSun, Inc. (“PetroSun” or the “Company”) was organized in the state of Nevada on June 20, 2001, as JBO, Inc. On December 1, 2001, JBO, Inc. merged with LeBlanc Petroleum, Inc., a private Arizona corporation, and changed its name to LeBlanc Petroleum, Incorporated. On August 31, 2005, the Company changed its name to PetroSun Drilling, Inc. and on August 8, 2006, to PetroSun, Inc. The merger of JBO, Inc. and LeBlanc Petroleum, Inc. was a recapitalization and accounted for as a reverse acquisition. PetroSun, Inc. was the surviving legal entity from the transaction and LeBlanc Petroleum Inc., was treated as the historical accounting company.

As defined by the United State Security & Exchange Commission (“SEC”) Industry Guide 7, the Company qualifies as an exploration-stage mining company since it is in the process of exploring and evaluating prospective helium and lithium properties to determine which, if any, contain deposits that are economically recoverable. The recoverability of the stated value of exploration and evaluation assets depends upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

Going Concern

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and expects to incur further losses in the development of its businesses. These circumstances comprise a material uncertainty and cast significant doubt on the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to commence profitable operations in the future, and to repay its liabilities arising from normal business operations as they become due.

The Company is in the process of exploring prospective helium, hydrocarbon, and lithium properties and has not yet determined whether these properties have adequate helium reserve or mineral deposits to be economically recoverable. In addition, the Company relies on equity and debt financing to fund such operations. The Company’s main source of funding has been the issuance of equity and debt securities for cash through private placements with investors. The Company’s continuing operations are dependent on its ability to obtain the necessary financing, to complete the exploration, evaluation, and development of prospective helium and lithium property interests and on future profitable production and sales of helium reserves and lithium mineral extracts, in addition to its success commercializing its other business, which also require capital.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries which include Arizona Energy Partners, LLC (“AEP”), PetroSun Golden Eagle, LLC, Princess Energy, LLC, Organic Transit, Inc. and its subsidiary, Sun MicroMobility, LLC (“SMM”), Teche Mining, LLC (“Teche”) and its subsidiary, Compania Minera La Meseta, S.A. de C.V., and TorusMed, LLC (“TorusMed”). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany accounts and transactions have been eliminated in consolidation. The Company has several other controlled subsidiaries that currently do not have any transactional activities for accounting records.

Organic Transit, SMM and TorusMed have been reported as discontinued operations in the Consolidated Statements of Operations as of the year ended December 31, 2022. On June 22, 2023, the Company executed a sales agreement with Environmental Transit Authority, LLC for the sale of the assets associated with Organic Transit including trademarks, patents, website, customer waitlist and goodwill associated with the Organic Transit ELF. In return the Company's subsidiary Sun MicroMobility, LLC has received a three percent (3%) non-dilutable interest in Environmental Transit Authority, LLC, payment of all associated vendor debt, and retention of all assets and technology associated in any way with the product referred to as the "Mule." On May 10, 2024, the Company announced that LibraAg, Inc would acquire the assets only of TorusMed LLC and TorusAg LLC, both wholly owned subsidiaries of the Company. This would include the patents and patents-pending associated with cell culture growth and the photobioreactor technologies. The consideration to PetroSun is a 10% royalty on all revenues derived from commercial operations of any kind associated with the technologies acquired or developed under the continuing research program.

Use of Estimates

The accompanying consolidated financial statements are prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"), which requires the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities as of the date of the financial statements; and the revenues and expenses reported during the reporting periods presented. The most significant estimates pertain to the evaluation of unproved properties for impairment, accrued operating expenses and the allocation of general and administrative expenses. Actual results could differ significantly from these estimates.

Risk and Uncertainties

The Company is subject to several categories of risk affiliated with its activities. Mineral exploration and production are speculative businesses and involve a high degree of risk. Among the factors that have a direct bearing on the Company's prospects are uncertainties inherent in estimating mineral deposits and helium, oil and gas reserves, future production volumes, project capital budgets, and cash flows, particularly with respect to properties that have not been fully proven with economic mineral, helium, oil and gas reserves; access to additional capital; changes in the prices of the underlying commodities; availability and cost of services and equipment; and the presence of competitors with greater financial resources and capabilities.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with an original maturity of three months or less and are stated at a cost which approximates fair value. As of June 30, 2024, and December 31, 2023, the Company did not have any cash equivalent transactions.

Fair Value of Financial Instruments

As of September 30, 2024, and December 31, 2023, the carrying value of accounts receivable, accounts payable, accrued expenses, accrued interest and investments in affiliates approximates fair value due to the short-term nature of such items. The Company's debt is carried at cost which approximates the fair value of the debt as the related interest rates approximate the interest rates currently available to the Company.

Helium, Oil and Natural Gas Properties

Property acquisition costs include cash costs and the fair market value of issued common shares and other share-based payments, including shares paid under option or joint interest agreements. Amounts shown for properties represent costs incurred net of write-downs and recoveries and are not intended to represent present or future values. Capitalized costs are subject to measurement uncertainty, and it is reasonably possible a change in future conditions could require a material change in recorded amounts.

The Company uses the “successful efforts” method of accounting for its oil, natural gas and helium properties and capitalizes all costs related to property interests on a property-by-property basis once it receives legal rights to explore a property. Such costs include property acquisition costs and exploration and development expenditures, net of any recoveries. In addition, annual payments on certain mineral, oil, natural gas and helium leases to delay the expiration of a lease’s primary term are capitalized. Upon abandonment or sale of any property interests, accumulated capitalized costs are charged to operations net of proceeds. Once commercial production starts, capitalized costs will be depleted over the estimated helium, hydrocarbon, or other mineral reserve using the units of production method. Incidental revenues received while the properties are in the exploration stage, are credited to the carrying value of the properties. Cost recoveries are credited against specific property costs, as received.

Other Property, Plant and Equipment

Property and equipment include two drilling rigs and related oilfield equipment, office equipment and furniture which are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of property and equipment range from three to seven years. The Company recorded approximately \$61,023 and \$81,365 of depreciation, amortization and impairment for the period ended September 30, 2024, and December 31, 2023, respectively.

Intangible Assets

Intangible assets, either acquired as a result of an acquisition or developed internally, are assets that can be identified, are controlled by the Company, and are expected to provide future economic benefits to the Company. Intangible assets are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Intangible assets acquired as a result of an acquisition or in a business combination are measured at fair value at the acquisition date.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are depreciated over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of the asset is estimated to be less than the carrying amount, the carrying amount is reduced to its recoverable amount. The Company derecognizes the carrying amount of intangible assets on disposal or when no future economic benefits are expected from its use. Intangible assets with indefinite useful lives are not depreciated, but are tested for impairment annually, either individually or at the cash-generating unit level. The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Investment in Affiliates

The Company accounts for its investment in affiliates using the equity method if it has significant influence over the affiliate and owns 20% or more interest in the investment. If the Company owns less than 20% and has no significant influence over the affiliate, it will account for the investment in affiliates using the cost method. Under the equity method, the Company’s investment in an affiliate is initially recognized at cost and subsequently increased or decreased to recognize the Company’s share of earnings and losses of the affiliate and for impairment losses after the initial recognition date. The Company’s share of an affiliate’s losses that are in excess of its investment in the affiliate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the affiliate. The Company’s share of earnings and losses of affiliates are recognized through profit or loss during the period. Distributions received from an affiliate are accounted for as a reduction in the carrying amount of the Company’s investment in the affiliate. Where the Company has a free-carried interest in expenditures, the Company records its proportionate share based on its ownership percentage with an offsetting amount recorded in reserves.

Intercompany transactions between the Company and its affiliates are recognized only to the extent of unrelated investors’ interests in the affiliates.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an affiliate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the affiliate's operations. When there is objective evidence that an investment in an affiliate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less cost to sell and value in use (i.e. present value of its future cash flows). If the recoverable amount of an investment in an affiliate is less than its carrying amount then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an affiliate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through profit or loss in the period that the reversal occurs. See Note 4 on Investment in affiliates.

Impairment of Long-lived Assets

The Company accounts for long-lived assets at cost. The Company may impair these assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability is measured by comparing the carrying amount of an asset to the expected undiscounted future net cash flows generated by the asset. If it is determined that the asset may not be recoverable, and if the carrying amount of an asset exceeds its estimated fair value, an impairment charge is recognized to the extent of the difference.

(i) Impairment of helium, oil and natural gas properties

As of September 30, 2024, and December 31, 2023, management determined that there were indicators of impairment for two wells drilled on helium, oil and natural gas properties in the Holbrook Basin. These wells were previously considered temporarily shut-in awaiting further assessment, development and production once the Company obtained adequate funding to build a processing facility or contracts with a third-party processing provider. Since flow-testing of the two wellbores is not currently planned as part of the Company's capital program, drilling and related costs relating to the two wells have been expensed.

(ii) Intangible asset impairment

For the periods ended September 30, 2024, and December 31, 2023, management has determined that there were no indicators of impairment of its intangible assets.

(iii) *Impairment of investment in affiliates*

From 2016 to 2021, the Company acquired or organized equity interests in various affiliates through the issuance of the Company's common shares or cash payments. Some of these entities have been inactive for more than one year. At the end of each reporting period, management determines whether the carrying amount of these affiliates exceeds its estimated fair value and whether the investments are recoverable. The Company's subsidiary Teche Mining, LLC holds a 77.5% stake in a Mexico joint venture, Compania Minera La Meseta, S.A. de C.V. ("Meseta"). Meseta holds title or contracts to acquire mining properties in Mexico, some of which tested positive for lithium and zeolite after coring tests. The properties were potentially impacted by a Mexican law that established a state-owned lithium company and prohibited the issuance of new concessions relating to mining of lithium. As a result, the Company recognized impairment charges on the carrying value of two affiliates and assets allocated from Rae Ann's merger for the years ended December 31, 2022, and 2021:

Acquired Date	Investment in Affiliates	December 31,	
		2022	2021
4/13/2021	Energy Services of Texas, LLC ⁽¹⁾	\$ -	\$450,000
6/1/2021	United Gas of North America, LLC ⁽²⁾		125,000
1/10/2022	Rae Ann Holding, LLC asset allocation ⁽³⁾	3,184,428	\$ -
		3,184,428	575,000
	Less: impairment charge	(3,184,428)	(575,000)
		<u>\$ -</u>	<u>\$ -</u>

(1) Energy Services of Texas, LLC is no longer in business.

(2) No further development on the transaction with United Gas of North America, LLC

(3) Valuation resulted from allocation of assets located in Mexico from the Rae Ann, LLC merger.

Decommissioning liabilities

Provisions for decommissioning, plugging and abandonment liabilities associated with the Company's exploration and evaluation properties are based on current legal and constructive requirements, technology, price levels and expected plans for remediation. Amounts recorded for decommissioning liabilities require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates. The estimates are based on internal and third-party information and actual costs and cash outflows can differ from estimates due to changes in laws and regulations, public expectations, prices, discovery and analysis of site conditions, and changes in clean up technology. As of December 31, 2022, management determined that the Company did not have a current plan to further develop or produce from two wellbores located in Apache County, Arizona. As a result, the Company has recognized a liability based on costs estimated by management at \$100,000 to plug and abandon the wellbores.

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. Revenues are considered realized or realizable and earned when: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the seller's price to the buyer is fixed or determinable, and (iv) collectability is reasonably assured.

Income Taxes

The Company uses the asset and liability method in accounting for income taxes. Deferred tax assets and liabilities are recognized for temporary differences between financial statement carrying amounts and the tax bases of assets and liabilities and are measured using the tax rates expected to be in effect when the differences reverse. Deferred tax assets are also recognized for operating loss and tax credit carry forwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is used to reduce deferred tax assets when uncertainty exists regarding their realization.

The Company recognizes its tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed that do not meet these recognition and measurement standards. As of December 31, 2023, and December 31, 2022, the Company has determined that no liability is required to be recognized.

The Company's policy is to recognize any interest and penalties related to unrecognized tax benefits in income tax expense. No interest or penalties were required to be accrued as of September 30, 2024, and December 31, 2023. Further, the Company does not expect that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months.

Loss Per Share

Basic loss per share is calculated by dividing net income or loss applicable to common shares by the weighted average number of common shares outstanding during the periods presented. The calculation of diluted income (loss) per share should include the potential dilutive impact of shares issuable upon the conversion of debt or preferred stock, vested restricted stock and exercise of warrants and options during the period, unless their effect is anti-dilutive. As of September 30, 2024, and December 31, 2023, common stock equivalents, including shares underlying options and warrants, have been excluded from the diluted share calculations as they were anti-dilutive as a result of net losses incurred.

Foreign Exchange Currency

Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period-end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising from transactions are included in the consolidated statement of operations.

Note 3 – Helium, oil and natural gas properties

	Holbrook Basin Helium Project, Arizona	Four Corners Helium Project, New Mexico & Colorado	Golden Eagle Helium Project, Utah	Meseta Lithium Project, Mexico	Total
Balance, December 31, 2023	\$10,931,913	\$13,383,303	\$10,079,251	\$3,581,292	\$37,975,759
Acquisition costs	-	-	-	-	-
Balance, September 30, 2024	\$11,831,913	\$13,383,303	\$10,078,988	\$3,581,292	\$38,875,496

Merger with Rae Ann, LLC

On January 10, 2022, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Rae Ann, LLC (“Rae Ann”) and its parent company, Rae Ann Holdings, LLC (“RA Holdings”), through which the Company acquired additional interests in various projects which PetroSun or its subsidiaries already held interests. The transaction was effectuated through a merger of the Company with Rae Ann in return for the issuance of 89,171,959 common shares of the Company to RA Holdings, resulting in the allocation of an additional \$35,518,784 to exploration and evaluation asset costs. The acquired interests encompass mineral leasehold interests, as well as equity held by Rae Ann in certain subsidiaries of PetroSun, as described below:

PetroSun, Inc. Project/Entity	Rae Ann Share
Equity in Princess Energy, LLC ⁽¹⁾	37.50%
Working interest in approximately 282,923 helium oil and natural gas leasehold acres in Apache, Navajo and Coconino Counties, AZ ⁽²⁾	12.00%
Working Interest in approximately 15,980 helium, oil and natural gas leasehold acres in San Juan County, NM and La Plata County, CO ⁽³⁾	20.00%
Interests in helium, oil and natural gas leasehold acres located in Socorro and Valencia Counties, NM	25.00%
Equity in PetroSun Golden Eagle, LLC ⁽⁴⁾	25.00%
Equity in Eau Resources, LLC	20.00%
Equity in AgWater Solutions, LLC	20.00%
Equity in Teche Mining, LLC	20.00%

(1) Princess Energy, LLC is a subsidiary of the Company which holds working interests in certain leases in New Mexico.

(2) Includes economics from helium processing assets and operations and helium distribution activities.

(3) The leases underlying these working interests were subject to approval by tribal authorities. At December 31, 2022, the Company determined that, due to the passage of time since initial discussions relating to the proposed leases, the underlying transactions would not receive approval from the tribal authorities involved.

(4) Held by Rae Ann Golden Eagle, LLC.

Acquisition of Golden Eagle Oil & Gas

On February 10, 2022, the Company executed an amendment (the “Second Amendment”) to the Acquisition Agreement relating to the Company’s purchase of equity held by Halcyon Oil & Gas Pty Ltd. in three subsidiaries dated June 15, 2018. Under the Acquisition Agreement, the Company received a working interest of approximately 70% in approximately 26,000 gross acres in the Golden Eagle Gas Field in Grand County, Utah, in return for consideration of \$1,800,000 in cash and an agreement as operator to undertake exploratory and developmental drilling. Performance of drilling commitments is required in order to receive final vesting of title in the acquired working interests. The Second Amendment extended the deadline to February 10, 2026, for the Company to “earn-in” to the leasehold by satisfying a development capital commitment of \$30,000,000, and the amendment also expanded the type of spending to be credited toward the earn-in obligation. Subsequent to the execution of the Second Amendment, the Company funded the remaining \$1,040,000 of the purchase price for the acquisition and related broker fees of \$90,000.

Lithium Concessions and Related Investment in Mexico

The Company, through its 77.5% stake in its Mexican affiliate, Compania Minera La Meseta, S.A. de C.V. (“Meseta”), is a purchaser under installment purchase contracts for two properties in the Mexican state of Chihuahua, both of which are prospective for lithium and zeolite, and which are located contiguous to each other. One of the properties has received a license to operate as a mining concession and the license application of the other property remains pending. The Company has also purchased options to acquire four additional properties that are contiguous to its concessions, and which may also be prospective for lithium and zeolite, and the Company has executed a purchase contract to acquire another property which could be suitable to support its proposed concession mining operations. As of September 30, 2022, the Company had incurred approximately \$3.9 million under the installment purchase contracts relating to its Mexican concessions and properties and in other operating costs, including allocated costs relating to its merger with Rae Ann, LLC.

On April 21, 2022, President Andrés Manuel López Obrador of Mexico signed legislation to create a state-owned company to mine and process lithium resources located in Mexico. The legislation prohibits the issuance of lithium mining concessions to any other foreign or domestic company. Following a review of the impact of the legislative package, the Company recognized an impairment to the carrying value of the properties of (\$3,184,428).

As of September 30, 2024, the Company has terminated its 77.5% stake in its Mexican affiliate, Compania Minera La Meseta, S.A. de C.V. (“Meseta”). There are current ongoing negotiations with the Concessionaries and LitiMx to enter into a new agreement. Due to changes in the government administration in Mexico, negotiations will remain ongoing until a mutually acceptable agreement can be reached with the LitiMx and the Sheinbaum Administration.

Farmout Agreement with JAYD Ventures, LLC

On June 8, 2023, the Company announced that it had entered an exclusive Farmout agreement with JAYD Ventures, LLC to conduct seismic surveys and to drill helium exploration wells on its North Winslow and South Winslow helium prospects in the Holbrook Basin of Arizona. JAYD Ventures will be responsible for all cost of seismic, drilling and completion costs in the helium exploration and development phases of the North and South Winslow. The Company and its affiliates will be carried for a twenty-five per-cent (25%) working interest throughout the duration of the project. As of March 31, 2024, the Company had received \$200,000 of the \$2,000,000 for the sale of the 75% working interest.

On April 30, 2024, the Farmout Agreement with JAYD Ventures, LLC was in default and was terminated.

NOTE 4 – INVESTMENT IN UNCONSOLIDATED AFFILIATES

On September 30, 2020, the Company entered into a second amended letter of understanding to acquire a stake of up to 10% of the equity in Good Earth IP, LLC (“GEIP”), which was formerly known as Infinite Tao, LLC, with an initial purchase of a 5% stake for consideration of \$200,000. GEIP holds intellectual property relating to certain gravimetric separation technology (“GST”). In addition, on September 3, 2021, the Company executed a Letter of Understanding with Rare Metal Recovery, LLC (“RMR”), under which the Company agreed to acquire up to 25% of RMR, for approximately \$1,091,175 (the “RMR Agreement”). RMR is in the business of developing and commercializing GST using patents and other intellectual property held by GEIP.

As of December 31, 2021, the Company had paid a total of a total \$175,567 to acquire bringing the total balance to \$375,567. During the quarter ended March 31, 2022, the Company paid an additional \$203,526 to RMR, increasing the Company’s interest in RMR to approximately 8.7%. Since the Company does not have control or significant influence over the investment and owns less than 20% of each of GEIP and RMR, the investments are accounted for at historical cost in the non-current asset section of the balance sheet.

NOTE 5 - NOTES PAYABLE & DUE TO RELATED PARTIES

The Company's debts as of September 30, 2024, and December 31, 2023, consist of the following:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<u>Notes Payable:</u>		
Various notes payable due to an investor at 8% p.a.	\$ 1,435,897	\$ 1,359,977
Various notes payable due to private investors at 6%- 8% p.a.	-	-
	<u>1,435,897</u>	<u>1,359,977</u>
Less: current portion	-	-
Less: debt assumed by Gordon LeBlanc, Jr ⁽¹⁾	-	-
	<u>\$ 1,435,897</u>	<u>\$ 1,359,977</u>
<u>Due to Related Party:</u>		
Loans from Gordon LeBlanc, Jr	\$ -	\$ -
Debt assumed by Gordon LeBlanc, Jr	-	-
	-	-
Less: debt forgiveness	-	-
	<u>\$ -</u>	<u>\$ -</u>

The Company has been dependent on loans and convertible debt and equity purchases by and from its Chairman and private investors to fund the operations of PetroSun and its subsidiaries. All related-party transactions were measured at the amount of consideration established and agreed to by the related party. All amounts due from or payable to related parties are unsecured and have no fixed terms of repayment. As of September 30, 2024, and December 31, 2023, the amounts due to related parties were \$0.00 and \$0.00, respectively.

Approximately \$11,496,100 of the notes, including accrued interest of \$778,285, converted into 49,097,535 shares of the Company's common stock at \$0.25 per share based on the Stock Purchase Agreement executed on February 3, 2022. See Note 6 – Stockholders’ Equity.

On September 30, 2022, the Company’s Chairman Gordon LeBlanc, Jr. executed an agreement in his personal capacity to acquire four outstanding loans to the Company, which collectively comprised \$1,820,810 in principal and accrued interest (the “LeBlanc Acquired Loans”), for which he was alleged to be jointly and severally liable, from the original lender. The LeBlanc Acquired Loans were borrowed by the Company from a single lender and earned interest of approximately 12% p.a., compounded monthly. These loans were past their maturity dates and were

therefore in technical default. The Company was not a party to the loan purchase agreement; however, the effectiveness of the agreement was subject to the Company’s extension of the expiration date of 31,000,000 options held by the original lender to January 15, 2025.

Also on September 30, 2022, the Company executed an agreement with Mr. LeBlanc under which the Company acquired the LeBlanc Acquired Loans (the “PetroSun-LeBlanc Loan Agreement”). The Company thereby cancelled the loans and eliminated all liability thereon. As consideration for the acquisition of the loans, the Company, acting for itself and its subsidiaries, and Mr. LeBlanc agreed to a mutual release of any and all liabilities between the parties, including informal operational borrowings and other liabilities that had accrued to date, with the exception of accrued compensation owed to Mr. LeBlanc of \$255,000. As consideration for the PetroSun-LeBlanc Loan Agreement, the Company’s Board subsequently authorized the extension of the option expiration date for the 31,000,000 options to January 15, 2025.

NOTE 6 – DISSOLUTION & DISCONTINUED OPERATIONS

Discontinued operations of Organic Transit (SMM) & TorusMed, LLC:

On May 10, 2024, the Company announced that LibraAg, Inc would acquire the assets only of TorusMed LLC and TorusAg LLC, both wholly owned subsidiaries of the Company and LibraAg, Inc.. This would include the patents and patents-pending associated with cell culture growth and the photobioreactor technologies. The consideration to PetroSun is a 10% royalty on all revenues derived from commercial operations of any kind associated with the technologies acquired or developed under the continuing research program.

On June 26, 2023, the Company announced that SunMicromobility, Inc., a wholly owned subsidiary of the Company and Environmental Transit Authority, LLC, have closed an Asset Purchase Agreement regarding the sale of assets of Organic Transit. SunMicromobility, Inc. received a three per-cent (3%) non-dilutable interest in Environmental Transit Authority subsidiary OT Acquisition, LLC, payment in full of all vendor debt and the retention of those assets related to work and technology associated in any manner with the product. The Company will retain some intellectual property valued at \$ 32,846.

The following table presents the aggregate carrying amounts of the classes of assets and liabilities of discontinued operations of Organic Transit, its subsidiary SMM, and TorusMed:

	September 30, 2024	December 31, 2023
Organic Transit (SMM) current assets classified as discontinued operations	\$ (7)	\$ 53
TorusMed current assets classified as discontinued operations	(4)	37
Current assets of discontinued operations	<u>30</u>	<u>90</u>
Organic Transit (SMM) long-term assets classified as discontinued operations	\$ 76,944	\$ 76,944
TorusMed current assets classified as discontinued operations	-	-
Long-term assets of discontinued operations	<u>76,944</u>	<u>76,944</u>
Organic Transit (SMM) current liabilities classified as discontinued operations	\$ -	\$ -
TorusMed current liabilities classified as discontinued operations	-	-
Current liabilities of discontinued operations	<u>-</u>	<u>-</u>

The financial results of Organic Transit, its subsidiary SMM, and TorusMed are presented as income (loss) from discontinued operations, net of income taxes in our consolidated statement of income. The following table presents financial results of Organic Transit, its subsidiary SMM, and TorusMed:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Organic Transit (SMM) loss from discontinued operations, net of income tax	\$ (60)	\$ (1,433,898)
TorusMed income from discontinued operations, net of income tax	443,408	(2,480)
Net loss from discontinued operations, net of income tax	<u>443,348</u>	<u>(1,436,378)</u>

NOTE 7 - STOCKHOLDERS' EQUITY

Authorized Shares of Common Stock

On December 6, 2021, the Company filed the amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock from 500,000,000 to 750,000,000 shares with a par value of \$0.001 per share.

Stock Purchase Agreement and Debt Conversion Agreement

On February 3, 2022, the Company entered into a Stock Purchase Agreement ("SPA") with an existing shareholder and lender to the Company. Under the SPA, the investor agreed to the conversion of convertible promissory notes of \$2,650,000 borrowed by the Company between November 22, 2021, and December 13, 2021, and \$500,000 borrowed on January 18, 2022, at a conversion rate of \$0.25 per common share. Total common shares issued upon the conversion of these convertible promissory notes came to 49,097,535 shares.

Also pursuant to the terms of the SPA, the investor agreed to make additional share purchases on a set schedule between the execution date of the SPA and June 30, 2022. Proceeds from the sale of shares under the SPA may be used by the Company to fund its helium and natural gas drilling and development projects, acquisition and development of the Company's lithium projects in Chihuahua, Mexico, and for other projects and operating and general and administrative expenses of the Company, subject to certain approval rights granted to the investor. The conversion price for shares sold under the SPA was set by a formula at the lesser of \$0.25 per share and the 10-day weighted average trading value of the Company's common shares. The Company closed a sale of 15,800,000 common shares to the investor at a purchase price of \$0.25 per share, generating \$3,950,000 in proceeds to the Company during the six months ended June 30, 2022. Two other installment sales under the SPA, representing 31,395,343 common shares, did not close as scheduled, and the Company entered into a Mutual Release and Settlement Agreement on October 24, 2022.

Stock Purchase Agreement Form D

The Company issued 57,200,000 common shares in January 2023 to various purchasers (the "Issuance"). All shares sold were purchased pursuant to a Form D subscription agreement at a sale price of \$0.01 per share. The private placement of all shares was made through Galileo Asset Management, SA ("Galileo"), and Eastgate Securities, LLC, pursuant to its chaperone relationship with Galileo. Galileo and Eastgate will receive total fees and commissions of \$57,500 cash and 5,790,000 common shares as compensation for their placement services. Net proceeds of the issuance were utilized to pay outstanding invoices relating to the Company's drilling program and general and administrative expenses.

Stock-Based Compensation

On June 3, 2022, the Company's Board of Directors approved the grant of incentive stock options of the Company's 6,000,000 shares of Common Stock to the new Chief Executive Officer, R. Gerald Bailey, who also served as a Director, and to a board observer, Andrew Levy, at an exercise price of \$0.2767 per share. Mr. Bailey's options are no longer outstanding as a result of his subsequent resignation from the Company. The options are vested on grant date and exercisable over five years from date of grants. As a result, for the year ended December 31, 2022, the Company recognized \$1,844,843 as stock-based compensation expense for consulting services.

The fair value of stock option awards was determined using the Black-Sholes-Merton option-pricing model based on several assumptions. These assumptions are based on management's best estimate at the time of grant. The Company used the following weighted average data relating to each assumption to calculate the value of the grants:

Expected Term in Years	5
Expected Volatility	177.876%
Expected Dividends	0%
Risk-Free Interest Rate	3.00%

Stock-Based Compensation, Working Interest Conversion, and Brokerage Fees Paid

During the three months ended June 30, 2023, the Company's Board of Directors issued 550,000 shares of Common Stock to Raymond G. Bailey, and Francis Miller at a price of \$0.08 per share and 200,000 shares to Orlo Ison, George C Getty, and Jeremy Cheron at a price of \$0.10 per share, for contract services provided. The Company also issued 5,400,000 shares during the three months ended June 30, 2023, to Andrew A Levy, Pacific Life Policy Assets LLC, Isabelle H Wright, and Doron Rafael Toledano at a price of \$0.08, and 300,000 shares to Eastgate Securities, LLC at a price of \$0.10 per share, as compensation for their services related to the Form D subscription agreement that occurred during the first quarter of 2023. Additionally, the Company issued 14,796,700 shares in June 2023 to Ronald D Monat to acquire working interest in selected leases in the Holbrook Basin.

On September 19, 2023, PetroSun, Inc and MarFam63, LLC entered into an agreement wherein PetroSun acquired working interest in selected leases in Hollbrook Basin, and MarFarm acquired shares of PSUD. The agreement stated that for every one percent (1%) of working interest in the three Holbrook Basin leases sold by MarFam to PetroSun (representing Working Interest of 15.00% in each lease), PetroSun would sell to MarFarm One Million (1,000,000) shares of PSUD restricted 144 common stocks at a market value to be agreed upon. PetroSun, Inc. issued 15,000,000 shares on October 9, 2023, to MarFam 63, LLC at a cost per share of \$.10.

NOTE 8 – SUPPLEMENTAL CASH FLOW INFORMATION

The following table summarizes information on non-cash investing and financing activities for the period ended September 30, 2024, and December 31, 2023:

	<u>September 30,</u>		<u>December 31,</u>	
	<u>2024</u>		<u>2023</u>	
Rae Ann Holdings LLC merger	\$	-	\$	-
Common shares issued for services	\$	-	\$	-
Common shares issued for debt conversion	\$	-	\$	-
Common shares issued for acquisitions	\$	-	\$	-

NOTE 9 - PROVISION FOR INCOME TAXES

The Company provides for income taxes under ASC 740 “Income Taxes.” The standard requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company’s opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset as of December 31, 2023, is \$5,713,993 which includes \$3,081,795 of federal net operating losses, \$478,313 of state net operating losses, and \$2,153,885 of capital losses. These amounts are calculated by multiplying the carryforward operating and capital losses by the applicable federal and state rates. The total valuation allowance is a comparable \$5,713,993.

The income tax provision (benefit) for the period ended December 31, 2023, and 2022, consisted of net operating loss carryforward and capital loss carryforward:

	<u>December 31,</u>		<u>December 31,</u>	
	<u>2023</u>		<u>2022</u>	
U.S. Federal:				
Current				
Deferred		4,886,634.27		4,828,188.33
State and local:				
Current				
Deferred		899,989.32		885,804.80
		<u>5,786,623.59</u>		<u>5,713,993.13</u>
Change in valuation allowance		<u>(5,786,623.59)</u>		<u>(5,713,993.13)</u>
Income tax provision		<u>-</u>		<u>-</u>

As of December 31, 2023, and 2022 the Company had net operating loss carry-forwards for federal income tax purposes of approximately \$15,473,857 and \$14,675,213 respectively, available to offset future taxable income. To the extent not utilized, the net operating loss carry-forwards as of December 31, 2023, will expire beginning in 2023 through 2043. The capital loss carryforward of \$2,019,120 is carried forward until used.

NOTE 10 – LEASES

Effective January 1, 2019, the Company adopted ASU 2016-02, *Leases* (Topic 842). The purpose of this guidance is to increase transparency and comparability among organizations by recognizing certain lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP methodology and the method under this new guidance is the recognition on the balance sheet of certain lease assets and lease liabilities by lessees for those leases that were classified as operating leases under previous GAAP.

The Company made accounting policy elections to not capitalize leases with a lease term of twelve months or less and to not separate lease and non-lease components for all asset classes. The Company has also elected to adopt the package of practical expedients within ASU 2016-02 that allows an entity to not reassess prior to the effective date (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases and the practical expedient regarding land easements that exist prior to the adoption of ASU 2016-02. The Company did not elect the practical expedient of hindsight when determining the lease term of existing contracts at the effective date.

The Company did not hold any operating lease on properties during the quarter ended June 30, 2024, and one property lease during the comparable period in 2023.

Beginning in January 2022, the Company entered leases on two properties in St. Johns as a field office and storage yard on a month-to-month basis. We subsequently discontinued those leases during the quarter ended September 30, 2022. Prior to the termination of those two leases, the total payments for the St. Johns properties were approximately \$1,500 per month, plus utilities, with the lease payment obligation on the storage yard dependent upon actual use to store equipment.

The Company's subsidiary, SMM, also leased a portion of a facility that it primarily used to warehouse parts and inventory acquired with the Chapter 7 bankruptcy estate of DE OTI in Winston-Salem, North Carolina. The lease encompasses approximately 5,500 square feet and is month-to-month for \$1,710 per month. This lease terminated on June 26, 2023, at the time Sun Micromobility, Inc., a wholly owned subsidiary of the Company and Environmental Transit Authority, LLC, closed on an Asset Purchase Agreement regarding the sale of assets of Organic Transit

The lease costs associated with the above short-term leases are reflected in general and administrative expenses. For the periods ended September 30, 2024, and December 31, 2023, total rent expenses were \$569 and \$48,930, respectively.

On July 19, 2023, the Company announced that Golden Eagle Exploration, LLC, a wholly owned subsidiary, has been notified by the Utah Department of Natural Resources, Division of Oil, Gas and Mining, that a Permit to Drill has been issued for the Handley 1 (API 4301931455). The Company holds 26,800 acres within the designated Golden Eagle Oil, Gas and Helium Unit located in Grand County, Utah. The Company anticipates encountering fracture systems that will provide additional volumes of gas, including helium. Upon receipt of BLM approval, the Company will schedule the horizontal drilling operations of the Handley 1.

On July 21, 2023, the Company announced that it entered into a Joint Venture Agreement with Pinta Dome Operating to complete and develop the Manuel Seep Project, including but not limited to the Manuel Seep 2-1 (API 02-001-20506). The Joint Venture Agreement states that each party or their respective assignees shall own an undivided fifty per-cent (50%) working interest with a one-hundred per-cent (100%) of the working interest, earning an eighty per-cent (80%) Net Revenue Interest. It also includes an Area of Mutual Interest that extends one-mile from any contiguous offsetting lease line on the Manuel Seep Project. Details of this review will be made public upon receipt.

On September 5, 2023, the Company assigned, transferred, granted and conveyed unto SSC, Inc. a two per-cent (2%) Overriding Royalty Interest on the NZ Legacy leasehold in Navajo and Coconino Counties for which the Company received \$54,300.

On May 31, 2024, the corporate office lease was terminated, the lease encompasses approximately 1,781 square feet.

NOTE 11 - SUBSEQUENT EVENTS

On October 27, 2024, the NZ Legacy lease extensions with Coconino County and Navajo County expired. The Company is negotiating a new three-year extension lease for the Coconino County and Navajo County mineral rights.