

Interim condensed financial statements of

**WILTON RESOURCES INC.**

As at and for the three and nine-month periods ended September 30, 2023 and 2022

**WILTON RESOURCES INC.**  
**Interim Condensed Statements of Financial Position (Unaudited)**

As At	Note	September 30, 2023	December 31, 2022
<b>Assets</b>			
Current Assets			
Cash		\$ 565,407	\$ 57,003
Accounts receivable		18,612	13,252
Prepaid expenses		17,029	15,000
		<b>601,048</b>	85,255
Due from related party	12	388,765	325,605
Property and equipment	5	33,978	35,533
<b>Total Assets</b>		<b>\$ 1,023,791</b>	<b>\$ 446,393</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable and accrued liabilities	6	\$ 628,410	\$ 1,264,972
Deferred share capital contributions		-	100,000
		<b>628,410</b>	1,364,972
Decommissioning obligation	7	48,905	47,753
<b>Total Liabilities</b>		<b>677,315</b>	1,412,725
<b>Shareholders' Equity (Deficit)</b>			
Share capital	8	18,785,209	16,959,495
Warrants	10	392,943	1,025,208
Contributed surplus		10,365,126	9,079,340
Deficit		(29,196,802)	(28,030,375)
		<b>346,476</b>	(966,332)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>		<b>\$ 1,023,791</b>	<b>\$ 446,393</b>
Going concern	2		
Subsequent events	14		

See accompanying notes to the interim condensed financial statements.

These interim condensed financial statements were approved by the Directors of the Company.

(signed) "Richard Anderson" , Director

(signed) "Gerald Roe" , Director

**WILTON RESOURCES INC.****Interim Condensed Statements of Operations and Comprehensive Income (Loss)  
(Unaudited)**

	Note	For the three months ended September 30		For the nine months ended September 30	
		2023	2022	2023	2022
<b>Revenue</b>					
Petroleum and natural gas sales		\$ 3,453	\$ 3,578	\$ 9,378	\$ 11,151
Less:					
Royalty		266	435	525	938
		<b>3,187</b>	3,143	<b>8,853</b>	10,213
<b>Expenses</b>					
Production		4,179	4,592	6,452	7,000
Professional fees		37,553	36,400	126,662	89,555
Officer & consulting costs		206,965	108,630	599,524	339,814
Office & administrative		65,265	69,164	214,464	197,979
Meals and travel		9,185	68,290	83,055	93,975
Stock-based compensation	9	389,502	106,747	791,916	106,747
Accretion	7	384	289	1,152	867
Depletion	5	589	1,012	1,555	3,406
		<b>713,622</b>	395,124	<b>1,824,780</b>	839,343
Other income	6	-	-	649,500	0
<b>Net loss and comprehensive loss</b>		\$ <b>710,435</b>	\$ <b>391,981</b>	\$ <b>1,166,427</b>	\$ 829,130
<b>Loss per share - basic and diluted</b>	11	\$ <b>0.01</b>	\$ <b>0.01</b>	\$ <b>0.02</b>	\$ 0.01

**WILTON RESOURCES INC.**  
**Interim Condensed Statements of Cash Flows (Unaudited)**

	Note	For the three months ended September 30		For the nine months ended September 30	
		2023	2022	2023	2022
<b>Cash flows used in operating activities</b>					
Net Income (loss)		\$ (710,435)	\$ (391,981)	\$ (1,166,427)	\$ (829,130)
Items not affecting cash:					
Stock-based compensation	9	389,502	106,747	791,916	106,747
Accretion	7	384	289	1,152	867
Depletion	5	589	1,012	1,555	3,406
Change in non-cash working capital:		(17,159)	(25,715)	(643,951)	(18,007)
<b>Net cash used in operating activities</b>		<b>(337,119)</b>	<b>(309,648)</b>	<b>(1,015,755)</b>	<b>(736,117)</b>
<b>Cash flows from financing activities</b>					
Exercise of warrants, net	8	239,741	264,000	902,054	264,000
Proceeds on issuance of common shares and units, net	8	-	-	785,265	257,422
Deferred share capital contributions	8	-	-	(100,000)	-
Repayments from (advances to) related party		28,227	11,084	(63,160)	40,084
<b>Net cash provided by financing activities</b>		<b>267,968</b>	<b>275,084</b>	<b>1,524,159</b>	<b>561,506</b>
<b>Cash flows used in investing activities</b>					
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in cash</b>		<b>(69,151)</b>	<b>(34,564)</b>	<b>508,404</b>	<b>(174,611)</b>
<b>Cash, beginning of period</b>		<b>634,558</b>	<b>208,485</b>	<b>57,003</b>	<b>348,532</b>
<b>Cash, end of period</b>		<b>\$ 565,407</b>	<b>\$ 173,921</b>	<b>\$ 565,407</b>	<b>\$ 173,921</b>

See accompanying notes to the interim condensed financial statements.

**WILTON RESOURCES INC.**  
**Interim Statements of Changes in Shareholders' Equity (Deficit)**  
**(Unaudited)**

	Share capital	Contributed surplus	Warrants/ agents' options	Deficit	Total
Balance at January 1, 2023	\$ 16,959,495	\$ 9,079,340	\$ 1,025,208	\$ (28,030,375)	\$ (966,332)
Issue of common shares, net (note 8)	785,265	-	-	-	785,265
Warrants issued (note 8)	(168,227)	-	168,227	-	-
Warrants expired (note 10)		493,870	(493,870)	-	-
Warrants exercised, net (note 8)	1,208,676	-	(306,622)	-	902,054
Options issued (note 9)	-	791,916	-	-	791,916
Net loss and comprehensive loss	-	-	-	(1,166,427)	(1,166,427)
<b>Balance at September 30, 2023</b>	<b>\$ 18,785,209</b>	<b>\$ 10,365,126</b>	<b>\$ 392,943</b>	<b>\$ (29,196,802)</b>	<b>\$ 346,476</b>
Balance at January 1, 2022	\$ 16,413,971	\$ 8,738,308	\$ 1,187,602	\$ (26,753,830)	\$ (413,949)
Issuance of common shares and units, net	257,422	-	-	-	257,422
Warrants issued as part of units	(91,440)	-	91,440	-	-
Warrant extension	-	-	60,989	(60,989)	-
Warrants exercised	333,641	-	(69,641)	-	264,000
Warrants expired	-	9,496	(9,496)	-	-
Share-based compensation (note 8)	-	106,747	-	-	106,747
Net loss and comprehensive loss	-	-	-	(829,130)	(829,130)
<b>Balance at September 30, 2022</b>	<b>\$ 16,913,594</b>	<b>\$ 8,884,551</b>	<b>\$ 1,260,894</b>	<b>\$ (27,643,949)</b>	<b>\$ (614,910)</b>

See accompanying notes to the interim condensed financial statements.

# **WILTON RESOURCES INC.**

## **Notes to the Interim Condensed Financial Statements**

### **For the three and nine-month periods ended September 30, 2023 and 2022**

#### **1. General business description**

Hackamore Capital Corp. was incorporated under the laws of the Province of Alberta on August 15, 2007 and changed its name to Wilton Resources Inc. on October 27, 2008. On July 24, 2009, the Company completed its initial public offering (“IPO”) by way of a capital pool company prospectus. The Company was listed as a capital pool company (“Capital Pool Company”) as defined in Policy 2.4 of the TSX Venture Exchange (“TSXV”) on August 5, 2009. On October 28, 2011, Wilton completed its qualifying transaction (“Qualifying Transaction”) by the acquisition of a 75% non-operated working interest in a producing oil and natural gas well located in Monitor, Alberta.

The interim condensed financial statements of the Company comprise accounts of the Company and its subsidiaries (collectively, the "Company" or "Wilton"). Wilton is currently an oil and gas exploration and development company, with a property in Canada, however, the Company is pursuing oil and gas properties in various international locations including the Middle East and Africa.

The common shares of the Company (“Common Shares”) are listed for trading on the TSXV with the trading symbol WIL.

The address of the Company is 1900, 520-3rd Ave SW, Calgary, Alberta, T2P 0R3.

#### **2. Going concern**

As at September 30, 2023, the Company has a working capital of \$27,362 (December 31, 2022 – working capital deficit of \$1,279,717). In order to settle its existing liabilities and continue operations, including its ongoing oil and natural gas acquisition, exploration and development activities, Wilton will require additional financing. Failure to obtain such financing on a timely basis could cause Wilton to forfeit its interest in its properties, to miss acquisition opportunities and/or to reduce or terminate its operations. There can be no assurance that debt or equity financing will be available or for an amount sufficient to meet the Company’s needs and intentions, or, if debt or equity financing is available, that it will be on terms acceptable to Wilton. Moreover, future activities may require Wilton to alter its capitalization significantly. The inability of Wilton to access sufficient capital for its operations could have a material adverse effect on Wilton’s financial condition, results of operations or prospects. These conditions create a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

#### **3. Basis of presentation**

These interim condensed financial statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended December 31, 2022 and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2022. These Interim condensed financial statements were authorized for issue by the board of directors on November 28, 2023.

These interim condensed financial statements are presented in Canadian dollars which is the Company's functional currency. In preparing these Interim condensed financial statements, methods of computation and significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended December 31, 2022.

## WILTON RESOURCES INC.

### Notes to the Interim Condensed Financial Statements

#### For the three and nine-month periods ended September 30, 2023 and 2022

#### 4. Significant accounting policies

These interim condensed financial statements follow the same accounting principles and methods of application as those disclosed in note 4 of the Company's annual Financial Statements as at and for the year ended December 31, 2022.

#### 5. Property and equipment

<b>Petroleum and natural gas</b>	
<b>Cost</b>	
Balance at January 1, 2023	\$ 930,219
<b>Balance at September 30, 2023</b>	<b>\$ 930,219</b>
<b>Accumulated depletion and impairment</b>	
Balance at January 1, 2023	\$ 894,686
Depletion	1,555
Balance at September 30, 2023	896,241
<b>Net book value, January 1, 2023</b>	<b>\$ 35,553</b>
<b>Net book value, September 30, 2023</b>	<b>\$ 33,978</b>

Depletion of \$505 and \$966 was recorded for the three and nine-month periods ended September 30, 2023 (2022 - \$1,012 and \$3,406).

#### 6. Accounts Payable and accrued liabilities

On June 29, 2023, The Company and a third party consultant (the "consultant") signed a waiver and acknowledgement agreement where the consultant waived all owing to the consultant from the Company. The amount that was waived was \$649,500 and was recorded as Other income.

#### 7. Decommissioning obligation

Balance, January 1, 2023	\$ 47,753
Accretion	1,152
<b>Balance September 30, 2023</b>	<b>\$ 48,905</b>

Accretion of \$384 and \$1,152 was recorded for the three and nine-month periods ended September 30, 2023 (2022 - \$289 and \$867).

## WILTON RESOURCES INC.

### Notes to the Interim Condensed Financial Statements

#### For the three and nine-month periods ended September 30, 2023 and 2022

#### 8. Share capital

##### (a) Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares, issuable in series, none of which are issued and outstanding as of the date hereof.

##### (b) Common Shares

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value.

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Company and, upon dissolution, to share equally in such assets of the Company as are distributable to the holders of Common Shares.

	Number of shares
Balance at January 1, 2023	65,295,262
Shares issued	1,127,667
Warrants exercised	1,886,917
<b>Balance, September 30, 2023</b>	<b>68,309,846</b>

On January 19, 2023, the Company closed a private placement for an aggregate of 1,027,667 units of the Company at a purchase price of \$0.75 per unit for gross proceeds of \$770,750. Each unit sold pursuant to the private placement consisted of one Common Share and one Common Share purchase warrant. The fair value assigned to the purchase warrants pursuant to the unit offering was \$164,725. Each purchase warrant entitles the holder thereof to purchase an additional Common Share for a period of twenty-four months from the date of issuance at an exercise price of \$1.00 per Common Share.

In connection with the January 19, 2023 unit offering, the Company paid a finder's fee to (i) Haywood Securities Inc. consisting of a cash payment of \$14,017 and 18,690 non-transferable finder warrants; and (ii) Griffin Reinhart consisting of a cash payment of \$6,405 and 8,540 non-transferable finder warrants. The fair value assigned to the purchase warrants pursuant to the unit offering was \$3,501. Each finder warrant issued to Haywood Securities Inc. entitles the holder to acquire one Common Share for a period of twenty-four months from the date of issuance at an exercise price of \$1.00 per Common Share and each finder warrant issued to Griffin Reinhart entitles the holder to acquire one Common Share for a period of twenty-four months from the date of issuance at an exercise price of \$2.00 per Common Share.

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

Annualized volatility	55.39%
Dividend yield	0%
Risk-free interest rate	3.14%
Expected option life	2 years

On January 26, 2023, 442,857 common share purchase warrants that were issued on January 26, 2021 with an exercise price of \$0.40 were exercised. The Company received proceeds of \$177,143 in exchange for 442,857 Common Shares.

On February 3, 2023, 300,000 common share purchase warrants that were issued on February 13, 2019 with an exercise price of \$0.70 were exercised. The Company received proceeds of \$210,000 in exchange for 300,000 Common Shares.

## WILTON RESOURCES INC.

### Notes to the Interim Condensed Financial Statements

#### For the three and nine-month periods ended September 30, 2023 and 2022

On March 16, 2023, 20,000 common share purchase warrants that were issued on April 9, 2021 with an exercise price of \$0.55 were exercised. The Company received proceeds of \$11,000 in exchange for 20,000 Common Shares.

On March 28, 2023, 31,200 finders purchase warrants that were issued on April 9, 2021 with an exercise price of \$0.50 were exercised. The Company received proceeds of an aggregate of \$15,600 in exchange for an aggregate of 31,200 Common Shares.

On April 7, 2023, 400,000 common share purchase warrants that were issued on April 9, 2021 with an exercise price of \$0.55 were exercised. The Company received proceeds of \$220,000 in exchange for 400,000 Common Shares.

On June 5, 2023, 71,428 common share purchase warrants that were issued on July 14, 2021 with an exercise price of \$0.40 were exercised. The Company received proceeds of \$28,571 in exchange for 71,428 Common Shares.

On June 21, 2023, the Company closed a private placement for an aggregate of 100,000 units of the Company at a purchase price of \$0.75 per unit for gross proceeds of \$75,000. Each unit sold pursuant to the private placement consisted of one Common Share.

On July 14, 2023, 621,432 common share purchase warrants, that were issued on July 14, 2021 with an exercise price of \$0.40 were exercised. The Company received proceeds of an aggregate of \$248,573 in exchange for an aggregate of 621,432 Common Shares.

#### 9. Stock options

	Number of options	Weighted Average Exercise Price
Balance at January 1, 2023	5,902,879	\$0.58
Options issued	1,538,000	\$0.77
Option expired	(753,033)	\$0.89
<b>Balance, September 30, 2023</b>	<b>6,687,846</b>	<b>\$0.61</b>

At September 30, 2023, the Company had 6,687,846 (September 30, 2022 - 6,424,879) issued and outstanding stock options. The options are held by officers, directors and consultants of the Company.

As at September 30, 2023, the Company had stock options outstanding and exercisable as follows:

Exercise Price	Number Outstanding	Number Exercisable	Issue Date	Expiration Date
\$1.10	200,000	200,000	November 1, 2018	November 1, 2023
\$1.00	100,000	100,000	January 3, 2019	January 3, 2024
\$0.33	423,480	423,480	June 18, 2019	June 18, 2024
\$0.50	900,000	900,000	January 6, 2020	January 6, 2025
\$0.52	1,078,366	1,078,366	February 26, 2021	February 26, 2026
\$0.50	2,018,000	2,018,000	November 1, 2021	November 1, 2026
\$0.66	150,000	150,000	December 1, 2021	December 1, 2026
\$0.54	280,000	280,000	August 30, 2022	August 30, 2027
\$0.80	700,000	700,000	January 20, 2023	January 20, 2028
\$0.74	838,000	838,000	August 2, 2023	August 2, 2028
	6,687,846	6,687,846		

## WILTON RESOURCES INC.

### Notes to the Interim Condensed Financial Statements

#### For the three and nine-month periods ended September 30, 2023 and 2022

On January 20, 2023, the Company granted 700,000 stock options to purchase Common Shares of the Company to certain directors, officers and consultants of the Company. The options vest on the date of issuance and are exercisable for a period of five year from the date of grant at an exercise price of \$0.80 per share. The fair value of the options was \$0.58.

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

Annualized volatility	86%
Dividend yield	0%
Risk-free interest rate	2.92%
Expected option life	5 years

On June 6, 2023, 130,000 options expired unexercised.

On July 17, 2023, 223,033 options expired unexercised.

On July 24, 2023, 400,000 options expired unexercised.

On August 2, 2023, the Company issued 838,000 stock options to certain directors, officers, and consultants of the Company. The options vest on the date of issuance and are exercisable for a period of five years from the date of grant at an exercise price of \$0.74 per common share.

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

Annualized volatility	82%
Dividend yield	0%
Risk-free interest rate	3.97%
Expected option life	5 years

As at September 30, 2023, the weighted-average life of the options outstanding was 2.84 years (September 30, 2022 – 2.81 years)

The share-based compensation for the three and nine-month periods ended September 30, 2023 was \$389,502 and \$791,916 (2022 - \$106,747 and \$106,747).

#### 10. Warrants

	Number of warrants
Balance at January 1, 2023	4,858,344
Warrants issued (note 8)	1,054,897
Warrants exercised (note 8)	(1,886,917)
Warrants expired	(1,621,427)
<b>Balance, September 30, 2023</b>	<b>2,404,897</b>

## WILTON RESOURCES INC.

### Notes to the Interim Condensed Financial Statements

#### For the three and nine-month periods ended September 30, 2023 and 2022

As at September 30, 2023, the Company had the following warrants outstanding:

Exercise price		Number outstanding	Expiration date
\$0.40		700,000	November 12, 2023
\$0.40		650,000	June 29, 2024
\$1.00		1,027,667	January 19, 2025
\$1.00	(1)	18,690	January 19, 2025
\$2.00	(1)	8,540	January 19, 2025
		2,404,897	

Note (1): These warrants were issued to agents as finder's warrants.

As of September 30, 2023 the weighted average life of the warrants outstanding was 0.81 years (September 30, 2022 – 0.85 years).

On January 26, 2023, 535,714 warrants with an exercise price of \$0.70 expired unexercised and 442,857 common share purchase warrants that were issued on January 26, 2021 with an exercise price of \$0.40 were exercised. The Company received proceeds of \$177,143 in exchange for 442,857 Common Shares.

On February 3, 2023, 300,000 common share purchase warrants that were issued on February 13, 2019 with an exercise price of \$0.70 were exercised. The Company received proceeds of \$210,000 in exchange for 300,000 Common Shares.

On February 13, 2023, 557,142 warrants with an exercise price of \$0.40 expired unexercised.

On March 16, 2023, 20,000 common share purchase warrants that were issued on April 9, 2021 with an exercise price of \$0.55 were exercised. The Company received proceeds of \$11,000 in exchange for 20,000 Common Shares.

On March 28, 2023, 31,200 finders purchase warrants that were issued on April 9, 2021 with an exercise price of \$0.50 were exercised. The Company received proceeds of an aggregate of \$15,600 in exchange for an aggregate of 31,200 Common Shares.

On April 7, 2023, 400,000 common share purchase warrants, that were issued on April 9, 2021 with an exercise price of \$0.55 were exercised. The Company received proceeds of an aggregate of \$220,000 in exchange for an aggregate of 400,000 Common Shares.

On April 9, 2023, 100,000 warrants with an exercise price of \$0.55 expired unexercised.

On June 5, 2023, 71,428 common share purchase warrants, that were issued on July 14, 2021 with an exercise price of \$0.40 were exercised. The Company received proceeds of an aggregate of \$28,571 in exchange for an aggregate of 71,428 Common Shares.

On July 14, 2023 428,571 common share purchase warrants with an exercise price of \$0.40 expired unexercised and 621,432 common share purchase warrants, that were issued on July 14, 2021 with an exercise price of \$0.40 were exercised. The Company received proceeds of an aggregate of \$248,573 in exchange for an aggregate of 621,432 Common Shares.

## WILTON RESOURCES INC.

### Notes to the Interim Condensed Financial Statements

#### For the three and nine-month periods ended September 30, 2023 and 2022

#### 11. Loss per share

The weighted average number of shares outstanding for the three and nine-month periods ended September 30, 2023 was 68,209,615 and 67,453,522 (2022 – 64,483,706 and 63,941,489). For the three and nine-month periods ended September 30, 2023 and 2022, the outstanding options, purchase and finders' warrants were excluded from the diluted loss per share calculation as the instruments were anti-dilutive.

#### 12. Related Party Transactions

In 2014, the Company entered into an agreement with Rick Anderson, Chief Executive Officer and a Director, whereby the Company pays Mr. Anderson for office rental. During the three-and six-month periods ended September 30, 2023, the Company recorded \$12,000 and \$24,000 as an expense for office rental (2022 - \$12,000 and \$36,000).

At September 30, 2023, Mr. Anderson owed the Company \$388,765 (December 31, 2022 - \$325,605). The September 30, 2023 amount represents an advance on operating expenses that will be drawn down as incurred on behalf of Wilton in addition to expenses reimbursed by the Company and repayment.

#### 13. Key Management Compensation

Key management includes CEO, CFO and Directors.

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Short-term Compensation	\$ 137,500	\$ 107,500	\$ 412,500	\$ 322,500
Stock-based Compensation	145,947	106,747	318,410	106,747
Total	\$ 283,447	\$ 214,247	\$ 730,910	\$ 429,247

#### 14. Subsequent events

On November 2, 2023, the Company granted 200,000 stock options to a director of the Company. The options vest on the date of issuance and are exercisable for a period of five years from the date of grant at an exercise price of \$0.285 per common share.