



# **VVC EXPLORATION CORPORATION**

Consolidated Financial Statements  
Three Months Ended **April 30**, 2024

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## **NOTICE TO SHAREHOLDERS**

### **VVC EXPLORATION CORPORATION Condensed Consolidated Financial Statements For The Three Months Ended April 30, 2024**

#### Responsibility for Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements for VVC Exploration Corporation have been prepared by management and were approved by the Audit Committee and the Board of Directors. These unaudited condensed consolidated financial statements have been prepared in accordance with international financial reporting standards and were consistently applied. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated financial statements, management is satisfied that these unaudited condensed consolidated financial statements have been fairly presented.

#### Auditor involvement

The auditors of VVC Exploration Corporation have not performed a review of the unaudited condensed consolidated financial statements for the three months ended April 30, 2024 and April 30, 2023.

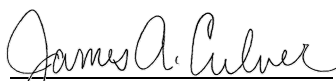
VVC Exploration Corporation  
Condensed Consolidated Statements of Financial Position

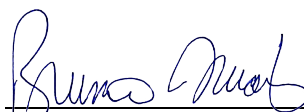
	April 30, 2024	Audited January 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 2,720,594	\$ 3,263,929
Deposits and other receivables (Note 4)	101,919	90,954
	<b>2,822,513</b>	<b>3,354,883</b>
Investment (Note 5)	<b>13,560,543</b>	13,560,543
Property and equipment (Note 6)	<b>1,672,897</b>	1,683,688
	<b>\$ 18,055,953</b>	<b>\$ 18,599,114</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 9)	\$ 1,793,943	\$ 1,643,033
Loan payable (Note 7)	<b>2,130,814</b>	2,130,814
Deferred royalty receipts (Note 10)	<b>4,606,645</b>	4,572,620
Exploration obligation (Note 11)	<b>607,556</b>	603,068
	<b>9,138,958</b>	8,949,535
Asset retirement obligation (Note 13)	<b>284,960</b>	281,810
	<b>9,423,918</b>	9,231,345
<b>Shareholders' equity</b>		
Share capital (Note 14 (b))	<b>47,286,340</b>	47,286,340
Contributed surplus	<b>14,865,668</b>	14,654,796
Accumulated other comprehensive loss	<b>11,524,460</b>	11,528,869
Deficit	<b>(65,044,433)</b>	(64,102,236)
	<b>8,632,035</b>	9,367,769
	<b>\$ 18,055,953</b>	<b>\$ 18,599,114</b>

Going Concern (Note 1)

Related party (Note 12)

Approved by the Board

  
Director

  
Director

VVC Exploration Corporation  
Condensed Consolidated Statements of Loss and Comprehensive Loss

	Three Months Ended April 30,	
	2024	2023
Helium and natural gas sales, net (Note 18)	\$ 3,758	\$ 2,024
<b>Expenses</b>		
Mineral and natural gas properties expense	\$ 344,329	\$ 57,892
Stock-based compensation (Notes 14(c))	210,872	15,640
Management and consulting fees	226,805	205,968
Professional fees	47,435	22,000
Investor relations	1,569	20,490
Interest and accretion expense (Notes 7 and 12)	40,966	50,234
Office and sundry	25,566	24,157
Listing and transfer fees	2,958	4,772
Rent	4,850	5,550
Travel and promotion	17,719	8,317
Telephone	1,362	964
Depreciation	21,032	21,084
Bank charges	492	874
	<b>945,955</b>	<b>437,942</b>
Net loss for the period	<b>(942,197)</b>	<b>(435,918)</b>
Basic and diluted loss per share (Note 15)	\$ 0.00	\$ 0.00

**Consolidated Statements of Comprehensive Loss**

Net loss	\$ (942,197)	\$ (435,918)
Exchange adjustment	(4,409)	20,129
Net loss and comprehensive loss for the period	<b>\$ (946,606)</b>	<b>\$ (415,789)</b>

VVC Exploration Corporation  
Condensed Consolidated Statements of Changes in Shareholders' Equity

As at April 30,	2024	2023
<b>Share Capital (Note 14)</b>		
Balance, opening and ending	\$ 47,286,340	\$ 47,286,340
<b>Contributed Surplus</b>		
Balance, opening	14,654,796	13,717,902
Stock-based compensation	210,872	15,640
Balance	14,865,668	13,733,542
<b>Accumulated Other Comprehensive Loss</b>		
Beginning balance	11,528,869	(348,599)
Change in foreign exchange	(4,409)	20,129
Balance	11,524,460	(328,470)
<b>Deficit</b>		
Balance, opening	(64,102,236)	(67,871,342)
Net loss	(942,197)	(435,918)
Balance	(65,044,433)	(68,307,260)
<b>Total shareholders' equity</b>	<b>\$ 8,632,035</b>	<b>\$ (7,615,848)</b>

# VVC Exploration Corporation

## Condensed Consolidated Statements of Cash Flows

For the Three Months Ended April 30,	2024	2023
<b>Cash flow from operating activities</b>		
Loss for the period	\$ (942,197)	\$ (435,918)
Items not affecting cash:		
Depreciation	21,032	21,084
Stock-based compensation	210,872	15,640
Interest and accretion expense (Note 7)	-	12,662
Non-cash mineral property expense (Note 13)	1,049	1,017
	<b>(709,244)</b>	<b>(385,515)</b>
Change in non-cash working capital:		
Deposits and other receivable	(10,965)	16,188
Exploration obligation	(4,487)	-
Accounts payable and accrued liabilities	150,910	312,329
	<b>(573,786)</b>	<b>(56,998)</b>
Effects of changes in foreign exchange	30,451	72,710
<b>Change in cash</b>	<b>(543,335)</b>	<b>15,712</b>
<b>Cash, beginning of period</b>	<b>3,263,929</b>	<b>49,882</b>
<b>Cash, end of period</b>	<b>\$ 2,720,594</b>	<b>\$ 65,594</b>

# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

VVC Exploration Corporation (the "Company") was incorporated on April 11, 1983 under the Company Act (British Columbia) and in August 2003, was continued federally under the Canada Business Corporations Act. The Company's principal business activities include the exploration and development of helium, natural gas and precious metals mineral properties in Canada, the United States and Mexico.

For the Company's exploration stage properties, the Company is in the process of exploration and has not yet determined whether they contain economically recoverable reserves. The recoverability of amounts shown for exploration stage properties is dependent upon the discovery of economically recoverable reserves in its properties, the ability of the Company to obtain the necessary financing to complete development, maintenance of the Company's interest in the underlying claims and leases and upon future profitable production from or the proceeds from the disposition of its properties.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. As at April 30, 2024 the Company has an accumulated deficit of \$(65,044,433) and working capital of \$(6,316,445). The working capital is not considered sufficient to settle the Company's current liabilities and pay for its operating activities over the next 12 months.

These circumstances create material uncertainty that may cast significant doubt to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These unaudited condensed consolidated financial statements were approved by the Board of Directors on June 27, 2024.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These unaudited consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These unaudited consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated audited financial statements for the year ended January 31, 2024.

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below:

#### **Basis of presentation and consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, VVC Exploracion de Mexico, S. de R.L. de C.V., Samalayuca Cobre S.A de C.V. ("Samalayuca"), both incorporated under the laws of Mexico, Camex Mining Development Group Inc. ("Camex"), a company incorporated under the laws of Canada, Plateau Helium Corporation and Plateau Operating Corporation (collectively "PHC"), both incorporated under the laws of Wyoming, Plateau Helium Syracuse I LP and Plateau Helium Syracuse 2 LP, both incorporated under the laws of Wyoming. All intercompany transactions and balances have been eliminated upon consolidation.

#### **Mineral and natural gas properties**

Mineral and natural gas property acquisition costs and related direct exploration and development expenditures, net of recoveries, are charged to the consolidated statements loss and comprehensive loss. Mineral and natural gas properties expense include any cash consideration paid, and the fair market value of shares issued, if any, on the acquisition of property interests.



# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property and equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive loss. Property and equipment under construction is carried at cost and is not depreciated until the property and equipment is fully constructed and is ready for use. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company provides for depreciation of its property and equipment at the following methods and annual rates:

Machinery and equipment	Straight Line, 10 years
Pipeline	Straight Line, 20 years

#### Foreign exchange

These unaudited condensed consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company's Mexican subsidiaries, including the recently acquired Samalayua is the Mexican Peso ("MXN"). The functional currency of PHC is the U.S dollar ("US").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of operations and deficit. Assets and liabilities of entities with functional currencies other than Canadian dollars are translated into the presentation currency at the year end rates of exchange, and the results of their operations are translated at average rates of exchange for the respective period. The resulting translation adjustments are included in accumulated other comprehensive loss in shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are not expected to be repaid in the foreseeable future are included in accumulated other comprehensive loss. Elements of equity are translated at historical rates.

#### Measurement uncertainty and significant judgements

The preparation of the consolidated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those reported.

Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to, stock-based compensation, valuation of conversion feature on convertible debt, estimation of the exploration obligation, valuation of payable on asset purchase, and composition of deferred income tax assets and liabilities.

The Black-Scholes option valuation model used by the Company to determine fair values was developed for use in estimating the fair value of freely traded options. This model requires the input of highly subjective assumptions including future stock price volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimates, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants granted during the year.

# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Going concern

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1 of the consolidated financial statements.

#### Asset Retirement Obligation

Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place related to the restoration sites and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk free interest rate for discounting those future cash outflows, inflation and foreign exchange rates. Actual costs incurred may differ from those amounts estimated.

#### Option Valuation

The Black-Scholes option valuation model used by the Company to determine fair values was developed for use in estimating the fair value of freely traded options. This model requires the input of highly subjective assumptions including future stock price volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimates, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants granted during the period.

### 3. RECENT ACCOUNTING PRONOUNCEMENTS

There were no recent accounting pronouncements that are considered to have an impact on the Company's operations or financial statements.

### 4. DEPOSITS AND OTHER RECEIVABLES

	April 30, 2024	January 31, 2024
Helium and gas receivable	\$ 28,291	\$ 28,082
Sales tax recoverable	12,722	57,146
Prepaid expenses	60,906	5,726
Balance	\$ 101,919	\$ 90,954

### 5. INVESTMENT

In 2022, the Company acquired a 19% interest in Proton Green LLC ("Proton Green"), a limited liability Company in the State of Wyoming for \$23,480. The Company does not have control over Proton Green. Proton Green's primary purpose is the collection and storage of carbon emissions in an effort to aid in the reduction of US carbon emissions, helium sales and sales of food grade CO<sup>2</sup>. The Company intends to hold its investment in Proton Green for the long-term. The investment is measured at fair-value and will be remeasured at each reporting date with gains or losses reflected in the other comprehensive income (loss).

On July 17, 2023, the Company sold one seventh (1/7) of its interest in Proton Green for \$6,593,500 (USD\$5,000,000). Prior to the sale, the Company's position was diluted to 13.91%. After the sale, the Company held an 11.91% in Proton Green. The Company recognized a gain of \$5,716,933 net of income taxes.

On July 28, 2023, Proton Green signed a definitive share exchange agreement with Cyber App Solutions (Ticker: CYRB). Upon closing the transaction, Proton Green became publicly traded by a reverse take over of Cyber App Solutions. The Company received 8,097,660 shares of Cyber App Solutions in exchange for its interest in Proton Green. The Company's 8,097,660 shares were carried at \$13,560,543 (2024 - \$13,560,543) on the consolidated statements of financial position. The value of the shares were determined by observable private placement financings that were completed in Cyber App Solutions since July 2023 at USD\$1.25 per share. Due to dilution, the Company currently holds a 10.01% interest in Cyber App Solutions.

# VVC Exploration Corporation

Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

## 6. PROPERTY AND EQUIPMENT

### Cost

	Pipeline	Equipment	Total
Balance, February 1, 2023	\$1,487,596	\$ 265,738	\$1,753,334
Effect of exchange rate changes	47,143	-	47,143
Balance, January 31, 2024	1,534,739	265,738	1,800,477
Effect of exchange rate changes	10,241	-	10,241
Balance, April 30, 2024	1,544,980	\$ 265,738	1,810,718
<b>Accumulated Depreciation</b>			
Balance, February 1, 2023	-	12,652	12,652
Depreciation	73,695	30,442	104,137
Balance, January 31, 2024	73,695	43,094	116,789
Depreciation	18,717	2,315	21,032
Balance, April 30, 2024	92,412	45,409	137,821

### Carrying Amounts

At January 31, 2024	\$1,461,044	\$ 222,644	\$1,683,688
At April 30, 2024	\$1,452,568	\$ 220,329	\$1,672,897

## 7. LOAN PAYABLE

(i) In 2022, the Company raised US\$1,500,000 (CA\$2,085,000) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. The loan matured on May 31, 2024 and is currently due.

(ii) In 2022, the Company received a short-term demand loan of US\$50,000 (CA\$67,500) from Plateau Oil and Gas Co. Limited, a Company in Kansas controlled by an officer of PHC. This short-term loan is due on demand. There are no other repayment terms.

(iii) In 2023, the Company received a short-term demand loan of US\$50,000 (CA\$66,985) from the Chairman of the Company's Board of Directors. This short-term loan is due on demand. There are no other repayment terms.

# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

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### 8. MINERAL AND NATURAL GAS PROPERTIES EXPENDITURES AND RECOVERIES

#### **Cumeral, Mexico**

In April 2010, the Company finalized an agreement which provides an option to acquire a 100% interest in the 685 hectare gold mining project known as Cumeral (the "Cumeral Property"), consisting of three mining concessions in the State of Sonora, Mexico. The 100% interest in the Cumeral Property can be acquired for cash consideration of US\$800,000 (CA\$880,000) plus applicable taxes ("VAT"), payable over a year of three years and the issuance of 200,000 common shares of the Company (issued). The Cumeral Property is subject to the reservation of a 2% Net Smelter Return ("NSR"). A finder's fee of US\$5,000 (CA\$5,500) and 130,000 common shares of the Company was paid to third parties who were instrumental in arranging the transaction. The Company has a 100% interest in three additional mining concessions in the Cumeral area of Mexico.

#### **La Tuna, Mexico**

In March 2010, the Company completed the acquisition of a 3,533 hectare gold mining project known as La Tuna, located in the municipality of Alamos in the State of Sinaloa, Mexico. The Company acquired a 100% interest in La Tuna for cash consideration of US\$40,000 (CA\$39,968) plus VAT and 300,000 common shares of the Company. La Tuna is subject to the reservation of a 2% NSR with a buy-back option. Further exploration is warranted subject to the results of analysis of rock and soil samples.

#### **Samalayuca**

Through its 100% investment in Samalayuca (33.75% prior to November 2, 2020), the Company has an interest in the Samalayuca Copper Project, located in Chihuahua State, Mexico. Samalayuca has entered into a Mining Exploration and Rights Assignment Contract to acquire a 100% interest in the Kaity Property, which includes the Samalayuca Copper Project, for aggregate payments of US\$1,875,000 (CA\$2,062,500) with payments of US\$25,000 (CA\$27,500) due every six months during the exploration phase.

#### **PHC Helium Resource Properties**

PHC's first project is located in Kansas and currently comprises 69 leases covering 13,760 acres known as the Syracuse Helium Project (the "Syracuse Project"). The property (the "Syracuse Property") on which the Syracuse Project is located hosts more than 150 potential well sites.

On April 6, 2021, the Company acquired the helium property known as the Monarch Lease. The Monarch Lease was purchased from Monarch Petroleum ("MP") at a nominal cost and a commitment to recommence production, with MP retaining a 3% royalty in the shallow well rights from surface to 3100 feet (the "Shallow Rights") and a 50% non-operated working interest in the deep oil and gas rights below 3100 feet (the "Deep Rights"). In addition to the 3% royalty, standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production.

On April 28, 2021 the Company began acquiring the Syracuse Extension in Kansas and Colorado. The Syracuse Extension currently consists of a 17,747 acre gas property located in Cheyenne County, Colorado and a 3,320 acre property located in Kansas. The Syracuse Extension was acquired at a nominal cost and a commitment to commence production, with the seller retaining a 2% royalty in this property. In addition to the 2% royalty, standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production and the 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. PHC owns a 100% working interest in the Syracuse Extension, subject only to the royalties.

# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2024	January 31, 2024
Other trade payables	\$ 64,703	\$ 212,502
Payables related to mineral properties	1,300,130	1,178,050
Amounts payable to related parties	429,110	252,481
Accounts payable and accrued liabilities	<b>\$1,793,943</b>	<b>\$1,643,033</b>

### 10. DEFERRED ROYALTY RECEIPTS

PHC is the general partner of Plateau Helium Syracuse LLP 2 ("Syracuse 2"). Syracuse 2 raised net proceeds of US\$3,252,500 (\$4,405,060) through the sale of participation units to certain limited partners. Participation units represent interests in drilled wells. The limited partners are entitled to 34% royalty on net revenues from the first 20 wells of the Syracuse 2 Project. The Syracuse 2 project is a cumulative 21,067 acre project that was leased throughout 2021. The funds raised by Syracuse 2 were transferred to PHC as the general partner to operate the Syracuse Project.

PHC is the general partner of Plateau Helium Corporation Kansas Oil Project, LP ("Kansas Oil Project LP"). Kansas Oil Project LP raised net proceeds of US\$150,000 (\$201,585) through the sale of participation units to certain limited partners. Participation units represent interests in drilled oil wells.

The receipts from the sale of participation units will be recognized over time as wells are drilled on the Syracuse 2 project. When recognized, the receipts will be allocated against the mineral property expenses on the consolidated statements of loss and comprehensive loss. Any excess receipts will be allocated as a gain on the sale of interest in wells.

### 11. EXPLORATION OBLIGATION

PHC is the general partner of Plateau Helium Syracuse LLP. Prior to the acquisition, Plateau Helium Syracuse LLP raised \$1,792,000 (US\$1,400,000) through the issuance and sale of participation units to certain limited partners. The limited partners are entitled to 28% royalty on net revenues from the first 10 wells of the Syracuse Project. The funds raised by Plateau Helium Syracuse LLP were transferred to PHC as the general partner to operate the Syracuse Project. Therefore, on acquisition, VVC inherited an obligation to drill these wells. The fair value of the costs to fulfill this obligation is \$607,556 (January 31, 2024 - \$603,068). As at April 30, 2024, the Company drilled eight (8) wells of the 10 well obligation. The remaining two (2) well is expected to be drilled within one year.

### 12. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation to key management personnel were as follows:

	Three Months Ended April 30,	
	2024	2023
Compensation	\$ 124,920	\$ 130,440
Share-based payments <sup>(1)</sup>	145,502	11,139
Total	<b>\$ 270,422</b>	<b>\$ 141,579</b>

(1) Share-based payments are the fair value of options granted to key management personnel and expensed during the period.

During the period, the Company paid or accrued \$24,750 (2024 - \$4,500) in fees to a director and a firm controlled by a director for certain services provided.

Included in accounts payable and accrued liabilities is \$429,110 (January 31, 2024 - \$252,481) payable to key management personnel for services rendered and interest payable.

# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

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### 13. ASSET RETIREMENT OBLIGATION

The Company has site restoration obligations related to its oil and gas properties upon the cessation of revenue producing activities. The undiscounted cost to return the environment associated with each well to their original condition is estimated to be USD\$12,000 (2024 - US\$12,000). As of April 30 and January 31, 2024, the Company had 16 wells expected to be closed between 5 to 20 years. The undiscounted cost of the environmental restoration for pipeline related assets is \$100,000. The provision is initially recorded as a liability based on management's best estimate of cash flows, using a risk-free discount rate of 2.88% (2024 - 2.88%) and a producing life ranging between five and twenty years. Site restoration activity is expected to occur when a producing well has been fully depleted. The following table summarizes the movements in asset retirement obligations:

Balance, February 1, 2023	\$ 280,341
Accretion	4,109
Effect of exchange rate changes	(2,640)
<hr/>	
Balance, January 31, 2024	281,810
Accretion	1,049
Effect of exchange rate changes	2,101
<hr/>	
Balance, April 30, 2024	\$ 284,960

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### 14. SHARE CAPITAL

(a) Authorized  
Unlimited common shares without par value

(b) Issued:

	Number of shares	Amount
Balance, January 31, 2024 and April 30, 2024	572,681,815	\$ 47,286,340

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# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

### 14. SHARE CAPITAL (continued)

#### (c) Stock Options

The Company grants options pursuant to the policies of the TSX Venture Exchange with respect to eligible persons, exercise price, maximum options per person and termination of eligible person status. Options granted vest as to 25% upon grant and 25% each six months thereafter.

Stock option transactions and the number of stock options outstanding were as follows:

	Number of Options	Weighted average Exercise Price
Balance, January 31, 2023	69,275,000	\$ 0.07
Granted	14,650,000	0.08
Expired/cancelled	(2,225,000)	0.07
Balance, January 31, 2024 and April 30, 2024	81,700,000	\$ 0.07

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at April 30, 2024 are as follows:

Options Outstanding			Options Exercisable		
Exercise Range	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number Exercisable	Weighted Average Exercise Price
\$0.05 - \$0.10	67,800,000	\$ 0.06	5.55	56,812,500	\$ 0.05
\$0.11 - \$0.14	13,900,000	\$ 0.14	8.05	13,900,000	\$ 0.14
	81,700,000	\$ 0.07	6.08	70,712,500	\$ 0.07

Stock based compensation of \$210,872 (April 30, 2024 - \$15,640) for the period relates to vesting of stock options that were granted either in the current period or a prior period and recognized as an expense consistent with their vesting features.

#### (d) Warrants

The following tables reflects the continuity of warrants:

Expiry Date	Exercise Price	Balance January 31, 2024	Warrants Issued	Warrants Exercised	Expired/ Cancelled	Balance April 30, 2024
September 30, 2024	\$0.075	57,567,800	-	-	-	57,567,800
June 8, 2025	\$0.06	11,799,000	-	-	-	11,799,000
November 3, 2025	\$0.06	32,500,000	-	-	-	32,500,000
December 30, 2028	\$0.06	10,000,000	-	-	-	10,000,000
	\$0.06 - \$0.10	111,866,800	-	-	-	111,866,800

# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

### 15. LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended April 30,	
	2024	2023
<b>Numerator</b>		
Net loss	\$ (942,197)	\$ (435,918)
<b>Denominator</b>		
Weighted average number of common shares outstanding, basic and diluted	572,681,815	572,681,815
Basic and diluted loss per share	\$ -	\$ -

As a result of losses incurred, the potential effect of the exercise of stock options and warrants was anti-dilutive.

### 16. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being mineral exploration. As at April 30, 2024, the Company's mineral resource and exploration properties are located in the United States, Mexico and Canada and its corporate assets are located in Canada.

A summary of total assets by geographic region is as follows:

April 30, 2024	United States	Canada	Mexico	Total
Current assets	\$ 2,422,387	\$ 284,518	\$ 115,608	\$ 2,822,513
Investment	-	13,560,543	-	13,560,543
Equipment	1,382,443	-	290,454	1,672,897
	<b>\$ 3,804,830</b>	<b>\$ 13,845,061</b>	<b>\$ 406,062</b>	<b>\$ 18,055,953</b>
<hr/>				
January 31, 2024	United States	Canada	Mexico	Total
Current assets	\$ 2,910,103	\$ 350,714	\$ 94,066	\$ 3,354,883
Investment	-	13,560,543	-	13,560,543
Equipment	1,390,888	-	292,800	1,683,688
	<b>\$ 4,300,991</b>	<b>\$ 13,911,257</b>	<b>\$ 386,866</b>	<b>\$ 18,599,114</b>



# VVC Exploration Corporation

## Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

### 17. CAPITAL MANAGEMENT

In the management of capital, the Company includes shareholders' equity (excluding accumulated other comprehensive loss). The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value and respond to changes in economic and/or market conditions; to retain a strong capital base so as to maintain investor, creditor and market confidence and to safeguard the Company's ability to obtain financing should the need arise.

In maintaining its capital, the Company has a strict investment policy which includes investing its surplus capital only in highly liquid and highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the period.

### 18. REVENUE

The following table summarizes the Company's revenue by product:

	Three Months Ended April 30,	
	2024	2023
Helium	\$ 3,758	\$ 2,024

### 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are as follows:

	April 30, 2024	January 31, 2024	Fair value Hierarchy
Fair value through profit or loss (FVTPL):			
Loans and receivable, measured at amortized cost:			
Investment	\$ 13,560,543	\$ 13,560,543	(1)
Cash	\$ 2,720,594	\$ 3,263,929	
Other liabilities, measured at amortized cost:			
Accounts payable and accrued liabilities	\$ 1,793,943	\$ 1,643,033	
Loan payable	\$ 2,130,814	\$ 2,130,814	

(1) Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The Company uses Level 2 fair value hierarchy to determine the value of its investment due to observable transaction prices during the year. Level 3 fair value hierarchy was used to determine the value in 2023 due to a lack of observable market data at that time.

During 2022, the Company acquired an interest in Proton Green for \$23,480 and classified the investment with level 3 of the fair value hierarchy. During the years ended January 31, 2022 and 2023, there were no changes in any inputs to the valuation model that would increase or decrease the valuation of the investment. During the year ended January 31, 2024, the investee became a publicly traded company and the investment was reclassified from level 3 to level 2 of the fair value hierarchy (see note 5).

# VVC Exploration Corporation

Notes to Condensed Consolidated Financial Statements For the Three Months Ended April 30, 2024

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## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

### Interest rate and credit risk

It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from its financial instruments given their short-term nature.

### Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to the variability of copper prices.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

### Liquidity Risk

The Company has no income and relies on equity financing or the sale of its investments to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at April 30, 2024, the Company has sufficient capital to fund its operations over the next twelve months. The Company had a cash balance of \$2,720,594 (January 31, 2024 - \$3,263,929) and investments of \$13,560,543 (January 31, 2024 - \$13,560,543) to settle current liabilities of \$9,138,958 (January 31, 2024 - \$8,949,535) of which \$5,214,201 is non-cash (January 31, 2024 - \$5,175,688).

### Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

### Currency Risk

The Company engages in significant transactions and activities in currencies other than its reported currency. The Company's exploration activities are primarily in Mexico and the United States of America; accordingly, the resulting assets and liabilities are exposed to foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, deposits and other receivables and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss by approximately \$26,000 (January 31, 2024- \$26,000).

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