

**CANCAMBRIA ENERGY CORP.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 and 2023**  
**(Unaudited)**  
**Expressed in Canadian Dollars (CAD)**

CanCambria Energy Corp.  
Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2024 and 2023  
(Unaudited)  
(Expressed in Canadian Dollars)

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**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim statements by an entity's auditors.

**CanCambria Energy Corp.**

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2024 and December 31, 2023

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	September 30, 2024	December 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		1,785,613	1,326,903
Receivables		33,157	341,811
Prepaid expenses		306,104	111,213
		2,124,874	1,779,927
<b>Non-current</b>			
Exploration and evaluation assets	6	1,759,281	2,264,554
Restricted cash	5	66,674	66,854
Project prepaid	7	-	303,037
Equipment		4,075	-
<b>TOTAL ASSETS</b>		<b>3,954,904</b>	<b>4,414,372</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		8,003	276,200
		8,003	276,200
<b>Shareholders' equity</b>			
Share capital	8	9,121,654	8,603,460
Reserves		1,221,346	437,082
Deficit		(6,396,099)	(4,902,370)
Total shareholders' equity		3,946,901	4,138,172
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,954,904</b>	<b>4,414,372</b>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 11)

**Approved on behalf of the Board on November 29, 2024:***"Konstantin Lichtenwald"*

Konstantin Lichtenwald – Director

*"Chris Cornelius"*

Chris Cornelius – Director

**CanCambria Energy Corp.**

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine months ended September 30, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Three months Ended		Nine months Ended	
		September 30,		September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Expenses</b>					
Amortization		222	-	370	52
Bank charges and interest		1,756	2,170	6,733	6,139
Consulting fees	9	115,513	270,955	336,738	634,338
Exploration expenses		24,544	-	37,108	52,708
Office and miscellaneous		39,112	13,773	77,127	74,544
Professional fees	9	79,761	113,638	234,699	199,942
Stock-based compensation	8,9	297,643	36,209	776,548	134,304
		<b>(558,551)</b>	<b>(436,745)</b>	<b>(1,469,323)</b>	<b>(1,102,027)</b>
<b>Other Items</b>					
Foreign exchange loss		(13,779)	(8,513)	(24,486)	(28,560)
Gain on investments		-	-	-	20,593
Loss in disposal of subsidiary	4	-	-	-	(13,678)
Interest income		38	(958)	80	50
		<b>(13,741)</b>	<b>(9,471)</b>	<b>(24,406)</b>	<b>(21,595)</b>
<b>Net loss and comprehensive loss for the period</b>					
		<b>(572,292)</b>	<b>(446,216)</b>	<b>(1,493,729)</b>	<b>(1,123,622)</b>
<b>Basic and Diluted Loss per Share</b>					
	8	<b>(0.01)</b>	(0.01)	<b>(0.02)</b>	(0.02)
<b>Weighted Average Shares</b>					
	8	<b>98,363,000</b>	79,294,489	<b>97,938,092</b>	70,918,282

**CanCambria Energy Corp.**

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$
<b>Balance, December 31, 2022</b>	<b>64,000,000</b>	<b>3,987,953</b>	<b>37,498</b>	<b>(3,236,092)</b>	<b>789,359</b>
Shares issued for private placements	11,520,000	576,000	-	-	576,000
Share issuance costs	-	(34,913)	-	-	(34,913)
Stock based compensation	-	-	98,095	-	98,095
Loss and comprehensive loss for the period	-	-	-	(677,406)	(677,406)
<b>Balance, September 30, 2023</b>	<b>75,520,000</b>	<b>4,529,040</b>	<b>135,593</b>	<b>(3,913,498)</b>	<b>751,135</b>
<b>Balance, December 31, 2023</b>	<b>96,157,000</b>	<b>8,603,460</b>	<b>437,082</b>	<b>(4,902,370)</b>	<b>4,138,172</b>
Shares issued for private placements	2,206,000	551,500	-	-	551,500
Share issuance costs	-	(25,590)	-	-	(25,590)
Fair value of agents warrants	-	(7,716)	7,716	-	-
Stock based compensation	-	-	776,548	-	776,548
Loss and comprehensive loss for the period	-	-	-	(1,493,729)	(1,493,729)
<b>Balance, September 30, 2024</b>	<b>98,363,000</b>	<b>9,121,654</b>	<b>1,221,346</b>	<b>(6,396,099)</b>	<b>3,946,901</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements

**CanCambria Energy Corp.**

Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

<b>Nine months ended September 30,</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>		
Net Loss for the period	(1,493,729)	(1,123,622)
Non-Cash Items:		
Amortization	370	52
Stock based compensation	776,548	134,304
Gain on investments	-	(20,593)
Loss on disposal of subsidiary	-	13,678
Foreign exchange		18
Changes in Non-Cash Working Capital Items:		
Receivables	308,654	(10,447)
Prepaid expenses	(194,891)	(37,558)
Accounts payable and accrued Liabilities	(176,884)	11,358
<b>Net Cash Used in Operating Activities</b>	<b>(779,932)</b>	<b>(1,032,810)</b>
<b>Investing Activities</b>		
Acquisition of subsidiary	-	(126,049)
Cash held by acquired subsidiary	-	291
Cash held by subsidiary disposed of	-	(29,582)
Exploration and evaluation expenditures	(924,363)	(137,779)
Project prepaid	-	(335,498)
Proceeds on license of geophysical data	1,641,360	-
Proceeds from Investments	-	39,690
Purchase of Equipment	(4,445)	-
Purchase of investment	-	(19,097)
<b>Net Cash Flow Provided by (Used in) Investing Activities</b>	<b>712,552</b>	<b>(608,024)</b>
<b>Financing Activities</b>		
Issuance of common shares, net of costs	525,910	2,899,870
<b>Net Cash Flow Provided by Financing Activities</b>	<b>525,910</b>	<b>2,899,870</b>
<b>Effect of Foreign Currency Translation on Cash</b>	<b>180</b>	<b>-</b>
<b>Net Change in Cash</b>	<b>458,710</b>	<b>1,259,036</b>
<b>Cash, Beginning of the period</b>	<b>1,326,903</b>	<b>751,944</b>
<b>Cash, End of the period</b>	<b>1,785,613</b>	<b>2,010,980</b>
<b>Supplemental cash flow information and non-cash transactions</b>		
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$ 417	\$ 91,730

The accompanying notes are an integral part of the condensed consolidated interim financial statements

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**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**1. NATURE OF OPERATIONS AND GOING CONCERN**

CanCambria Energy Corp. (the “Company” or “CanCambria”) was incorporated in British Columbia and is governed by the Business Corporation Act of the Province of British Columbia. CanCambria is strategically focused on developing and optimizing oil and gas projects in Europe. The Company’s registered address and head office is 1120 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6.

These consolidated financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to commence profitable operations in the future. During the nine months ended September 30, 2024, the Company incurred a net loss of \$1,493,729. As at September 30, 2024, the Company has an accumulated deficit of \$6,396,099.

While the Company has been successful in obtaining its required financing in the past, mainly through the issuance of equity capital, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. As at September 30, 2024, the Company has a positive working capital position of \$2,116,871. Management may require seeking additional sources of financing in the form of equity or debt financing in the future to maintain its operations and its exploration activities for the next fiscal year. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

**2. BASIS OF PREPARATION****(a) Statement of Compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. The condensed consolidated interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting and do not include all the information required for full annual consolidated financial statements in accordance with IFRS and should be read in conjunction with the annual consolidated financials for the year ended December 31, 2023.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 29, 2024.

**(b) Basis of measurement**

These condensed consolidated interim financial statements have been prepared on an accruals basis and are based on historical costs, except for certain financial instruments classified as financial instruments at fair value through profit or loss. These Financial Statements are presented in Canadian dollars unless otherwise noted.

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**2. BASIS OF PREPARATION (Continued)**

## (c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

Entity	Province/ Country of incorporation	Functional currency	Percentage owned	
			September 30, 2024	December 31, 2023
Cancambria Energy Corp. Sucursal Bolivia	Bolivia	Canadian dollar	100%	100%
Cancambria Hungary kft	Hungary	Canadian dollar	100%	100%
Delcuadra kft	Hungary	Canadian dollar	100% owned by Cancambria Hungary Kft	100% owned by Cancambria Hungary Kft

On January 9, 2023, Cancambria Hungary kft acquired 100% ownership of Delcuadra kft, a private company which owns the mining right of an exploration and evaluation stage oil and natural gas asset.

The following subsidiary was disposed of on June 30, 2023 and accordingly has not been consolidated subsequent to June 30, 2023. The operating results of this subsidiary are included in the consolidated statement of comprehensive loss up until the date of disposal.

Entity	Province/ Country of incorporation	Functional currency	Percentage owned	
Cancambria Exploraciones S.A.	Argentina	Canadian dollar	-	100%

Inter-company balances and transactions, including income and expenses arising from inter-company transactions, are eliminated on consolidation.

## (d) Functional and presentation currency

The functional and presentation currency of Company and its subsidiaries is the Canadian dollar ("CAD").

## (e) Use of judgments and estimates

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously 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. Actual outcomes may differ from these estimates:

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and for any future years affected.

## CanCambria Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements  
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### 2. BASIS OF PREPARATION (Continued)

#### Critical judgments and key sources of estimation uncertainty in applying accounting policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

#### *Stock-based compensation*

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them. The value of the share-based compensation expense for the year along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 8.

#### *Deferred taxes:*

Management is required to make estimations regarding the tax basis of assets and liabilities and related deferred income tax assets and liabilities, the measurement of income tax expense, and indirect taxes. A number of these estimates require management to make estimates of future taxable profit, and if actual results are significantly different than estimates, the ability to realize the deferred tax assets recorded on the statements of financial position could be impacted. The Company is subject to assessments by tax authorities who may interpret tax law differently. These factors may affect the final amount or the timing of tax payments.

#### *Contingencies:*

Due to the nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the event that management's estimate of the probability of a financial impact of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

#### *Impairment indicators:*

The assessment of impairment indicators as required by IFRS 6 – Exploration for and evaluation of mineral resources and International Accounting Standard ("IAS") 36 – Impairment of assets requires management to make judgements in estimates for costs, future commodity prices or recoverable reserves underlying its exploration and evaluation assets.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1), and the classification of its financial instruments.

### 3. ACQUISITION

On January 9, 2023, the Company closed a sales purchase agreement to acquire a 100% interest in a private company (the "Acquisition"), Delcuadra kft., which holds 100% of the mining right of an exploration and evaluation stage oil and natural gas asset, for a cash payment of \$218,580 (150,000 Euros), of which \$92,531 (64,000 Euros) had been advanced as at December 31, 2022.

At acquisition date, the Company determined that the Acquisition of Delcuadra kft. did not constitute a business as defined under IFRS 3, "Business Combinations", and the transaction was accounted for as an asset acquisition. The financial assets and liabilities were measured at their fair values at the acquisition date and the excess of the consideration paid over the fair value of net financial assets was attributed to the exploration and evaluation asset. No transaction costs were incurred.

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**3. ACQUISITION (Continued)**

The acquisition was recorded as follows:

Cash paid to acquire Delcuadra	\$	218,580
Total consideration	\$	218,580
Allocated to:		
Cash	\$	291
Restricted Cash		64,571
Receivables		2,448
Exploration and evaluation asset		151,270
	\$	218,580

**4. DISPOSAL OF SUBSIDIARY**

On June 30, 2023, the Company completed the sale of its subsidiary, CanCambria Exploracions S.A. to Argentina Potash Corp (“APC”). This transaction is a related party transaction due to the Company’s mutual directors and officers with APC.

The subsidiary was sold for aggregated consideration of 7,000,000 shares of APC, which had a nominal value. The Company declared a dividend and distributed the APC shares to its shareholders (Note 8).

As at June 30, 2023, CanCambria Exploracions S.A. had net asset of \$13,678 resulting in a loss on disposal of \$13,678.

**5. RESTRICTED CASH**

Restricted cash is cash the Company had reserved as a collateral for the bank’s guarantee for potential reclamation work relating to Delcuadra’s mining plot. As at September 30, 2024, the Company hold \$ 66,674 (2023 - \$66,854) as restricted cash.

**6. EXPLORATION AND EVALUATION ASSETS**

On January 9, 2023, pursuant to the acquisition of Delcuadra kft,(Note 3) the Company was awarded 100% ownership of the Ba-IX Mining Licence situated in Kiskunhalas basin (the “Kiskunhalas Tight Gas Sand Project”).

The following summarizes the cumulative costs capitalized:

	September 30, 2024	December 31, 2023
	\$	\$
<b>Balance, beginning of the year</b>	2,264,554	-
Acquisitions (Note 3)	-	151,270
Geophysical costs	903,704	2,113,284
Recovery on license of geophysical data	(1,641,360)	
Geological costs	232,383	-
<b>Balance, end of the year</b>	<b>1,759,281</b>	<b>2,264,554</b>

Effective May 30, 2024, the Company entered into a geophysical data license agreement (the “License Agreement”). Pursuant to the License Agreement, the Company grants a third party the right to use certain geophysical data. The License Agreement also provides the third party with a six-month exclusivity period to negotiate an investment in the Kiskunhalas Tight Gas Sand Project.

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited)

(Expressed in Canadian Dollars)

**7. PROJECT PREPAID**

During the year ended December 31, 2023, the Company entered into a geophysical services agreement in connection with the Kiskunhalas Tight Gas Sand Project, and a rental agreement for geophysical software to facilitate geophysical services. Minimum contractual commitments resulting for geophysical services agreement is USD \$1,116,600, and from the rental agreement is \$45,563. As at September 30, 2024, all consulting and rental agreement had been paid.

**8. SHARE CAPITAL*****Authorized share capital***

Unlimited number of common shares without par value.

***Share issuances***

At September 30, 2024, the Company had 98,363,000 common shares issued and outstanding.

During the nine months ended September 30, 2024 the Company had the following share transactions:

- During April 2024, the Company issued a total of 1,000,000 common shares at \$0.25 per share related to a private placement for gross proceeds of \$250,000. The Company recorded \$15,000 as share issuance costs in connection to the private placement.
- During February and March 2024, the Company issued an aggregate total of 1,206,000 common shares at \$0.25 per share related to private placements for gross proceeds of \$301,500. The Company recorded \$10,590 and issued 42,360 agents warrants valued at fair value of \$7,716 as share issuance costs in connection to the private placements.

During the year ended December 31, 2023, the Company had the following share transactions:

- On May 18, 2023 and June 5, 2023, the Company issued a total of 11,520,000 common shares at \$0.05 per share related to private placements for total proceeds of \$576,000. The Company recorded \$34,913 as share issuance cost in connection to the private placements.
- On August 30, 2023, September 19, 2023, and September 27, 2023, the Company issued a total of 12,503,000 common shares at \$0.20 per share related to private placements for total proceeds of \$2,500,600. The Company recorded \$141,817 and issued 709,080 agents warrants valued at fair value of \$104,566 as share issuance costs in connection to the private placements.
- On December 21, 2023, the Company issued a total of 8,134,000 common shares at \$0.25 per share related to private placements for total proceeds of \$2,033,500. The Company recorded \$124,135 and issued 488,040 agents warrants valued at fair value of \$89,163 as share issuance cost in connection to the private placement.

***Basic and diluted loss per share***

The calculation of basic and diluted loss per share for the nine months ended September 30, 2024 and 2023 were based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. During the nine months ended September 30, 2024 the Company had a loss per share of \$0.02 (September 30, 2023 - loss per share of \$0.02).

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**8. SHARE CAPITAL (Continued)*****Stock options***

In March 28, 2024, the Company's board of directors and shareholders approved the Stock Option Plan (the "Omnibus Incentive Plan") under which 10% of outstanding common shares are reserved for the granting of incentive stock options, to employees, officers, directors, and consultants. Recipients of stock options are eligible to purchase shares of the Company's common shares at an exercise price equal to no less than the estimated fair market value of such stock on the date of grant. The maximum term of options granted under the Plan is ten years and vesting is determined by the board of directors. Stock option grants are generally not exercisable prior to the applicable vesting date, unless otherwise accelerated under the terms of the applicable stock option agreement. Options that are granted and either have not vested, expired, or are otherwise lawfully cancelled prior to being exercised, will be returned to the Plan and therefore eligible for re-issuance.

The following table summarizes stock option transactions under the Omnibus Plan:

	Number of Options	Weighted average exercise price
<b>Outstanding, December 31, 2021</b>	-	-
Granted	4,500,000	0.05
<b>Outstanding, December 31, 2022</b>	4,500,000	0.05
Granted	1,500,000	0.16
<b>Outstanding, December 31, 2023 and September 30, 2024</b>	6,000,000	\$ 0.08

At September 30, 2024, the Company had outstanding and exercisable stock options as follows:

Date of Expiry	Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Weighted Average Remaining Life (years)
November 2, 2027	4,500,000	3,375,000	\$ 0.05	3.09
June 5, 2028	500,000	250,000	\$ 0.10	3.68
October 10, 2028	1,000,000	250,000	\$ 0.20	4.03
Total:	6,000,000	3,875,000	\$ 0.08	3.30

During the nine months ended September 30, 2024, no stock options were granted.

During the year ended December 31, 2023, 1,500,000 stock options were granted to consultants with a weighted average grant date fair value of \$0.14 per option.

During the nine months ended September 30, 2024, the stock-based compensation recognized in consolidated statements of comprehensive loss for vesting portion of aggregated stock options granted was \$145,337 (2023 - \$134,304).

Volatility is determined based on the historical share price volatility of a sample of public companies in the oil and gas industry.

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**8. SHARE CAPITAL (Continued)*****Stock options (continued)***

Expected forfeitures were estimated to be \$Nil at the time of grant and adjusted, if necessary, in subsequent periods if actual forfeitures occur.

The Company determined the fair value of options using Black-Scholes option valuation model with the following weighted average assumptions:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Fair value of common stock	-	\$0.05-\$0.19
Expected term (years)	-	5
Risk-free interest rate	-	3.52-4.17%
Expected volatility	-	171.96 – 181.24%
Dividend yield	-	0.00%
Estimated forfeitures	-	0.00%

***Warrants***

On July 14, 2023, 625,000 warrants with an exercise price of \$0.40 per warrants expired unexercised.

The following table summarizes the information about warrants as at September 30, 2024:

	<b>Warrants outstanding</b>	<b>Exercise Price</b>	<b>Weighted average remaining contractual life, in years</b>
		\$	
Balance, beginning	625,000	0.40	0.22
Expired	(625,000)	-	-
Balance, ending	-	-	-

During the nine-month period ended September 30, 2024, the Company issued 42,360 agents' warrants in connection to private placements and recorded a fair value of \$7,716 as share issuance cost.

During the year ended December 31, 2023, the Company issued 1,197,120 agents' warrants in connection to private placements and recorded a fair value of \$193,729 as share issuance cost.

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**8. SHARE CAPITAL (Continued)*****Warrants (continued)******Agents Warrants***

	Number of agents warrants	Weighted average exercise price
<b>Outstanding, December 31, 2022</b>	-	-
Granted	1,197,120	0.22
<b>Outstanding, December 31, 2023</b>	1,197,120	0.22
Granted	42,360	0.25
Expired	(709,080)	-
<b>Outstanding, September 30, 2024</b>	530,400	\$ 0.23

The following table summarizes the information about agent warrants as at September 30, 2024:

Expiry date	Warrants outstanding	Exercise Price	Weighted average remaining contractual life, in years
December 21, 2024	488,040	\$ 0.25	0.22
February 1, 2025	42,360	0.25	0.34
Total:	530,400	0.23	0.23

The Company determined the fair value of agent warrants using Black-Scholes option valuation model with the following weighted average assumptions:

	September 30, 2024	December 31, 2023
Fair value of common stock	\$0.25	\$0.20-\$0.25
Expected term (years)	2	1
Risk-free interest rate	4.11%	3.97%-4.87%
Expected volatility	217.41%	218.51%-221.87%
Dividend yield	0.00%	0.00%
Estimated forfeitures	0.00%	0.00%

***Restricted share units ("RSU")***

On February 22, 2024, the Company granted 4,170,000 RSUs to certain directors and consultants of the company. The RSUs were granted in accordance with the omnibus incentive plan adopted by the company and will vest and convert into common shares on February 22, 2025. The Company determined the fair value of the share price at date of grant was \$0.25.

**CanCambria Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
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 (Unaudited)  
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**8. SHARE CAPITAL (Continued)*****Restricted share units ("RSU") (continued)***

During nine-month period ended September 30, 2024, the stock-based compensation recognized in the consolidated statements of comprehensive loss for vesting portion aggregated RSU granted was \$631,212 (2023 - \$Nil).

***Dividends***

During the nine month period ended September 30, 2024, no dividends were declared or paid.

During the year ended December 31, 2023, pursuant to the disposition of Cancambria Exploraciones S.A, (Note 4) the Company declared dividends on the proceeds received from the sale and paid out shares of APC to all shareholders. Each shareholder received 0.092691 APC shares per common share. The fair value of the APC shares was estimated to be nominal.

**9. RELATED PARTY TRANSACTIONS**

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and officers of the Company.

The remuneration of the key management personnel during the nine month ended September 30, 2024 and 2023 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Consulting fees	101,946	94,256	275,780	283,347
Professional fees	67,500	60,000	202,500	70,500
Project Consulting	30,694	-	122,505	-
Directors' fees	6,837	-	20,456	-
Stock based compensation - options	28,962	28,024	120,363	105,263
Stock based compensation - RSU	227,479	-	546,445	-
<b>Total</b>	<b>463,418</b>	<b>182,280</b>	<b>1,288,049</b>	<b>459,110</b>

Included in accounts payable and accrued liabilities are amounts due to related parties of \$3,375 (December 31, 2023 - \$30,238). These amounts are unsecured, non-interest bearing, and have no fixed repayment terms.

During the nine-month period ended September 30, 2024, the Company granted 3,610,000 RSUs to directors and officers of the Company and will convert to common shares on February 22, 2025. The stock-based compensation recognized for vesting portion of aggregated RSU granted was \$546,445 (2023 - \$Nil).

On June 30, 2023, the Company sold its Argentina subsidiary CanCambria Exploraciones S.A. to Argentina Potash Corp. ("APC") and received 7,000,000 shares of APC. The Company declared a dividend on the proceeds of 7,000,000 APC shares, which had a fair value of \$Nil, and distributed the APC shares to its shareholders. This transaction is a related party transaction due to the Company's mutual directors and officers with APC.

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**9. RELATED PARTY TRANSACTIONS (Continued)**

During the nine-month period ended September 30, 2024, the Company granted 350,000 options with an exercise price of \$0.10 per share and vesting 25% every six months with an expiry date in five years to directors and officers of the Company. The stock-based compensation recognized for vesting portion of aggregated options granted to related parties was \$120,363 (2023 - \$105,263).

During the nine-month period ended September 30, 2024, a director and officer of the Company participated in a private placement for an aggregate total of \$7,500 and the Company issued 150,00 common shares to the director and officer of the Company in connection to the private placement.

**10. FINANCIAL INSTRUMENTS*****Categories of financial instruments***

<b>September 30, 2024</b>	<b>Total</b>
	\$
Fair value through profit or loss	
Cash	1,785,613
Amortized cost	
Restricted cash	66,674
Receivable	33,157
Accounts payable and accrued liabilities	(8,003)
	<u>1,877,441</u>
<hr/>	
<b>December 31, 2023</b>	<b>Total</b>
	\$
Fair value through profit or loss	
Cash	1,326,903
Amortized cost	
Receivable	66,854
Advance	341,811
Accounts payable and accrued liabilities	(276,200)
	<u>1,459,368</u>

***Fair value***

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these consolidated financial statements approximate their fair values due to the demand nature or short-term maturity of these instruments. Cash and cash equivalents are classified as Level 1 fair value. There were no transfers between Level 1 and Level 2 during the period ended September 30, 2024.

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**10. FINANCIAL INSTRUMENTS (Continued)**

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at September 30, 2024, the Company does not have any Level 3 financial instruments.

The Company's financial instruments are exposed to the following risks:

*Foreign currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, and accounts payable and accrued liabilities that are denominated in Argentinian Peso and Hungarian Forint.

The Company's reported results will be affected by fluctuations in the Hungarian Forint to Canadian dollar exchange rate. As at September 30, 2024, A 10% appreciation of the Hungarian Forint relative to Canadian dollar would have increased net assets by approximately \$61,038 (December 31, 2023 - \$47,735). A 10% depreciation of the Canadian dollar relative to the Hungarian Forint would have had equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada, while the remainder is deposited in bank accounts held with major banks in Hungary. As all of the Company's cash is held by five banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to credit risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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Notes to the Condensed Consolidated Interim Financial Statements

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**10. FINANCIAL INSTRUMENTS (Continued)***Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash as these instruments have original maturities of three-month periods or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company's net loss.

*Capital management*

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of working and share capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

**11. SUBSEQUENT EVENTS****Listing on TSX-V and Frankfurt stock exchange**

On October 29, 2024, the company's shares started trading on TSX Venture Exchange under the symbol CCEC, and on November 5, 2024, the Company shares began trading on the Frankfurt Stock Exchange (FSE) under the symbol 4JH.

**Exercise of Options**

Subsequent to the nine months ended September 30, 2024, the Company issued 283,700 common shares in connection with 283,700 options exercised with an exercise price of \$0.05 per share. In addition, the Company issued 500,000 shares in connection with sponsorship services for the Company's successful listing on the TSX Venture Exchange.

**Closing of Bolivia Branch**

Subsequent to the nine months ended September 30, 2024, the CanCambria Energy Corp. Bolivia Branch had been closed.