Condensed Interim Consolidated Financial Statements of

Pinedale Energy Limited

Three and Six Months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Pinedale Energy Limited have been prepared by and are the responsibility of the Company's management.

Pinedale Energy Limited

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

		June 30, 2022		December 31, 2021
Assets				
Current				
Cash	**$**	**104,526**	$	744
GST receivable		**6,653**		727
Total assets	**$**	**111,179**	$	1,471
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**172,391**	$	124,847
Loan and promissory notes (Note 3)		**315,462**		126,943
Total liabilities		**487,853**		251,790
Shareholders' deificiency				
Share capital (Note 4)		**5,319,746**		5,319,746
Equity reserve (Note 4)		**804,352**		711,932
Deficit		**(6,500,772)**		(6,281,997)
Total shareholders' deficiency		**(376,674)**		(250,319)
Total liabilities and shareholders' deficiency	**$**	**111,179**	$	1,471

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on August 24, 2022:

"Kristen Reinertson" Director

"David Whelan" Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pinedale Energy Limited

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	**June 30, 2022**	June 30, 2021
Expenses				
Consulting fees	**$ 22,500**	$ -	**$ 30,000**	$ -
Directors' fees (Note 5)	**-**	6,000	**-**	16,710
Office and administration	**3,221**	597	**4,442**	747
Professional services	**54,530**	8,079	**91,793**	18,292
Regulatory and filing	**11,853**	4,118	**16,707**	9,750
Share-based compensation (Note 4(c) and 5)	**92,420**	-	**92,420**	-
	(184,524)	(18,794)	**(235,362)**	(45,499)
Other items				
Interest expense (Note 3)	**(163)**	-	**(163)**	-
Foreign exchange gain (loss)	**(3,898)**	693	**(1,968)**	383
Gain on settlement of debt (Note 3 and 5)	**2,988**	-	**18,718**	-
	(1,073)	693	**16,587**	383
Net loss and comprehensive loss	**$ (185,597)**	$ (18,101)	**$ (218,775)**	$ (45,116)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**112,472,114**	112,472,114	**112,472,114**	112,472,114

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pinedale Energy Limited

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital				
	Shares issued	Amount	Equity reserve	Deficit	Total shareholders' deficiency
Balance, December 31, 2020	112,472,114	$ 5,319,746	$ 711,932	$ (6,149,850)	$ (118,172)
Net loss and comprehensive loss	-	-	-	(45,116)	(45,116)
Balance, June 30, 2021	112,472,114	5,319,746	711,932	(6,194,966)	(163,288)
Net loss and comprehensive loss	-	-	-	(87,031)	(87,031)
Balance, December 31, 2021	112,472,114	5,319,746	711,932	(6,281,997)	(250,319)
Share-based compensation	-	-	92,420	-	92,420
Net loss and comprehensive loss	-	-	-	(218,775)	(218,775)
Balance, June 30, 2022	**112,472,114**	**$ 5,319,746**	**$ 804,352**	**$ (6,500,772)**	**$ (376,674)**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Pinedale Energy Limited

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Six months ended June 30, 2022	June 30, 2021
Cash used in:		
Operating activities		
Net loss	**$ (218,775)**	$ (45,116)
Items not affecting cash:		
Share-based compensation	**92,420**	-
Changes in non-cash working capital items:		
GST receivable	**(5,926)**	(2,526)
Accounts payable and accrued liabilities	**47,544**	20,295
	(84,737)	(27,347)
Financing activities		
Funds received from loan and promissory notes	**188,519**	-
	188,519	-
Change in cash	**103,782**	(27,347)
Cash, beginning of the period	**744**	29,661
Cash, end of the period	**$ 104,526**	$ 2,314

No cash was paid for tax or interest during the six months ended June 30, 2022 and 2021.

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Pinedale Energy Limited ("Pinedale" or the "Company") was incorporated under the British Columbia Business Corporations Act on December 17, 2007. The Company is a junior resource company previously engaged in the identification, exploration and development of oil and gas properties, and is currently pursuing other acquisition opportunities. The address of the Company's registered records office is 25th Floor, 700 West Georgia Street, Vancouver, BC V7Y 1B3. The Company is trading on the NEX board of the Toronto Stock Exchange Venture ("TSX-V") under the trading symbol "MCF.H".

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At June 30, 2022, the Company had cash of $104,526 (December 31, 2021 - $744) and working capital deficiency of $376,674 (December 31, 2021 – $250,319). The Company currently has no active business and is not generating any revenues. It has frequently incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $6,500,772 as at June 30, 2022 (December 31, 2021 – $6,281,997). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world's equity markets and the movement of people and goods has become restricted. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding. The current circumstances of COVID-19 are dynamic and management is closely evaluating the impact of COVID-19 on the Company's business operations. The impact of COVID-19 could have a material adverse effect on the Company's financial position, results of operations and cash flows in future periods.

In recognition of these circumstances, management is pursuing business opportunities. There is no assurance that these initiatives will be successful. In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These circumstances indicate material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of generally accepted accounting principles applicable to a going concern.

These financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements for the year ended December 31, 2021.

2. BASIS OF PRESENTATION (Continued)

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, being Pinedale USA Inc. (Delaware, USA).

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. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

(c) Recent accounting standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC.

The following amendments are effective for the period beginning January 1, 2023:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
  - In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.
- Definition of Accounting Estimates (Amendments to IAS 8)
  - In February 2021, the IASB issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors

The Company is currently assessing the impact of these accounting standards and amendments. The Company does not believe that these amendments will have a significant impact on its financial statements.

3. LOAN AND PROMISSORY NOTES

As at June 30, 2022, the Company had loan and promissory notes of $315,462 (December 31, 2021: $126,943) consisting of the following:

- On September 16, 2020, the Company executed a promissory note of US$75,000 to Flavocure Biotech, Inc. to secure short-term financing for working capital purposes related to a terminated Merger Agreement. During the year ended December 31, 2021, additional promissory note of US$25,042 was issued. The note was unsecured, interest free and was repayable on July 31, 2021. On May 25, 2022, the Company entered into a debt swap agreement (the "Debt Swap Agreement") wherein US$100,042 promissory note to Flavocure was settled. $nil was owing to Flavocure as at June 30, 2022. Pursuant to the Debt Swap Agreement, in exchange of the settlement, the Company was assigned a promissory note of US$99,500 ($128,216) to an arm's length party. This promissory note is interest free and payable on demand. The Debt Swap Agreement also resulted in a gain on settlement of debt of $2,988.

(Expressed in Canadian dollars)

3. LOAN AND PROMISSORY NOTES (Continued)

- On June 23, 2022, a note payable of $106,000, was issued to an arm's length party. The note accrues interest at 8% per annum and is payable on June 23, 2023. As at June 30, 2022, accrued interest on notes payable of $163 is included in accounts payable and accrued liabilities.

- During the six months ended June 30, 2022, the Company received a loan of $81,246 from an arm's length party. As at June 30, 2022, $81,246 was owing to this arm's length party. The loan is interest free and payable on demand.

4. EQUITY

(a) Authorized

Unlimited number of voting Class A common shares with no par value.
Unlimited number of voting Class B common shares with no par value.

(b) Issued and fully paid common shares

As at June 30, 2022 and 2021, there were 112,472,114 Class A shares outstanding and no Class B shares outstanding.

(c) Stock options

The Company has established a "rolling" Stock Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each stock option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Stock options granted to consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such stock options vesting in any 3 month period. All other stock options vest at the discretion of the Board of Directors.

In April 2022, the Company granted 3,000,000 incentive stock options to certain directors, officers and consultants of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of $0.05 per share until April 27, 2032. Using the Black-Scholes valuation model, the grant date fair value was $92,420, or $0.0308 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 2.75%, expected life of 10 years, annualized volatility of 75% and dividend rate of 0.00%.

A summary of changes in stock options is presented below:

	Options Outstanding	Weighted average exercise price
Balance, December 31, 2020 and 2021 and June 30, 2021	-	$ -
Granted	3,000,000	0.05
Balance, June 30, 2022	3,000,000	$ 0.05

The following is a summary of stock options outstanding and exercisable at June 30, 2022:

Outstanding and exercisable	Exercise price	Expiry date
3,000,000	$ 0.05	April 27, 2032

(Expressed in Canadian dollars)

4. EQUITY (Continued)

(d) Warrants

A summary of changes in warrants is presented below:

	Warrants outstanding	Weighted average exercise price
Balance, December 31, 2020	10,999,999	$ 0.31
Expired	(999,999)	0.26
Balance, June 30, 2021 and December 31, 2021	10,000,000	0.31
Expired	(5,000,000)	0.26
Balance, June 30, 2022	5,000,000	$ 0.36

The following is a summary of warrants outstanding and exercisable at June 30, 2022:

Outstanding and exercisable	Exercise price	Expiry date
5,000,000	$ 0.36	October 26, 2022

5. RELATED PARTY TRANSACTIONS

Transactions with related parties and key management personnel were in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

During the six months ended June 30, 2022, $nil directors' fees were paid (2021: $16,709).

During the six months ended June 30, 2022, share-based compensation of $30,808 was related to key management personnel (2021: $nil).

As at June 30, 2022, accounts payable and accrued liabilities included $nil (December 31, 2021 - $54,603) payable to related parties. During the six months ended June 30, 2022, $4,000 of accrued liabilities owing to a previous director was written off and $50,603 of accounts payable owing to previous directors was assigned to an arm's length third party.

6. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets. Refer to Note 1 for additional details of the Company's ability to continue as a going concern. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. During the six months ended June 30, 2022, there has been no change in the Company's management of capital policies.

7. FINANCIAL INSTRUMENTS

Financial Risk Management

Cash, accounts payable and accrued liabilities, loan and promissory notes are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash and amounts receivable.

Liquidity Risk

At June 30, 2022, the Company had cash of $104,526 to settle current liabilities of $487,853, and had working capital deficiency of $376,674. Management has concluded that the Company does not have adequate financial resources to settle obligations as at June 30, 2022, and will require additional funding to continue operations for the next twelve months (Note 1).

Market Risk

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

I. Interest Rate Risk

The Company has no exposure to interest rate risk since disposing of its subsidiaries. All interest bearing debt was assumed by the subsidiaries.

II. Foreign Exchange Risk

Foreign exchange risk arises from the changes in foreign exchange rates that may affect the fair value or future cash flows of the Company's financial assets or liabilities. The Company's exposure to foreign exchange risk since the disposition of its investments in its subsidiaries is minimal.

III. Equity Price Risk

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.