



SONORO ENERGY LTD.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), 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 interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SONORO ENERGY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

<i>(Canadian dollars)</i>	notes	As at September 30, 2024	As at December 31, 2023
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		342,298	1,037,826
Accounts receivable		260,736	146,036
Prepays		15,579	204,108
		618,613	1,387,970
Non-Current			
Property and equipment	7	2,872,425	2,566,014
Total Assets		3,491,038	3,953,984
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8, 12	711,591	1,723,192
Other current liabilities		-	109,143
		711,591	1,832,335
Non-Current			
Promissory Note	9	700,000	700,000
Abandonment and Reclamation Obligation	10	61,127	59,773
Total Liabilities		1,472,718	2,592,108
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	11	78,363,016	76,437,585
Warrants	11	787,311	1,095,753
Contributed surplus		13,012,109	12,827,793
Accumulated other comprehensive income		(143,217)	(143,217)
Accumulated deficit		(90,000,899)	(88,856,038)
Total Shareholders' Equity		2,018,320	1,361,876
Total Liabilities and Shareholders' Equity		3,491,038	3,953,984

Nature of Business and Going Concern (Note 1)
Subsequent event (Note 14)

See accompanying notes to the Consolidated Financial Statements.

ON BEHALF OF THE BOARD OF DIRECTORS:

“signed”

Henry Legarre, Director

“signed”

Sara Akbar, Director

SONORO ENERGY LTD.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

<i>(Canadian dollars)</i>	Notes	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
				\$	\$
Revenues					
Commodity sales		225,311	-	431,656	-
Royalties		5,531	-	10,566	-
Net revenues		219,780	-	421,090	-
Expenses					
Operating costs		188,083	10,146	397,040	10,146
General and administrative	6, 12	169,734	326,828	734,734	510,367
Interest expense	9	12,704	-	38,107	254,526
Depreciation of property and equipment	7	140,271	-	278,914	-
Share-based compensation	11, 12	76,973	35,367	119,719	143,735
		587,765	372,341	1,568,514	918,774
Gain on disposition		-	-	-	(5,390,002)
Foreign exchange income		3,372	(3,303)	4,127	(4,389)
Other (income) expense	6	(6,690)	2,025	(6,690)	5,697
Net income (loss)		(364,667)	(371,063)	(1,144,861)	4,469,920
Other Comprehensive Income (Loss)					
Exchange differences on translation of foreign operations		-	-	-	(89,512)
Comprehensive income (loss)		(364,667)	(371,063)	(1,144,861)	4,380,408
Per Share Information					
Net loss per share – basic		\$(0.002)	\$(0.002)	\$(0.005)	\$0.031
Net loss per share – diluted		\$(0.002)	\$(0.002)	\$(0.005)	\$0.031
Weighted average number of common shares outstanding - basic		226,609,935	165,163,950	223,363,978	142,018,001
Weighted average number of common shares outstanding – diluted		226,609,935	165,163,950	223,363,978	145,947,978

See accompanying notes to the Consolidated Financial Statements.

SONORO ENERGY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

<i>(In Canadian Dollars except number of common shares)</i>	Common Shares Number	Common Shares Amount	Convertible Debentures	Warrants	Contributed Surplus	Share subscriptions receivable	Accumulated Other Comprehensive Income/(loss)	Accumulated Equity (Deficit)	Equity (Deficit) Total
Balance at December 31, 2022	123,277,151	74,381,210	357,409	843,729	12,038,278	(10,000)	390,218	(93,254,600)	(5,253,756)
Settlement of liabilities	-	-	-	-	-	10,000	-	-	10,000
Private placement	62,556,926	1,233,754	-	1,019,662	-	-	-	-	2,253,416
Option exercised	1,333,333	166,400	-	-	(93,067)	-	-	-	73,333
Warrants exercised	11,053,332	626,823	-	(64,156)	-	-	-	-	562,667
Shares issued for land acquisition	666,667	50,000	-	-	-	-	-	-	50,000
Share issue costs	-	(20,602)	-	-	-	-	-	-	(20,602)
Share based compensation	-	-	-	-	179,100	-	-	-	179,100
Warrants expired	-	-	-	(703,482)	703,482	-	-	-	-
Disposition of subsidiary	-	-	(357,409)	-	-	-	(474,287)	474,287	(357,409)
Net income	-	-	-	-	-	-	-	3,924,275	3,924,275
Currency translation adjustment	-	-	-	-	-	-	(59,148)	-	(59,148)
Balance at December 31, 2023	198,887,409	76,437,585	-	1,095,753	12,827,793	-	(143,217)	(88,856,038)	1,361,876
Warrants exercised	27,722,526	1,925,431	-	(243,845)	-	-	-	-	1,681,586
Share based compensation	-	-	-	-	119,719	-	-	-	119,719
Warrants expired	-	-	-	(64,597)	64,597	-	-	-	-
Net loss	-	-	-	-	-	-	-	(1,144,861)	(1,144,861)
Balance at September 30, 2024	226,609,935	78,363,016	-	787,311	13,012,109	-	(143,217)	(90,000,899)	2,018,320

See accompanying notes to the Consolidated Financial Statements.

SONORO ENERGY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(Canadian Dollars)</i>	Notes	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Operating Activities					
Net income (loss)		(364,667)	(371,063)	(1,144,861)	4,469,920
Items not affecting cash and cash equivalents:					
Gain on disposition		-	-	-	(5,390,002)
Share based compensation	12	76,973	35,367	119,719	143,735
Depreciation of Property, Plant and Equipment	7	140,271	-	278,914	-
Interest expense	9	12,704	-	38,107	254,526
Interest accretion	9	-	2,025	-	5,697
Unrealized foreign exchange gains		10	(3,153)	58	(3,393)
		(134,709)	(336,824)	(708,063)	(519,517)
Net change in non-cash working capital related to operations	13	(41,536)	(312,889)	(2,019,301)	(308,907)
Cash flows provided by (used in) operating activities		(176,245)	(649,713)	(2,727,364)	(828,424)
Investing Activities					
Property and equipment	7	69,865	(42,483)	(585,326)	(42,483)
Cash used in disposition		-	-	-	(1,047)
Net change in non-cash working capital related to investing		100,834	-	935,634	-
Cash flows used in investing activities		170,699	(42,483)	350,308	(43,530)
Financing Activities					
Proceeds from private placement (net of issuance costs)	11	-	1,814,793	-	2,314,793
Proceeds from warrant exercised	11	-	-	1,681,586	-
Proceeds from share subscriptions receivable		-	-	-	10,000
Cash flows provided by financing activities		-	1,814,793	1,681,586	2,324,793
Increase in cash and cash equivalents		(5,546)	1,122,597	(695,470)	1,452,839
Cash and cash equivalents, beginning of period		347,854	447,600	1,037,826	117,118
Impact of foreign exchange on cash balances		(10)	3,153	(58)	3,393
Cash and cash equivalents, end of period		342,298	1,573,350	342,298	1,573,350

See accompanying notes to the Consolidated Financial Statements.

SONORO ENERGY LTD.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended September 30, 2024
(Canadian dollars, unless otherwise noted)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND GOING CONCERN

a) Nature of business

Sonoro Energy Ltd. (“Sonoro” or “the Company”) was incorporated February 4, 2000, in British Columbia, Canada and commenced trading on the TSX Venture Exchange on November 29, 2000. Effective August 7, 2013, the Company was continued from British Columbia to Alberta with the registered office at 4300, 888 3rd Street S.W. Calgary, Alberta, Canada T2P 5C5. The Company’s corporate office is located at Suite 600, 520 – 5th Avenue SW Calgary, Alberta, Canada. The Common Shares trade on the TSX Venture Exchange under the symbol SNV.

The business of the Company, either directly or through its wholly owned subsidiaries, consists of the exploration for, appraisal of and development and production of oil and gas resources, focused on Canada and internationally. The Company operates in jurisdictions that may be subject to changes in government practices and policies.

b) Going concern

These consolidated financial statements have been prepared using IFRS Accounting Standards applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The ability of the Company to continue as a going concern is dependent on the Company obtaining additional sources of capital to explore, appraise and develop its oil and natural gas resource assets, continuing to receive support and cooperation from its creditors, achieving profitable operations through the discovery of commercially viable oil and gas reserves, maintaining contracts in good standing and no significant adverse legal, political or security developments. Management of the Company continues to evaluate possible industry partnerships, equity and debt financings but there are no assurances that these initiatives will be successful or available on terms acceptable to the Company.

Details of deficit and working capital (current assets less current liabilities) of the Company are as follows:

	September 30, 2024	December 31, 2023
Deficit	(90,000,899)	(88,856,038)
Working Capital	(92,978)	(444,365)

These consolidated financial statements have been prepared on the assumption that the Company is a going concern. The above material uncertainties may cast significant doubt on this assumption and the appropriateness of the use of accounting principles applicable to a going concern. Additionally, in order to meet its future commitments regarding the Company’s exploration and development programs, the Company will need to raise additional funds. The Company will continue to evaluate various strategic alternatives, including but not limited to, farm-out, additional equity financing, mergers, acquisitions, alternative financings, and/or divestitures of assets and reduction of costs to enable the Company to meet its short-term obligations and to provide resources for sustainable future growth and development.

These consolidated financial statements do not reflect the adjustments, of which some could be material, to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting.

The Interim Financial Statements should be read in conjunction with the audited annual consolidated financial statements of Sonoro as at and for the years ended December 31, 2023 and 2022 and the notes thereto (the “Annual

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Financial Statements”). The Interim Financial Statements have been prepared on a basis consistent with the accounting, estimation and valuation policies described in the Annual Financial Statements.

The Interim Financial Statements were approved and authorized for issue by the Audit Committee of the Board of Directors of Sonoro on November 19, 2024.

b) Subsidiaries

The following sets out the subsidiaries of the Company and the Company’s ownership interest in those subsidiaries:

Subsidiary Name	Jurisdiction	Ownership	Functional Currency
Sonoro Energy Canada Ltd.	Alberta, Canada	100.0%	CAD
Sonoro Energy International Holdings B.V. - Inactive	The Netherlands	100.0%	USD
Stockbridge Oil and Gas Ltd B.V.I. - Inactive	British Virgin Islands	100.0%	USD

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (collectively referred to as the “Company”, “Group”, “Sonoro” or “Sonoro Group of Companies”). Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same period as the parent company, using consistent accounting policies. The Company has consolidated the assets, liabilities, revenues, and expenses of its subsidiaries after the elimination of inter-company transactions.

d) Basis of measurement

These audited consolidated financial statements have been prepared on a going concern basis and a historical cost convention except for share-based payment transactions which are measured at fair value.

e) Foreign currency translation

Functional and presentation currency

The financial statements of each entity in the Sonoro Group of Companies are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Canadian dollars, which is Sonoro Energy Ltd.’s functional currency.

The financial statements of entities that have a different functional currency are translated into Canadian dollars as follows: assets and liabilities translated at the closing rate at the date of the statement of financial position, and income and expenses translated at the average rate of the period (which is considered a reasonable approximation to actual rates). All resulting exchange differences are recognized in other comprehensive income (loss) and accumulated in a separate component of equity referred to as accumulated other comprehensive income (loss).

When a foreign operation is disposed of, the cumulative amount of the exchange differences relating to that foreign operation accumulated in a separate component of equity is reclassified from equity to profit or loss in the statement of operations.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statement of operations.

f) Critical accounting estimates, judgements, and assumptions

The preparation of audited consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

i. Impairment of non-financial assets

Exploration and evaluation ("E&E") assets are assessed for impairment when they are reclassified to property, plant and equipment ("PP&E"), and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Property, plant and equipment are assessed for impairment whenever information becomes available that may suggest the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

ii. Reserve estimate

Oil and natural gas assets are depleted on a unit-of-production basis at a rate calculated by reference to proven and probable reserves determined in accordance with National Instrument 51-101, Standards of disclosure for Oil and Gas Activities ("NI 51-101"), and incorporate the estimated future cost of developing and extracting those reserves. Proved and probable reserves are estimated using independent reservoir engineering reports and represent the estimated quantities of oil and natural gas. The reserve estimate incorporates geological, geophysical and engineering data that demonstrates, with a specified degree of certainty, the production volumes to be recoverable in future years from known reserves considered to be commercially viable.

iii. Abandonment and reclamation obligations

Provisions for abandonment and reclamation obligations associated with the Company's property and equipment are based on current legal and constructive requirements, technology, price levels and expected plans for

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remediation. Amounts recognized require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates. The estimates are based on internal and third-party information and actual costs and cash outflows can differ from estimates due to changes in laws and regulations, public expectations, prices, discovery and analysis of site conditions, and changes in processes resulting from technological advancements.

iv. Share-based payments

The Company measures the cost of share-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, forfeiture rate, volatility and dividend yield of the share option. The Company measures the cost of share-based compensation transactions with consultants by reference to the fair value of the services to be performed.

v. Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. The board of directors monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

vi. Joint arrangements

The classification of joint arrangements structured through separate vehicles as either joint ventures or joint operations requires significant judgment and depends on the legal form and contractual terms of the arrangement as well as other facts and circumstances. These include whether there is exclusive dependence on the parties to the joint arrangement for cash flows through the sale of product and funding of operations, and to assess the rights of the economic benefits of the assets and obligation for funding the liabilities of the arrangements.

A joint arrangement whereby the parties take their share of substantially all of the output of the joint arrangement would be an indicator for classification as a joint operation, regardless of structure of the arrangement, and accounted for by recognizing the Company's share of assets and liabilities jointly owned and incurred, and the recognition of its share of revenue and expenses of the joint operation.

vii. CGU determination

The recoverability of development and production asset carrying values are assessed at the CGU level. Determination of what constitutes a CGU is subject to management judgment of the lowest level at which there are identifiable cash inflows that are largely independent of the cash inflows of other groups of assets or properties. The factors used by the Company to determine CGUs may vary by country due to unique operating and geographic circumstances in each country.

viii. Functional currency

The Company conducts a portion of its operations through foreign subsidiaries, which record transactions in their respective functional currency. The determination of the functional currencies of the Company and its subsidiaries is based on management's judgement which is centered on determining the primary economic environment in which an entity operates. IAS 21, The Effects of Changes in Foreign Exchange Rates, sets out a number of factors that are used in the determination of functional currencies. Where the indicators are mixed and the functional currency is not obvious, management used judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of its operating entities.

ix. Fair value of financial instruments

The fair value of financial instruments is determined wherever possible based on observable market data. If not available, the Company uses third-party models, independent price publications, market exchanges, investment

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dealer quotes and valuation methodologies that utilize observable data. Actual values may significantly differ from these estimates.

g) Reclassification

Certain comparative figures have been reclassified to conform to the current period presentation. There has been no impact on the results of operations.

3. MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies under IFRS are presented in Note 3 to the Annual Financial Statements dated December 31, 2023 and 2022. Certain information and disclosures normally required to be included in the notes to the Annual Financial Statements prepared in accordance with IFRS have been condensed or omitted in the Interim Financial Statement.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company financial instruments that are carried in the consolidated financial statements and how the fair value of financial instruments is measured.

Other financial liabilities

Other financial liabilities are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method, with interest expense recognized on an effective yield basis. Liabilities in this category include accounts payables, accrued liabilities, other current liabilities, and long-term debt.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Fair values

The fair values of cash and cash equivalents, accounts payable and accrued liabilities, and other current liabilities approximate their carrying values due to the relatively short periods to maturity of these instruments.

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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. The Company doesn't have financial instruments included categorized as Level 2.

Level 3 – Valuations in this level are those with inputs for the assets or liabilities that are not based on observable market data. The Company doesn't have financial instruments included categorized as Level 3.

There were no transfers between level 1, 2 and 3 inputs during the reporting year.

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The valuation methods used to determine the fair value of each financial instrument and its associated level in the fair value hierarchy is described below:

Financial Instrument	Fair Value Method
Cash, cash equivalents, accounts receivable and, accounts payable and accrued liabilities	Measured initially at fair value, then at amortized cost after initial recognition. Fair value approximates carrying value due to their short-term nature.
Long-term debt, promissory note and convertible debenture	Measured initially at fair value, then at amortized cost after initial recognition using the effective interest method.
	Fair value is determined using discounted cash flows at the current market interest rate. (Level 2)

a) Financial instruments

The carrying values and estimated fair value of the Company's financial instruments as at September 30, 2024 are as follows:

	Carrying Value	Fair Value
Cash and cash equivalents	342,298	342,298
Accounts receivable	204,827	204,827
Account payables and accrued liabilities	711,591	711,591
Promissory Note	700,000	700,000

There were no transfers between level 1, 2 and 3 inputs during the reporting period. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are discussed below:

b) Risk Management

The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are discussed below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's financial assets and liabilities are not exposed to significant interest rate risk due to either being short-term in nature, non-interest bearing, or having fixed interest rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company evaluates the collectability of accounts receivable and records an expected credit loss which reduces receivables to the amount management reasonably believes will be collected.

The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents in the statement of financial position. Cash balances are maintained with reputable banking institutions.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Such movements could materially impact the reported results of the Company. Currency risk arises when future commercial transactions and recognized assets and liabilities of the Company or its foreign operations are denominated in a currency that is not the functional currency of the Company. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Canadian Dollar (CAD), Euro and United States

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Dollar (USD). The Company does not use currency derivative instruments to manage the Company's exposure to foreign currency fluctuations.

The following balances are denominated in foreign currencies:

		September 30, 2024	December 31, 2023
Cash and cash equivalents	USD	143,055	145,482
Trade and other payables	USD	-	66,631
Trade and other payables	EUR	66,226	66,226

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company ensures that it has sufficient capital to meet short-term financial obligations when they become due. The Company prepares cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. On September 30, 2024, the Company had a working capital deficit of \$92,978 (December 31, 2023 - \$444,365). The Company currently does not have sufficient cash to meet its current obligations. As such, the Company will require funding through cashflow generation, further equity or debt financing, entering into joint venture agreements, or a combination thereof. The Company expects to generate sufficient cash flows from production revenues associated with its current and future oil and gas development programs but there can be no assurances that the Company will be successful in achieving this objective. Additional information regarding liquidity risk is disclosed in Note 1 – Nature of Business and Going Concern.

Based on the contractual obligations of the Company as at September 30, 2024, cash outflows of those obligations are estimated and summarized as follows:

Payment due by year	2024	2025	2026 and beyond	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	711,591	-	-	711,591
Promissory Note	-	700,000	-	700,000
	711,591	700,000	-	1,411,591

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration for, appraisal of, and development and production of oil and gas resources and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents, accounts receivables and current liabilities.

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, enter into joint venture arrangements, acquire or dispose of assets or pursue other financing arrangements. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes to the Company's approach to capital management during the period ended September 30, 2024. The Company is not subject to any external capital requirements or covenants.

5. DISPOSITION OF SUBSIDIARY

The Company executed a Deed of Settlement agreement (the "Deed") with its former Indonesian partner on the Selat Panjang project, PT Menara Global Energi (Menara) on September 30, 2023. Under the terms of the Deed, Zamatra Bakau Straits Ltd. BVI ("Zamatra"); formerly Stockbridge Capital Limited (the 100% owned subsidiary of the Company that held the Selat Panjang interest) was transferred to Menara. The Deed was dated with effect of October 14, 2021. In exchange for transferring its interest in Zamatra Bakau Straits Ltd. BVI, Menara discharged its interest in the debts owed to it by the Company, including the Convertible debenture as well as accrued interest payable (the "Disposition"). All amounts under this agreement have been extinguished.

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As part of the disposition the Company also relinquished its indirect ownership interest in Stockbridge Budong Budong BV ("Budong") to Menara as a result of Zamatra owning Budong,

The fair values of the identifiable assets and liabilities disposed by the Company were allocated as follows:

Fair value of net asset acquired, and liabilities disposed	
Working capital	(1,364,761)
Gain on disposition	5,390,002
	4,025,241
Consideration on disposition	
Interest payable	1,675,389
Long-term debt	377,061
Convertible debenture	1,972,791
	4,025,241

6. GENERAL AND ADMINISTRATIVE AND OTHER INCOME

General and administrative expenses are comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Employee salaries and benefits	45,000	30,000	135,000	60,000
Contractors and consultants	7,500	12,990	7,500	12,990
Travel and accommodation	27,505	2,583	52,393	11,920
Professional, legal and advisory	150,644	265,018	546,310	370,544
Office and administration	31,424	16,237	85,870	54,913
Operating overhead recovery	(92,339)	-	(92,339)	-
Total expenses	169,734	326,828	734,734	510,367

Employee salaries and benefits are comprised of personnel in the Calgary office. Professional fees include legal, accounting, investor relations and board of directors' fees.

Other income/expense is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Other income	6,690	-	6,690	-
CEBA loan accretion	-	(2,025)	-	(5,697)
Other income/expense	6,690	(2,025)	6,690	(5,697)

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7. PROPERTY AND EQUIPMENT

A reconciliation of the changes in the carrying amount of property and equipment is as follows:

Cost	Petroleum and Natural Gas Assets	Other Assets	Total
December 31, 2022	-	318,692	318,692
Additions	2,506,241	-	2,506,241
Abandonment and reclamation obligation	59,773	-	59,773
December 31, 2023	2,566,014	318,692	2,824,933
Additions	585,325	-	585,325
September 30, 2024	3,151,339	318,692	3,410,258
Accumulated depreciation, depletion and amortization			
December 31, 2022	-	318,692	318,692
Depletion, depreciation and amortization	-	-	-
December 31, 2023	-	318,692	318,692
Depletion, depreciation and amortization	278,914	-	278,914
September 30, 2024	278,914	318,692	597,606
Net book value			
December 31, 2023	2,566,014	-	2,566,014
September 30, 2024	2,872,425	-	2,872,425

In the fourth quarter of fiscal 2023, the Company completed the drilling of two oil and natural gas wells. The Company determined the existence of proven and probable reserves associated with these wells, performed an impairment assessment and transferred the related costs from exploration and evaluation assets to property and equipment.

The Company determined the recoverable amounts for the CGU based on the value-in-use approach using discounted future cash flows prepared by an independent reserve engineer. In determining the recoverable amount, the Company considered recent transactions within the industry, long-term views of commodity prices, externally evaluated reserve volumes, and discount rates specific to the CGU. The calculation of the recoverable amount is sensitive to assumptions regarding production volumes, discount rates, operating cost structures and commodity prices. The future cash flows were estimated using the proved plus probable reserve value for the CGU, discounted at 12% per annum and were based on the Company's external independent engineering report. The Company included future development costs of \$1,143,000 in the impairment assessment model.

As at September 30, 2024, the Company determined that the value-in-use exceeded the carrying values; hence, no impairment provision was recorded.

The benchmark prices used by the independent reserve evaluators in preparing the Company's reserve report were also used in determining whether impairment of the carrying value of the CGU existed at September 30, 2024.

The prices are referenced for barrels of oil based on Western Canadian Select:

	2024	2025	2026	2027	2028
(\$CAD/bbl)	81.43	82.94	83.72	85.4	87.1

The prices for years beyond 2028 included a 2% escalation rate.

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at September 30, 2024, the Company has total accounts payable and accrued liabilities of \$711,591 (December 31, 2023 - \$1,723,192). Such costs relate to the drilling program in Saskatchewan and to accrued salaries and consulting fees as well as standard accounts payable.

9. LONG-TERM DEBT

PROMISSORY NOTE

On December 5, 2023, Sonoro Energy Ltd., entered into a \$700,000 promissory note agreement with Ezekiel Energy Ltd. The loan bears interest at 7% per annum, calculated monthly and shall be due and payable on December 5, 2025, provided that the Principal Sum and any and all interest due and owing shall be reduced to zero in the event of a well disruption, which includes the well abandonment due to no or uneconomic production.

10. ASSET RETIREMENT OBLIGATION

The Company estimates the total undiscounted amount of cash flows required to settle its abandonment and reclamation obligations is approximately \$76,600. An inflation factor of 2.70% has been applied to the estimated abandonment and reclamation costs. A risk-free rate of 3.02% was used to calculate the future value of the provision estimating the expenditures will begin to occur in 2043.

	September 30, 2024	December 31, 2023
Balance, beginning of the period	59,773	-
Additions	-	59,773
Accretion	1,354	
Balance, end of the period	61,127	59,773

11. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of unlimited common shares without par value.

Issued and outstanding common share activity

A summary of the Company's common share transactions is presented below:

(Number of common shares)	2024	2023
Balance, beginning of period	198,887,409	123,277,151
Private placement	-	62,556,926
Option exercised	-	1,333,333
Warrants exercised	27,722,526	11,053,332
Land Farm-in	-	666,667
Balance, end of period	226,609,935	198,887,409

Share-based compensation

The Board of Directors may grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Board of Directors. The exercise price of an option is not less than the closing price on the TSX-V on the last trading day preceding the grant date. The maximum aggregate number of shares that may be reserved for issuance under the Company's stock option plan is 10 percent of the number of common shares outstanding. Options vest one-third immediately, one-third after 12 months and one-third after 24 months.

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Share based compensation expense is determined using the fair value method. The fair value of options granted is measured the date of the grant and is determined using the Black-Scholes option pricing model.

A summary of the Company's stock option transactions is presented below:

	September 30, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	12,850,000	0.056	9,183,333	0.060
Granted	3,000,000	0.075	6,400,000	0.050
Cancelled and forfeited	(3,100,000)	0.064	(1,400,000)	0.052
Exercised	-	-	(1,333,333)	0.055
Options outstanding, end of period	12,750,000	0.059	12,850,000	0.056

The Company's weighted average share price for the period September 30, 2024 was \$0.14 (2023- \$0.10).

The share options outstanding and exercisable as at September 30, 2024:

Grant date	Number of Options outstanding	Exercise price	Expiry date	Number of Options exercisable
November 8, 2019	1,200,000	0.070	November 8, 2024	1,200,000
September 30, 2020	1,250,000	0.060	September 30, 2025	1,250,000
March 25, 2021	900,000	0.050	March 25, 2026	900,000
June 1, 2023	6,400,000	0.050	May 30, 2028	4,266,667
August 1, 2024	3,000,000	0.075	July 29, 2029	1,000,000
	12,750,000	0.059		8,616,667

The weighted average life of options outstanding is 3.2 years (2023 - 2.9 years).

The fair value of options was estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

	August 1, 2024	June 1, 2023	March 25, 2021	September 30, 2020	November 8, 2019
Risk-free interest rate	3.02%	3.41%	0.68%	0.31%	1.6%
Expected stock price volatility	197%	218%	207%	238%	271%
Expected life	5 years	5 years	5 years	5 years	5 years
Expected dividend yield	-	-	-	-	-
Share price on grant date	0.090	0.060	0.060	0.065	0.095
Fair Value Option Price	0.088	0.059	0.050	0.060	0.095
Forfeiture rate	49%	26%	24%	4%	18%

During the period ended September 30, 2024, the Company recorded \$119,719 (2023 - \$143,735) in share-based compensation expense for the options granted and vested during the period.

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Share Purchase Warrants

During 2023, 24,457,247 warrants expired. A total of 7,000,000 warrants, priced at 10 cents, were extended from May 31, 2023, to May 31, 2024.

On May 25, 2023, the Company issued 33,333,331 warrants as part of the private placement. The Company accelerated the exercise term of these warrants and all warrants were exercised on or before January 2, 2024.

On September 8, 2023, the company issued 29,223,595 warrants as part of the private placement. The two year warrants are priced at 12 cents and have a 10 day 15 cent acceleration clause. 27,556,928 warrants are outstanding.

The issuances of the share purchase warrants are summarized as follows:

	September 30, 2024		December 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants, beginning of period	58,503,594	0.08	31,457,247	0.08
Issued May 25, 2023	-	-	33,333,331	0.05
Issued September 8, 2023	-	-	29,223,595	0.05
Expired	(3,224,140)	0.10	(24,457,247)	0.07
Exercised	(27,722,526)	0.06	(11,053,332)	0.05
Warrants, end of period	27,556,928	0.12	58,503,594	0.09

The share purchase warrants outstanding and exercisable as at September 30, 2024:

	Number of Share Purchase Warrants outstanding	Exercise price	Expiry date	Number of Share Purchase Warrants exercisable
September 8, 2023	27,556,928	0.12	September 8, 2025	27,556,928
	27,556,928	0.12		27,556,928

The fair value of warrants was estimated using the Black-Scholes pricing model based on the date of grant and using the following assumptions:

	September 8, 2023
Risk-free interest rate	4.66%
Expected stock price volatility	242%
Share price on grant date	0.10
Term	2 years

12. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Key management personnel are persons responsible for planning, directing and controlling activities of an entity and include the CEO, COO, CFO, executive officers and senior managers.

During the period ended September 30, 2024, key management personnel compensation and director fees of \$287,708 (Year ended December 31, 2023- \$401,233) were paid or accrued. The Company incurred \$105,641 (Year ended

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December 31, 2023 – \$138,435) in share-based compensation to directors and/or officers for the period ended September 30, 2024.

As at September 30, 2024, outstanding amounts of \$9,357 (December 31, 2023 - \$72,875) were owing to directors of officers, with respect to salaries, benefits and consulting fees, these amounts are included in accounts payable. These amounts are non-interest bearing, have no specific terms of repayment and are included in accrued liabilities. As at September 30, 2024, outstanding amounts of \$22,093 (December 31, 2023- \$Nil) were owed to the Company by its directors of officers, these amounts are included in accounts receivable.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash working capital components:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net change in non-cash working capital related to operations:				
	\$	\$	\$	\$
Accounts receivable	75,028	(19,570)	(225,100)	(23,729)
Prepaid expenses	64,292	(193,001)	188,529	(191,640)
Accounts payable and accrued liabilities	(180,856)	(100,318)	(1,873,587)	(34,390)
Accrued interest payable	-	-	-	-
Other current liabilities	-	-	(109,143)	-
Effects of foreign currency	-	-	-	(59,148)
	(41,536)	(312,889)	(2,019,301)	(308,907)

14. SUBSEQUENT EVENT

Subsequent to quarter end on October 30, 2024 Sonoro announce that it has entered into a Farm-In Agreement (the "Agreement") with Badlands Resources Ltd. to explore for oil in southern Alberta.

Through this agreement, Sonoro will earn a 100% working interest in a 2,240-acre land package by drilling an exploratory well. The acquired acreage encompasses several promising geological structures that have been carefully identified and mapped with high-resolution 3D seismic data. These targeted formations lie at an approximate depth of 1,300 meters and are known to produce high-quality oil in the region. Notably, the area has limited exploration activity, enhancing the potential for new discoveries.

In the event of a successful discovery, Sonoro plans to strategically expand its land holdings to include additional nearby anomalies with similar geological profiles. This expansion would allow the Company to further leverage the de-risked nature of these prospects, optimizing the prospect inventory and potentially enhancing production volumes across a larger land base. This Agreement represents a significant step for Sonoro in its efforts to strengthen its asset portfolio and capitalize on untapped resources within Alberta's oil-rich landscapes.