EF EnergyFunders Ventures, Inc.
Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022
(Unaudited, Expressed in US Dollars)

Auditor's Involvement

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

The Auditor of Paleo Resources, Inc. has not performed a review of the interim consolidated financial statements for the three months ended March 31, 2023 and 2022.

EF EnergyFunders Ventures, Inc.
Condensed Interim Consolidated Balance Sheets
(Unaudited, expressed in US Dollars)
As at

	March 31, 2023 $	December 31, 2022 $
ASSETS		
Current assets		
Cash and cash equivalents	**60,210**	108,740
Accounts receivable		
Related parties	**58,478**	40,725
Third parties	**151,268**	88,105
Prepaid expenses and deposits	**30,123**	28,822
	300,079	266,392
Deposit (Note 3)	**241,604**	238,583
Goodwill	**439,458**	439,458
Oil and gas properties, successful efforts method (Note 4)		
Proved properties, net	**1,588,442**	1,581,530
Unproved properties	**39,438**	39,438
TOTAL ASSETS	**2,609,021**	2,565,401
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related parties	**3,627,217**	2,770,460
Third parties	**806,546**	847,853
Deferred management fee – related parties	**5,567**	5,567
Loans payable (Note 6)		
Related parties	**1,985,184**	1,985,184
Third parties	**300,000**	300,000
Convertible debentures (Note 7)	**263,626**	263,264
Other current liabilities	**46,993**	46,993
	7,035,133	6,219,321
Loans payable, third parties (Note 6)	**250,600**	250,600
Asset retirement obligations (Note 8)	**831,799**	789,555
TOTAL LIABILITIES	**8,117,532**	7,259,476
SHAREHOLDERS' EQUITY (DEFICIT)		
Class A common shares, no par, unlimited shares authorized and 543,284,697 and 544,249,722 issued and outstanding at March 31, 2023 and December 31, 2022, respectively (Note 9)	**35,732,686**	35,702,686
Additional paid in capital	**3,569,860**	3,569,860
Accumulated other comprehensive loss	**(690,880)**	(250,911)
Accumulated deficit	**(44,123,626)**	(43,719,261)
Total EF EnergyFunders Ventures, Inc.'s shareholders' equity (deficit)	**(5,511,960)**	(4,697,626)
Non-controlling interest	**3,449**	3,551
Total equity (deficit)	**(5,508,511)**	(4,694,075)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,609,021**	2,565,401

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

Approved on behalf of the Board

(signed) "Laura Pommer."	*(signed) "Roger S Braugh, Jr."*
CEO	Executive Chairman and Director

EF EnergyFunders Ventures, Inc.
Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)
(Unaudited, expressed in US Dollars)
For the three months ended March 31, 2023 and 2022

	2023	2022
	$	$
Revenue		
Oil and gas sales, related parties, net of royalties	**38,761**	56,595
Oil and gas sales, third parties, net of royalties	**87,068**	53,113
Reimbursement revenue, related parties	**-**	-
Management fees - related parties	**89,638**	126,048
	215,467	235,756
Operating costs and expenses		
Lease operating expenses	**125,218**	97,594
Production taxes	**2,937**	3,478
General and administrative	**412,144**	272,625
Depletion, depreciation, amortization and accretion (Notes 4 and 8)	**44,064**	65,524
Total operating costs and expenses	**584,363**	439,221
Loss from operations	**(368,896)**	(203,465)
Other income and (expense)		
Interest expense	**(35,472)**	(25,819)
Other income	**-**	25,000
Foreign exchange gain	**3**	2,800
Other income and (expense), net	**(35,469)**	1,981
Net (loss)	**(404,365)**	(201,484)
Net income (loss) attributable to non-controlling interest	**-**	-
Net (loss) attributable to EF EnergyFunders Ventures, Inc.'s shareholders	**(404,365)**	(201,484)
Comprehensive loss		
Foreign currency translation	**(439,969)**	(3,669)
Comprehensive income (loss) for the year	**(844,334)**	(205,153)
Basic and diluted net income (loss) per share (Note 11)	**($0.00)**	($0.00)
Weighted average number of common shares outstanding - basic	**548,263,122**	543,284,697
Weighted average number of common shares outstanding - diluted	**548,263,122**	543,284,697

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

EF EnergyFunders Ventures, Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, expressed in US Dollars)
For the three months ended March 31, 2023 and 2022

	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the year	**(404,365)**	(201,484)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation, amortization, and accretion	**44,064**	65,524
Debt discount amortization	**-**	-
Unrealized foreign exchange gain Stock based compensation	**30,000**	(2,935)
Changes in operating assets and liabilities		
Account receivable	**(63,065)**	114,661
Deferred income, related parties	**-**	(3,100)
Prepaid expenses and deposits	**(3,593)**	328
Accounts payable and accrued liabilities	**812,696**	70,960
Net cash provided (used) in operating activities	**415,737**	43,954
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits	**-**	(1,239)
Additions to proved oil and gas properties	**(39,847)**	(22,549)
Net cash used in investing activities	**(39,847)**	(23,788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from third party loans payable	**-**	-
Net cash provided by financing activities	**-**	-
Effect of changes in foreign exchange rates on cash held in foreign currencies	**(424,420)**	(26,169)
Net increase (decrease) in cash and cash equivalents for the year	**(48,530)**	(6,003)
Cash and cash equivalents, beginning of the year	**108,740**	128,841
Cash and cash equivalents, end of the period	**60,210**	122,838

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

	2023 **$**	2022 $
Supplemental cash flow disclosures		
Non-cash investing and financing activities		
Shares issued for incentive compensation	**30,000**	15,000
Additions to proved properties in accounts payable	**27,872**	30,652

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Unaudited, expressed in US Dollars)

	Number of Shares #	Common Stock $	Additional Paid In Capital $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	EF EnergyFunders Ventures, Inc.'s Shareholders' Equity $	Noncontrolling Interest $	Total Shareholders' Equity (Deficit) $
Balance, December 31, 2021	**543,284,697**	**35,687,686**	**3,569,860**	**(852,712)**	**(41,925,628)**	**(3,520,794)**	**10,725**	**(3,510,069)**
Share Issuance-Compensation	965,025	15,000	-	-	-	15,000		15,000
Noncontrolling interest distribution	-	-	-	-	-	-	(3,748)	(3,748)
Foreign currency translation loss	-	-	-	601,801	-	601,801		601,801
Net loss for the year	-	-	-	-	(1,793,633)	(1,793,633)	(3,426)	(1,797,059)
Balance, December 31, 2022	**544,249,722**	**35,702,686**	**3,569,860**	**(250,911)**	**(43,719,261)**	**(4,697,626)**	**3,551**	**(4,694,075)**
Share Issuance-Compensation	4,013,400	30,000	-	-	-	30,000		30,000
Noncontrolling interest distribution	-	-	-	-	-	-	(102)	(102)
Foreign currency translation loss	-	-	-	(439,969)	-	(439,969)		(439,969)
Net loss for the year	-	-	-		(404,365)	(404,365)	-	(404,365)
Balance, March 31, 2022	**548,263,122**	**35,732,686**	**3,569,860**	**(690,880)**	**(44,123,626)**	**(5,511,960)**	**3,449**	**(5,508,511)**

1. Description of business and going concern

Description of business

Tanager Energy Inc. ("Tanager") was incorporated in 1945 and in fiscal 2013, the name of the Company was changed to "Tanager Energy Inc." In addition, on June 20, 2016 Tanager incorporated Tanager Energy (USA) Inc., a wholly owned subsidiary. On August 6, 2018, Tanager incorporated Tanager Chalk, Inc., as wholly owned subsidiary of Tanager Energy (USA) Inc.

On March 6, 2019, Tanager continued from the Province of Alberta to the Province of British Columbia pursuant to a resolution passed by shareholders of Tanager at the annual general and special meeting held on December 19, 2018. On April 11, 2019, the Company amended its articles of incorporation to change its name from Tanager Energy Inc. Paleo Resources Inc. In addition, the Company's subsidiary, Tanager Energy (USA) Inc. changed its name to Paleo Resources (USA), Inc. Effective March 7, 2022, the Company changed its name from Paleo Resources, Inc. to EF EnergyFunders Ventures, Inc. (EnergyFunders or the "Company"). Effective September 15, 2022 Paleo Resources USA Inc. has changed its name to EnergyFunders (USA) Inc.

EnergyFunders is an exploration company, engaged in the acquisition, exploration and development of oil and gas properties in Alberta, Canada and Texas, USA. In 2020, Paleo discontinued the precious and base metal operation in Ontario, Canada. As the discontinuation of the mining operation did not represent a strategic shift and did not have a major effect on the Company's operations and financial results, the Company determined that discontinued operations reporting was not applicable.

On June 16, 2020, the Company completed the merger transaction contemplated by the Agreement and Plan of Merger ("Merger Agreement") dated December 20, 2019, by and among Paleo Resources, Paleo EFR Acquisition, a wholly-owned subsidiary of Paleo, ("Merger Sub"), and EF Resources, Inc. ("EFR"). Pursuant to the terms of the Merger Agreement, at the effective time, the Merger Sub merged with and into EFR, with EFR continuing as the surviving corporation and becoming a wholly-owned subsidiary of Paleo. EFR is the owner of the EnergyFunders financial technology platform. EFR and related subsidiaries is an energy-focused crowdfunding company operating in the oil and gas industry. The results of operations of EFR are included with those of Paleo from June 16, 2020 to December 31, 2020 (Note 2).

The Company's common shares are listed on the TSX Venture Exchange under the symbol EFV and on the OTCQB Venture Market in the U.S. as EFVIF. The primary office is located at 716 S Frio St, Suite 201, San Antonio, TX 78207.

Going concern

The Company's consolidated financial statements have been prepared in accordance with generally accepted accounting principles of the United States of America ("US GAAP") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year after the date that the December 31, 2022 financial statements are available to be issued. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As of December 31, 2022, the Company had a working capital deficiency of $5,952,929 and an accumulated deficit of $44,016,476. These conditions raise substantial doubt on the Company's ability to continue as a going concern. The Company will need additional funding in order to continue operations. The Company is dependent upon its ability to finance its operations and oil and gas drilling programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration and evaluation assets and plant property and equipment, and, ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the exploration and development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interests in one or more assets on an advantageous basis, all of which are uncertain. While the Company has been successful in obtaining funding in the past, through the issuance of equity and debentures and non-arm's length loans, there is no assurance that such funding will be available in the future. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis of presentation

These consolidated financial statements have been prepared in accordance with US GAAP in effect as at the balance sheet date and are presented in a reporting currency of US dollars ("USD"). The functional currency of the parent entity is Canadian Dollars ("CDN") and the functional currency of the US subsidiary is USD.

2. Significant accounting policies

Principles of consolidation

These consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiary, EnergyFunders (USA) Inc. The Company incorporated two wholly owned entities, Tanager Energy GP, LLC and Tanager Energy, LP on December 31, 2017 and Tanager Chalk, Inc. on August 6, 2018 and these entities are inactive to date.

As of June 16, 2020, the Company's wholly owned subsidiaries include EFR and all affiliated entities in which EFR has a controlling financial interest. To determine if EFR holds a controlling financial interest in an entity, EFR first evaluates if it is required to apply the variable interest entity (VIE) model to the entity; otherwise, the entity is evaluated under the voting interest model.

If EFR holds current or potential rights that give it the power to direct the activities of a VIE that most significantly impact the VIEs economic performance, combined with a variable interest that gives EFR the right to receive potentially significant benefits or the obligation to absorb potentially significant losses, EFR has a controlling financial interest in that VIE. Rights held by others to remove the party with power over the VIE are not considered unless one party can exercise those rights unilaterally. When changes occur to the design of an entity, EFR reconsiders whether it is subject to the VIE model. EFR continuously evaluates whether it has a controlling financial interest in a VIE.

EFR holds a controlling financial interest in other entities where EFR currently holds, directly or indirectly, more than 50% of the voting rights or where the Company exercises control through substantive participating rights or as a general partner. If EFR is a general partner, it considers substantive removal rights held by other partners in determining if EFR holds a controlling financial interest. EFR reevaluates whether it has a controlling financial interest in these entities when its voting or substantive participating rights change.

Unconsolidated VIEs and other entities in which EFR has significant influence, but not a controlling financial interest, are accounted for as equity method investments. EFR typically holds a voting interest of 20% to 50% for significant influence.

Entities that EFR does not have significant influence, typically less than 20% voting interest, are recorded at cost less impairment.

As of June 16, 2021, Company's consolidated subsidiaries includes EFR; EnergyFunders, LLC; EF Advisor, LLC; EF Funding Portal, LLC; EF GP, LLC; EF MGMT HLD, LLC; EF VC2, LLC and EF VC6, LLC. In March 2021, EFR formed two wholly owned entities, EF Manager LLC and EF Equity Holdings LLC.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates pertain to the use of the going concern assumption, valuation of goodwill, valuation of intangible assets related to customer relationships, proved natural gas reserves and related cash flow estimates used in impairment tests of oil and natural gas properties, asset retirement obligations, and accrued natural gas revenues and operating expenses. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include highly liquid instruments with an original maturity of three months or less are stated at cost, which approximates fair value.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are primarily consisting of sales tax receivable from government authorities in Canada and trade and accrued accounts receivable from industry partners. There are no past due receivables from industry partners that are considered impaired. We review all outstanding accounts receivable balances and record a reserve for amounts that we expect will not be fully recovered. Actual balances are not applied against the reserves until substantially all collection efforts have been exhausted. Our allowance for doubtful accounts was $nil as of March 31, 2023 (2022 - $nil).

2. Significant accounting policies *(continued)*

Goodwill

The Company's goodwill relates to the June 16, 2020 acquisition of EFR. Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired in the acquisition of a business. Goodwill is not amortized; rather, it is tested for impairment annually and when events or changes in circumstances indicate that the fair value of a reporting unit with goodwill has been reduced below carrying value. The impairment test requires allocating goodwill and other assets and liabilities to reporting units. To assess impairment, the Company has the option to qualitatively assess if it is more likely than not that the fair value of the reporting unit is less than the book value. Absent a qualitative assessment, or, through the qualitative assessment, if the Company determines it is more likely than not that the fair value of the reporting unit is less than the book value, a quantitative assessment is prepared to calculate the fair market value of the reporting unit. If it is determined that the fair value of the reporting unit is less than the book value, the recorded goodwill is impaired to its implied fair value with a charge to operating expenses. There was no goodwill impairment for 2021 or 2022.

Oil and natural gas properties

The Company accounts for its crude oil and natural gas exploration and production activities under the successful efforts method of accounting.

Oil and natural gas lease acquisition costs are capitalized when incurred. Unproved properties with acquisition costs that are not individually significant are aggregated. If the unproved properties are determined to be productive, the appropriate related costs are transferred to proved oil and natural gas properties. Lease delay rentals are expensed as incurred.

Oil and natural gas exploration costs, other than the costs of drilling exploratory wells, are expensed as incurred. The costs of drilling exploratory wells are capitalized pending determination of whether the Company has discovered proved commercial reserves. If proved commercial reserves are not discovered, such drilling costs are expensed. In some circumstances, it may be uncertain whether proved commercial reserves have been discovered when drilling has been completed. Such exploratory well drilling costs may continue to be capitalized if the reserve quantity is sufficient to justify viability of the project is being made. Costs to develop proved reserves, including the costs of all development wells and related equipment used in the production of crude oil and natural gas, are capitalized.

Depletion of the cost of proved oil and natural gas properties is calculated using the unit-of-production method. The reserve base used to calculate depletion for leasehold acquisition costs and the cost to acquire proved properties is proved reserves. With respect to lease and well equipment costs, which include development costs and successful exploration drilling costs, the reserve base includes only proved developed reserves.

The Company periodically reviews oil and natural gas properties for impairment when facts and circumstances indicate that their carrying value may not be recoverable.

Proved Properties

In order to determine whether the carrying value of an asset is recoverable, the Company compares net capitalized costs of proved oil and natural gas properties to estimated undiscounted future net cash flows using management's expectations of future oil and natural gas prices. These future price scenarios reflect the Company's estimation of future price volatility. If the net capitalized cost exceeds the undiscounted future net cash flows, the Company writes the net cost basis down to the discounted future net cash flows, which is management's estimate of fair value. Significant inputs used to determine the fair value include estimates of: (i) reserves; (ii) future operating and development costs; (iii) future commodity prices; and (iv) a market-based weighted average cost of capital rate. The underlying commodity prices embedded in the Company's estimated cash flows are the product of a process that begins with NYMEX forward curve pricing, adjusted for estimated location and quality differentials, as well as other factors that the Company's management believes will impact realizable prices.

2. Significant accounting policies *(continued)*

The Company conducted an impairment test of the carrying value of its proved oil and gas properties and recognized impairment expenses for years ended December 31, 2022 and 2021 of $nil for both years.

Unproved Properties

In order to determine whether the carrying value of its unproved properties are recoverable, the Company evaluates whether sufficient progress has been made on assessing the reserves and the economic and operating viability of each project. Such progress is assessed based upon various facts and circumstances and indicators including: (i) review of lease term expiries and expectations whether the leases are expected to be renewed or drilled upon in the future; (ii) occurrence of dry holes being drilled on the project; (iii) commitment of company project personnel at appropriate levels and skills for the project; (iv) costs that are being incurred to assess the reserves and their potential development; (v) assessment of the economic, legal, political, and environmental aspects of the development in progress; (vi) existence (or active negotiations) of sales contracts with customers for the oil and gas, as well as agreements with joint venture partners; (vii) existence of firm plans, established timetables, or contractual commitments for the development; (viii) progress being made on contractual arrangements that will permit future development; (ix) identification of existing transportation and other infrastructure that is or will be available for the project; and (x) identification of sources of capital to fund the project.

The Company has reviewed for indicators of impairment of its unproved properties as of December 31, 2022 and December 31, 2021. As of December 31, 2022, the Company recognized an impairment of $nil (2021 - $nil) based upon the carrying value of those individual area leases.

Fair value of financial instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The Company utilizes a three-level valuation hierarchy for disclosures of fair value measurements, defined as follows:

Level 1—Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2—Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3—Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. The Corporation makes its own assumptions about how market participants would price the assets and liabilities.

The carrying value of short-term instruments, including cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities. and short-term loans and convertible debentures approximate fair value due to the relatively short period to maturity for these instruments. The carrying value of long-term debt approximates fair value since the related rates of interest approximate current market rates. There are no financial assets and liabilities carried at fair value on a recurring basis as of December 31, 2022 and 2021.

Revenue recognition

The Company recognizes revenue under Accounting Standards Codification 606, *Revenue from Contracts with Customers (“Topic 606”)*. Topic 606 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Revenue recognition is evaluated through the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

Revenue from the sale of crude oil, natural gas, and natural gas liquids (“NGLs”) is measured based on the consideration specified in contracts with customers, excludes amounts collected on behalf of third parties and is presented net of royalties paid and accrued. The Company recognizes revenue when it transfers control of the product to the buyer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the delivery mechanism agreed with the customer, often pipelines or other transportation methods.

2. Significant accounting policies *(continued*

The Company evaluates its arrangements with third parties and partners to determine if the Company acts as the principal or as an agent. In making this evaluation, management considers if the Company obtains control of the product delivered, which is indicated by the Company having the primary responsibility for the delivery of the product, having the ability to establish prices or having inventory risk. If the Company acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net basis, only reflecting the fee, if any, realized by the Company from the transaction.

Gathering fees charged to other entities for use of facilities owned by the Company are evaluated by management to determine if these originate from contracts with customers or from incidental or collaborative arrangements. Gathering fees charged to other entities that are from contracts with customers are recognized in revenue when the related services are provided.

Revenue from managing investee companies is measured based on the consideration specified in the partnership operating agreements. The Company recognizes management fee revenue as services are provided to investee companies and collectability is reasonably assured.

In the course of managing investee companies, the Company incurred expenses pertaining to investee companies and the related oil and gas projects. Revenue from reimbursement fee is measured based on the time and expenses spent on behalf of the customers. The Company recognizes revenue when it incurs the expenses or when the investment fund is delivered to its customers and collectability is reasonably assured.

Joint operations

The Company conducts its exploration and development activities independently, as well as jointly with others through joint operations. All of the Company's current interests in joint arrangements are classified as joint operations. To account for these arrangements, the Company recognizes its proportionate share of the related revenues, expenses, assets and liabilities of such joint operations.

Asset retirement obligations

The Company records a liability for asset retirement obligations ("ARO") at fair value in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method of the asset's useful life. Recognized asset retirement obligation relates to the plugging and abandonment of oil and natural gas wells. Management periodically reviews the estimates of the timing of well abandonments as well as the estimated plugging and abandonment costs, which are discounted at the credit adjusted risk free rate. Subsequent adjustments in the cost estimate are reflected in the ARO liability and the amounts continue to be amortized over the useful life of the related long-lived assets. An ongoing accretion expense is recognized for changes in the value of the liability as a result of the passage of time, which is recorded in depreciation, depletion, amortization, and accretion expense in the consolidated statements of operations and comprehensive income (loss).

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Exposure is controlled to credit risk associated with these instruments by (i) placing assets and other financial interests with credit-worthy financial institutions, (ii) maintaining policies over credit extension that include the evaluation of customers' financial condition and monitoring paying history, although the Company does not have collateral requirements and (iii) netting derivative assets and liabilities for counterparties with a legal right of offset. At December 31, 2022 and 2021, the cash and cash equivalents were primarily concentrated in three financial institutions, one in Canada and three in the US. The Company periodically assesses the financial condition of these institutions and believe that any possible credit risk is minimal.

2. Significant accounting policies *(continued)*

Share-based compensation transactions

The fair value of equity-settled share options granted is recognized as an expense over the vesting period with a corresponding increase in equity.

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Management is required to estimate forfeitures and revise its estimates of the number of equity-settled share options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period. Management defines forfeitures as share-based payments for which the counterparty does not fulfill the vesting conditions.

Earnings (loss) per share

Basic earnings or loss per share is calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding for the period. Diluted earnings or loss per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as stock options, warrants, convertible debentures and other dilutive instruments granted to employees. In the calculation of diluted per share amounts, outstanding dilutive instruments are assumed to have been converted or exercised on the later of the beginning of the year and the date granted. The number of additional shares related to convertible debentures is calculated assuming the debentures are converted into common shares by dividing the face value of convertible debentures by the conversion price. Earnings is adjusted for interest or accretion, net of tax, related to the convertible debentures. In loss per share situations, the diluted per share amount is the same as the effect would be anti-dilutive.

Foreign currency translation

The financial statements are presented in a reporting currency of US dollars ("USD"). The functional currency of the parent entity is Canadian Dollars ("CDN") and the functional currency of the US subsidiaries is USD. Any gains or losses on transactions or monetary assets or liabilities in currencies other than the reporting currency are included in net income in the current period. Gains and losses on translation of balances denominated in Canadian dollars are included in accumulated other comprehensive income.

Recently issued accounting standards

The Company, an emerging growth company ("EGC"), has elected to take advantage of the benefits of the extended transition period provided for in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards which allows the Corporation to defer adoption of certain accounting standards until those standards would otherwise apply to private companies.

In March 2020, the FASB issued ASU No. 2021-04 - Reference Rate Reform (Topic 848), codified as ASC 848 ("ASC 848"). This was followed by ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope ("ASU 2021-01"), issued in January 2021. The purpose of ASC 848 is to provide optional guidance to ease the potential effects on financial reporting of the market-wide migration away from Interbank Offered Rates ("IBORs") to alternative reference rates. ASC 848 applies only to contracts, hedging relationships, and other transactions that reference a reference rate expected to be discontinued because of reference rate reform. The guidance may be applied upon issuance of ASC 848 through December 31, 2022. We do not expect a material impact from the adoption of this ASU.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740). The ASU simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and modifies other areas of the topic to clarify the application of GAAP. Certain amendments within the standard are required to be applied on a retrospective basis and others on a prospective basis. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Effective January 1, 2021, the Company adopted this ASU with no material impact on the Company's consolidated financial position or results of operations.

In February 2016, the FASB issued ASU 2016 02, "Leases (Topic 842)" (ASU 2016-02), which significantly changes accounting for leases by requiring that lessees recognize a right of use asset and a related lease liability representing the obligation to make lease payments, for all lease transactions with terms greater than one year. Additional disclosures about an entity's

(Unaudited, expressed in US Dollars unless otherwise stated)

2. Significant accounting policies *(continued)*

lease transactions will also be required. ASU 2016-02 defines a lease as “a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.” ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and interim periods therein for public entities and public not for profit entities and is effective for fiscal years beginning after December 15, 2020 and interim periods within fascial years beginning after December 15, 2021 for all other entities. ASU 2021-05 further amended the effective date to fiscal years beginning after December 15, 2020 and interim periods therein and beginning for public not for profit entities and effective date to fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2022 for all other entities. The Company does not anticipate this to impact our consolidated financial statements at this time and adoption is expected in fiscal year beginning after December 15, 2021.

3. Deposit

The deposit $241,604 (2022 - $238,583) relates to payments to the Alberta Energy Regulator (“AER”) held in trust as security deposits in connection with AER estimated net future abandonment liabilities for operated Alberta well licenses. The deposit bears interest at bank prime minus 1.95%.

4. Oil and gas properties, successful efforts method

	March 31, 2023	December 31, 2022
Oil and gas properties	**$**	$
Proved properties	**7,631,815**	7,591,969
Accumulated depletion, depreciation, and impairment	**(6,043,373)**	(6,010,439)
Proved properties, net	**1,588,442**	1,581,530
Unproved properties	**39,438**	39,438
Total oil and gas properties, net	**1,627,880**	1,620,968

(Unaudited, expressed in US Dollars unless otherwise stated)

4. Oil and gas properties, successful efforts method (*continued)*

The movement in the Company's proved oil and gas properties is as follows:

Proved properties	March 31, 2023 $	December 31, 2022 $
Cost		
Balance, beginning of year	**7,591,968**	7,225,523
Additions	**39,847**	435,007
Disposal	**-**	(1,060)
Asset retirement obligation adjustments	**-**	9,550
Gain on foreign exchange translation	**-**	(77,051)
Balance, end of year	**7,631,815**	7,591,969
Accumulated depletion, depreciation, and impairment		
Balance, beginning of year	**6,010,439**	5,52,055
Depletion and depreciation	**32,935**	92,921
Disposal	**-**	(550)
Impairment	**-**	-
Gain on foreign exchange translation	**-**	(33,987)
Balance, end of year	**6,043,373**	6,010,439
Net book value	**1,588,442**	1,581,530

The movement in the Company's unproved oil and gas properties is as follows:

Unproved properties	March 31, 2023 $	December 31, 2022 $
Balance, beginning of period	**39,438**	-
Additions	**-**	39,438
Properties adjustment	**-**	-
Disposition	**-**	-
Impairment	**-**	-
Balance, end of period	**39,438**	39,438

5. Equity Investment

On March 9, 2021, the Company entered into a Common Stock Purchase and License Agreement with Field Genie, Inc. Field Genie, Inc. ("FGI") is a technology service provider that uses advanced artificial intelligence techniques to deliver solutions using spatial/geo intelligence and computer vision, including real-time detection and recognition of objects and patterns. In connection with the above agreement, the Company agreed to purchase a maximum of 50,000 shares of common stock of FGI at $10 per share or an aggregate purchase price of $500,000 in exchange for a license to certain intellectual property of FGI. The purchase price is payable over a period of 12 months. The Company will earn and be vested in a proportionate share of the FGI stock with each installment payment. As of March 1, 2022, the agreement was terminated and a consulting agreement was created. Up to March 1, 2022, $465,282 of investment in Field Genie had been booked. The Company impaired the Field Genie investment in 2022.

(Unaudited, expressed in US Dollars unless otherwise stated)

6. Loans payable

	March 31, 2023	December 31, 2022
	$	$
Promissory note from US JV Partner	**1,462,591**	1,462,591
Loan from US JV Partner	**522,593**	522,593
Loan from subsidiary of US JV Partner	**-**	-
Total loans payable from related parties	**1,985,184**	1,985,184
Loan from third-party lender	**300,000**	300,000
Paycheck Protection Program loan	**-**	-
Economic Injury Disaster Loan	**250,600**	250,600
	2,535,784	2,535,784

In September 2018, the Company converted outstanding accounts payable owing to the US JV into a promissory note. On May 29, 2020, the Company entered into a Modification of Note and Liens agreement with the lender which extended the maturity date of the outstanding balance of the loan of $1,462,591 to June 30, 2021, and all monthly payments of principal and interest are deferred until the maturity.

In September 2018, the Company also entered into a loan agreement with a wholly owned subsidiary of the US JV Partner for a total available amount of $1,250,000. Effective September 30, 2019, the total available amount of the loan was amended to $2,100,000. On May 29, 2020, the Company entered into a Modification of Note and Liens agreement with the lender which extended the maturity date of the outstanding balance of the loan of $1,531,000 to September 30, 2021, and all monthly payments of principal and interest are deferred until the maturity date. On March 1, 2021, the entire amount of the existing loan from the subsidiary of US JV Partner has been assigned to Roger S. Braugh, Jr., a director and officer of EF Energyfunders Ventures, and Chris Pettit & Associates PC, a company controlled by Christopher J. Pettit, a director of EF EnergyFunders Ventures, as trustee of a Trust, in the aggregate amount, including principal and interest, of $2,283,662. On March 10, 2021, the Company settled outstanding indebtedness, excluding interest, the aggregate amount of $2,096,619 now owing to director and trustee following the noted assignment, through the issuance of an aggregate of 132,474,848 common shares of the Company at an agreed upon price of CDN$0.02 per share. The Company's common stock average price on March 10, 2021 was CDN$0.018 per share. The fair value of the Company's common stock was $1,866,500USD (at assumed exchange rate of CDN $0.7913 to USD $1.00) and additional paid in capital of $209,662. The common shares issued in connection with the Debt Settlement are subject to a hold period that expired on July 31, 2021.

The loan from a third-party lender is unsecured and bears interest at 6% per annum. On November 15, 2019, the Company entered into a loan amendment with the third-party lender which extends the maturity date to December 16, 2020 and requires the payment of principal and accrued interest of $339,746 on that date. On July 17, 2021, Jim Durham (the "Plaintiff"), the third party lender, filed a claim against the Company and a related party who is the loan guarantor for Breach of Contract/Guaranty. Accrued interest on this loan is $94,595 at December 31, 2022.

On April 21, 2020, the Company's subsidiary, EnergyFunders, LLC, entered into an unsecured loan with the U.S. Small Business Administration ("SBA") in the amount of $74,103 under the Paycheck Protection Program (the "PPP Loan") with an interest rate of 1.0% and maturity date two years from the effective date of the PPP Loan. The Paycheck Protection Program was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the SBA. Payments are required to be made in eighteen monthly installments of principal and interest, with the first payment being due on the date that is seven months after the date of the PPP loan. Under the CARES Act, the PPP Loan is eligible for forgiveness for the portion of the PPP Loan proceeds used for payroll costs and other designated operating expenses for up to eight weeks, provided at least 75% of PPP Loan proceeds are used for payroll costs and the Company meets all necessary criteria for forgiveness. Receipt of these funds requires the Company to, in good faith, certify that the PPP Loan was necessary to support ongoing operations of the Company during the economic uncertainty created by the COVID-19 pandemic. This certification further requires the Company to take into account current business activity and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. Additionally, the SBA provides no assurance that the Company will obtain forgiveness of the PPP Loan in whole or in part. In August 2021, the first PPP loan in the amount of $74,103 and interest accrued was forgiven by the SBA. In April 2021, the Company's subsidiary entered into a second unsecured PPP loan in the amount of $74,100 with an interest rate of 1% and a term of five years. The 2nd PPA loan principle and interest was forgiven on May 10, 2022.

On December 8, 2020, the Company's subsidiary, EnergyFunders (USA), Inc, entered into a secured loan with the U.S. Small

(Unaudited, expressed in US Dollars unless otherwise stated)

6. Loans Payable (*continued)*

Business Administration ("SBA") in the amount of $100,600 under the Economic Injury Disaster Loan (the "EIDL Loan") with an interest rate of 3.75% and maturity date thirty years from the effective date of the EIDL Loan. The Economic Injury Disaster Loan was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act") and is administered by the SBA. Principal and interest payments of $491 is due every month beginning thirty months from the date of the EIDL loan.

On February 11, 2021, another Company’s subsidiary entered into a secured loan with the U.S. Small Business Administration ("SBA") in the amount of $150,000 under the Economic Injury Disaster Loan (the "EIDL Loan") with an interest rate of 3.75% and maturity date thirty years from the effective date of the EIDL Loan. Principal and interest payments of $731 is due every month beginning thirty months from the date of the EIDL loan.

7. Convertible debentures

	March 31, 2023	December 31, 2022
	$	$
Convertible debentures issued to third parties	**263,626**	263,264

2020 CD: On June 5, 2019, the Company issued subordinated secured convertible debentures (the “June 2019 debentures”) in the aggregate amount of CDN$2,036,245.

The debentures bear interest at a rate of seven and a half percent (7.5%) per annum, payable monthly in arrears on the 15th day of the following month and will mature on the date that is three years from the closing date. The debentures are secured by a subordinated (second-charge) security interest against the Company’s working interest in the Joffre, Alberta property and convertible at any time at the holder’s option into common shares of the Company at a conversion price of CDN$0.12 (US$0.0888 at an assumed exchange rate of CDN$0.74 to US$1.00) per common share. The holders of the debentures shall have the right, upon at least 30 days written notice prior to the date that is two (2) years following the closing date, to require the Company to repurchase all amounts outstanding under the debentures on the date that is two (2) years following the closing date, at a repurchase price equal to 115% of the outstanding principal amount of the debenture, together with payment of the interest on the principal amount accrued and unpaid to the repurchase date.

In July 2019, the Company closed a second tranche of the debenture offering (the “2019 debentures”). The Company settled a portion of the debt owed to the subsidiary of the US JV partner. Pursuant to the debt settlement, the Company issued debentures in the aggregate principal amount of CDN$646,554 ($482,000 at an assumed exchange rate of CDN$0.7455 to US$1.00) to shareholders of the US JV partner, namely Roger S. Braugh, Jr., a director of the Company and Chris Pettit & Associates PC, a company controlled by J. Pettit, a director of the Company, as trustee of a Trust.

In April 2021, holders of the Company’s outstanding 2019 convertible debentures in the aggregate principal amount of CDN$2,682,799 (the “Debentures”) provided notice to require the Corporation to repurchase all amounts outstanding under the Debentures, in accordance with the terms of such Debentures. The Debentures provide the holders the right, upon at least 30 days written notice prior to the date that is two years following the original issuance date of such Debentures (the “Repurchase Date”), to require the Company to repurchase all amounts outstanding under the Debentures on such Repurchase Date, at a repurchase equal to 115% of the outstanding principal amount of the Debentures, together with payment of the interest on the principal amount accrued and unpaid to the Repurchase Date.

The total principal amount of the indebtedness due as a result of the repurchase notifications was CDN$3,085,219 (the “Repurchase Indebtedness”) of which CDN$2,341,682 was due on June 5, 2021 and CDN$743,537 was due on July 25, 2021. On November 4, 2021, the Company settled a total of CDN$2,675,169 of the Repurchase Indebtedness through the issuance of an aggregate 89,172,302 common shares of the Corporation at a deemed price of CDN$0.03 per share.

(Unaudited, expressed in US Dollars unless otherwise stated)

Debt by Maturity Year

Year	Durham	Debentures	Paleo Oil Promissory	SBA EIDL-2	Paleo Oil
2021	300,000	263,264	1,462,591		
2022					
2023					
2024					
2025				250,600	107,500

*excludes Paleo Oil Loan-$415,093

The following table summarizes the movement of Company's convertible debentures:

	March 31, 2023 **$**	December 31, 2022 $
Balance, beginning of period	**263,264**	281,247
Convertible debentures settled, issuance of stock	**-**	-
Amortization of issuance cost	**-**	-
Foreign exchange	**2**	(17,983)
Balance, end of period	**263,262**	263,264

8. Asset retirement obligations

The Company's asset retirement obligations ("ARO") represent the present value of the estimated cash flows expected to be incurred to plug, abandon and remediate producing properties, excluding salvage value, at the end of their productive lives in accordance with applicable laws. Change in estimated liabilities during the period relate primarily to changes in estimates of asset retirement costs. Change in estimated liabilities can also include, but are not limited to, change of estimated inflation rates, change in property lives and expected timing of settlement.

The following table presents the reconciliation of the carrying amount of the obligation associated with the reclamation and abandonment of the Company's oil and gas properties:

	March 31, 2023 **$**	December 31, 2022 $
Balance, beginning of period	846,098	872,464
Accretion	11,692	48,981
Additions	-	-
Change in estimate	-	9,550
Disposal	-	(53,936)
Foreign exchange	21,002	(30,961)
Balance, end of period	878,792	846,098

(Unaudited, expressed in US Dollars unless otherwise stated)

9. Common stock

(a) Authorized common stock

The authorized common stock consists of an unlimited number of Class A common shares. The common shares do not have a par value. All issued shares are fully paid.

Common shares are issued as incentive compensation per Employee agreements dated May 20, 2022 and July 13, 2022 for the CEO and the Vice President, respectively. Shares issued as of January 1, 2023 are:
4,013,400 shares issued on January 16, 2023 with a value (USD)$30,000. The issue was Effective January 1, 2023..

(b) Common shares issued and outstanding

The change in issued share capital is as follows:

	Number of common shares	Amount $
Balance December 31, 2021	**543,284,697**	**35,687,686**
Share Issuance - compensation	**965,025**	**15,000**
Balance, December 31, 2022	**544,249,722**	**35,702,686**
Share Issuance - compensation	**4,013,400**	**30,000**
Balance, March 31, 2023	**548,263,122**	**35,732,686**

10. Stock options

The Company has a Stock Option Plan (the "Plan") to provide incentive for the directors, officers, employees, consultants and service providers of the Company. The total number of options granted to any one individual in any 12 month period, will not **exceed 5% of the issued common shares of the Company.**

Under the Plan, options may be granted to directors, officers, key employees and consultants of the Company. The Plan is a "rolling" stock option plan reserving for issuance upon the exercise of options granted pursuant to the plan a maximum of 10% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan.

Under TSX Venture Exchange policies, a "rolling" stock option plan which sets the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares at the time of the grant must be approved and ratified by shareholders on an annual basis.

On April 6, 2017, the Company granted 2,000,000 stock options to directors and officers of the Company with an exercise price of CDN$0.15 and an expiry date of April 6, 2022. These stock options vest 50% on the grant date and 25% on each of the first and second anniversaries from the grant date. As of December 31, 2021, all of these stock options have vested and remain outstanding. As of December 31, 2021, the 2,000,000 outstanding options have a weighted average term of three months and an intrinsic value of zero.

11. Net (loss) per common share

Basic net income (loss) per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per common share is computed similar to basic net loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The treasury stock method and as if converted methods are used to determine the dilutive shares for the Company's options and warrants and convertible notes, respectively. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

The following table sets forth the computation of basic and diluted income per common share for the three months ended March 31, 2023 and 2022:

(Unaudited, expressed in US Dollars unless otherwise stated)

	2023	2022
Numerator:		
Net income (loss) attributable to EF EnergyFunders Ventures' shareholders	($404,365)	($1,793,635)
Add: interest expense on convertible debentures	-	-
Numerator for basic and diluted income	($404,365)	($1,793,635)
Denominator:		
Weighted average number of common shares outstanding - basic	548,263,122	543,520,004
Dilution effect of if-converted debentures	-	-
Denominator for weighted average number of common shares outstanding -diluted	548,263,122	543,520,004
Net income (loss) per common shares - diluted	($0.00)	($0.00)

The Company excluded the following shares from diluted income (loss) per share calculations because they are anti-dilutive

	2023	2022
Share options	2,000,000	2,000,000
Convertible debentures shares	2,971,375	2,971,375
Total shares	4,971,375	4,971,375

12. Related party transactions

Related parties include the Board of Directors, senior management and enterprises that are controlled by these individuals. Related party transactions are conducted in the normal course of operations under normal market conditions and terms. The following transactions were entered into with related parties during the three months ended March 31, 2023 and 2022:

Related Party	**Transactions**	**2023** **$**	2022 $
Director and Trust(1)	Convertible debentures - interest expense incurred	**-**	98,720
US JV Partner and sub(2)	Promissory note and loan interest expense incurred	**30,103**	69,710
US JV Partner	US operation revenues and expenses, net	**(37,472)**	87,851

(1) Total accrued interest payable to the director and the Trust as of March 31, 2023 was $263,626 (2022 – $232,384) and is included in accounts payable and other liabilities.

(2) The US JV Partner is owned by a director of the Company. Included in accounts payable as at March 31, 2023 is $676,856 (December 31, 2022 - $634,009) owing to the US JV Partner and its subsidiary.

(3) As of March 31, 2022 the Stock Purchase Agreement between 'Company' and Field Genie has been terminated. The agreement ended March 1, 2023. The equity investment is impaired at December 31, 2022.

On November 4, 2021, the Company settled a total of CDN$743,537 of the Repurchase Indebtedness through the issuance of an aggregate 24,784,570 common shares of the Corporation at a deemed price of CDN$0.03 per share to a director of the Company and a Trust controlled by another director in his capacity as trustee of the Trust. The Company's common stock average price on November 4, 2021 was CDN$0.02 per share. The fair value of the Company's common stock was USD$398,178 (at assumed exchange rate of CDN $0.80328 to USD $1.00) and additional paid in capital of USD$199,089

(Unaudited, expressed in US Dollars unless otherwise stated)

The Company receives management fees from the investment companies managed by a Company's subsidiary, which at times are paid in advance and are recorded on the balance sheet as deferred management fees, related parties. As of March 31, 2023 deferred management fees totaled $5,566.67 (Decembe2 31, 2022 - $5,566.67). For the three months ended March 31, 2023, management fee revenue was $nil and $7,102 for 2021. The Company charges an origination fee, an assets under management (AUM) fee and may also receive a carried interest in investee companies as part of management fee. Management revenue from origination and carried interest for the three months ended March 31, 2023 and 2021 were $89,638 and $359,784, respectively.

13. Revenue

The Company sells its production pursuant to variable price contracts entered into by the Company's operator or contract operator of its joint operations. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under the contracts, the Company is required to deliver a fixed or variable volume of crude oil, natural gas, and NGLs to the contract counterparty. Revenue is recognized when a unit of production is delivered to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price.

Currently, all of the Company's crude oil, natural gas and NGLs is sold on the Company's behalf at spot prices received by the operator or contract operator of the Company's joint operations. Gathering fees charged to third parties are earned under multi-year contracts at fixed fees by volume.

Revenue from petroleum and natural gas sales is presented net of associated royalties.

The following table provides a summary of the Company's oil and gas revenue attributable to the Company's shareholder disaggregated by revenue source for the three months ended March 31, 2023 and 2022:

	2023	2022
	$	$
Crude oil	**87,068**	338,160
Natural gas liquids	**-**	-
Natural gas	**38,761**	269,585
Total revenue	**125,829**	607,745

The Company recognizes management fee revenue as services are provided to investee companies only when a firm agreement or contract is in place, services have been rendered and collectability is reasonably assured. Management fees received related to future management activities are recorded as deferred revenue and recognized based on the agreed monthly fixed fee. The Company also receives an origination fee and a carried interest in investee companies as part of management fee.

The following table provides a summary of the Company's management fee revenue source for the three months ended March 31, 2023 and 2022:

	2023	2022
	$	$
Monthly fixed fee and AUM	**64,638**	284,566
Carried interest and origination fee	**25,000**	82,320
Total management fee revenue	**89,638**	366,886

(Unaudited, expressed in US Dollars unless otherwise stated)

14. Segment information

The Company's reportable segments are determined based on its geographic locations and types. The Canada segment includes the exploration for, and development and production of, crude oil and natural gas in Alberta, Canada and the acquisition, exploration and development of precious and base metal properties in Ontario, Canada. U.S. includes the exploration for, and the development and production of, crude oil and natural gas in USA. As of June 16, 2021, the Company added Fintech platform to its reportable segments. The Fintech platform includes the operations of the energy-focused investment listing and investment portfolio management activities. Corporate includes corporate activities and items not allocated between operating segments.

For the period ended March 31, 2023					
	Canada	U.S.	Fintech platform	Corporate	**Consolidated**
	$	$	$	$	**$**
Revenue, net	86,480	39,350	89,638	-	**215,468**
Operating costs and expenses					
Lease operating expenses	47,643	77,575	-	-	**125,218**
Production taxes	-	2,937	-	-	**2,937**
General and administrative	-	-	396,919	13,399	**410,318**
General and administrative - share based compensation	1,826	-	-	-	**1,826**
Depletion, depreciation, amortization, and accretion	12,913	31,151	-	-	**44,064**
Impairment and dry hole expenses	-	-	-	-	**-**
Total operating costs and expenses	62,382	111,663	396,919	13,399	**584,363**
Loss from operations	24,098	(72,313)	(307,281)	(13,399)	**(368,894)**
Other income and (expense)					
Interest expense	-	-	0	(35,472)	**(35,472)**
Foreign exchange gain	-	-	-	3	**3**
Gain on disposition of proved properties	-	-	-	-	**-**
Gain on forgivenss of debt	-	-	-	-	**-**
Other income	-	-	-	-	**-**
Other income and (expense), net	-	-	-	(35,469)	**(35,469)**
Net loss	24,098	(72,313)	(307,281)	(48,868)	**(404,363)**
Net loss attributable to non-controlling interest			0		-
Net loss attributable to Paleo Resources, Inc. sharel	24,098	(72,313)	(307,281)	(48,868)	(404,363)
Unproved oil and gas properties expenditures	-	39,438	-	-	**39,438**
Proved oil and gas properties expenditures	872,247	716,193	-	-	**1,588,440**
As at March 31, 2023					
Canadian assets	1,290,017	-	-	-	**1,290,017**
U.S. oil and gas operation assets	-	754,068	-	-	**754,068**
U.S. Fintech platform operation assets	-	-	564,937	-	**564,937**
	1,290,017	754,068	564,937	-	**2,609,022**

(Unaudited, expressed in US Dollars unless otherwise stated)

For the period ended March 31, 2022	Canada	U.S.	Fintech platform	Corporate	**Consolidated**
	$	$	$	$	**$**
Revenue, net	35,145	74,563	126,048	-	**235,756**
Operating costs and expenses					
Lease operating expenses	51,655	45,939	-	-	**97,594**
Production taxes	-	3,478	-	-	**3,478**
General and administrative	-	-	186,069	86,556	**272,624**
Depletion, depreciation, amortization, and accretion	6,494	59,031	-	-	**65,525**
Impairment and dry hole expenses	-	-	-	-	**-**
Total operating costs and expenses	58,149	108,448	186,069	86,556	**439,221**
Loss from operations	(23,003)	(33,885)	(60,021)	(86,556)	**(203,465)**
Other income and (expense)					
Interest expense	-	-	(1,570)	(24,249)	**(25,819)**
Foreign exchange gain	-	-	-	2,800	**2,800**
Gain on disposition of proved properties	-	-	25,000	-	**25,000**
Other income	-	-	-	-	**-**
Other income and (expense), net	-	-	23,430	(21,449)	**1,981**
Net loss	(23,003)	(33,885)	(36,591)	(108,005)	**(201,484)**
Net loss attributable to non-controlling interest			0		**0**
Net loss attributable to Paleo Resources, Inc. shareholders	(23,003)	(33,885)	(36,591)	(108,005)	**(201,484)**
Unproved oil and gas properties expenditures	-	-	-	-	**-**
Proved oil and gas properties expenditures	53,201	-	-	-	**53,201**
As at March 31, 2022					
Canadian assets	1,507,520	-	-	-	**1,507,520**
U.S. oil and gas operation assets	-	667,769	-	-	**667,769**
U.S. Fintech platform operation assets	-	-	547,528	-	**547,528**
	1,507,520	667,769	547,528	-	**2,722,817**

15. Commitments

(a) The Company has the following debt obligation principal repayments over the next five years (Note 6 and 7):

Year	**$**
2023	2,025,855
2024	-
2025	-
2026	-
Thereafter	358,100