

ATHA ENERGY CORP.
(formerly Inglenook Ventures Ltd.)

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

For the nine months ended September 30, 2022 and
for the period from incorporation on
January 14, 2021 to September 30, 2021

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	As at September 30, 2022	As at December 31, 2021
Assets		
Current Assets		
Cash	\$ 7,222,083	\$ 18,339
GST receivable	16,635	5,222
	7,238,718	23,561
Exploration and evaluation assets (Note 5)	110,000	-
Long term deposits (Note 5)	1,000,000	-
Total Assets	\$ 8,348,718	\$ 23,561
Liabilities and Shareholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 129,560	\$ 109,178
	129,560	109,178
Shareholders' Equity (Deficiency)		
Share capital (Note 6)	8,631,245	124,652
Share-based payment reserve (Note 6)	567,744	437
Deficit	(979,831)	(210,706)
	8,219,158	(85,617)
Total Liabilities and Shareholders' Equity	8,348,718	\$ 23,561

Nature and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved on Behalf of the Board on November 29, 2022:

"Mike Castanho"

Mike Castanho – CEO/Director

"Morgan Tincher"

Morgan Tincher – Director

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

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the three months ended		For the nine	For the period
	September 30,		months ended	from
	2022	2021	September 30,	incorporation
			2022	on January 14,
				2021 to
				September 30,
				2021
Expenses				
Administration and bank charges	\$ 6,201	\$ 3,019	\$ 12,219	\$ 6,049
Management fees	30,000	30,000	90,000	65,000
Professional fees	32,847	265	82,452	265
Share-based compensation (Note 4)	567,307	-	567,307	437
Transfer agent and filing fees	13,436	-	17,147	1,067
	(649,791)	(33,284)	(769,125)	(72,818)
Transaction costs (Note 6)	-	-	-	(99,653)
	-	-	-	(99,653)
Loss and comprehensive loss for the period	\$ (649,791)	\$ (33,284)	\$ (769,125)	\$ (172,471)
Weighted average number of shares outstanding – basic and diluted (Note 7)	40,464,465	17,961,455	28,419,954	14,246,927
Basic and diluted loss per share (Note 7)	\$ (0.02)	\$ (0.00)	\$ (0.03)	\$ (0.01)

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

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Shareholders' Equity (Deficiency)
	Number	Amount			
Balance, December 31, 2021	17,961,388	\$ 124,652	\$ 437	\$ (210,706)	\$ (85,617)
Common shares issued – private placements and loan settlements	26,450,000	8,367,993	-	-	8,367,993
Common shares issued – debt settlement	6,930,000	138,600	-	-	138,600
Share-based payments	-	-	567,307	-	567,307
Loss for the period	-	-	-	(769,125)	(769,125)
Balance, September 30, 2022	51,341,388	\$ 8,631,245	\$ 567,744	\$ (979,831)	\$ 8,219,158
Balance, (incorporation) – January 14, 2021	-	\$ -	\$ -	\$ -	\$ -
Common shares issued – private placement	3,602,305	25,000	-	-	25,000
Common shares issued – plan of arrangement	14,359,083	99,653	-	-	99,653
Share-based compensation	-	-	437	-	437
Loss for the period	-	-	-	(172,471)	(172,471)
Balance, September 30, 2021	17,961,388	\$ 124,653	\$ 437	\$ (172,471)	\$ (47,381)

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

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Condensed Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the nine months ended September 30, 2022	For the period from incorporation on January 14, 2021 to September 30, 2021
Cash provided by / (used for):		
Operating Activities:		
Loss for the period	\$ (769,125)	\$ (172,471)
Item not involving cash:		
Share-based payments	567,307	437
Transaction costs	-	99,653
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	135,138	69,300
GST receivable	(11,413)	(3,562)
	(78,093)	(6,643)
Financing Activities:		
Proceeds from share issuances (Note 6)	8,205,000	25,000
Settlement of loans for shares (Note 6)	200,000	-
Share issuance costs (Note 6)	(13,163)	-
	8,391,837	25,000
Investing Activities:		
Exploration and evaluation assets (Note 5)	(110,000)	-
Long term deposits (Note 5)	(1,000,000)	-
	(1,110,000)	-
Change in cash for the period	7,203,744	18,357
Cash, beginning of the period	18,339	-
Cash, end of the period	\$ 7,222,083	\$ 18,357
Supplemental information:		
Interest paid	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash transactions:		
Share issuance for debt settlement	\$ 138,600	\$ -
Share issuance costs included in accounts payable	\$ 23,844	\$ -

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

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2022

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Atha Energy Corp. (formerly Inglenook Ventures Ltd.) (the “Company” or “Atha”) was incorporated under the British Columbia Business Corporations Act on January 14, 2021. The Company’s head office and its registered and records office is located at 1250 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1. On May 30, 2022, the Company changed its name from Inglenook Ventures Ltd. to Atha Energy Corp.

The Company is principally engaged in the acquisition, exploration, and evaluation of mineral resources, currently focusing on projects in the Sudbury Mining District, located in Ontario, Canada and in the Athabasca Basin located in Saskatchewan, Canada. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for exploration and operations will be raised primarily through share offerings.

On March 22, 2021, ECC Diversified Inc. (“ECCD”) completed a strategic reorganization of its assets in which it spun out Atha. The transaction was carried out by way of a plan of arrangement (the “Arrangement”) pursuant to the Business Corporations Act (British Columbia). Under the terms of the Arrangement, shareholders of ECCD received one common share of the Company for every common share of ECCD they held as of March 22, 2021; as a result, 14,359,083 common shares of the Company were issued.

On March 8, 2022, the Company completed a consolidation of its issued and outstanding common shares on a 1.388:1 basis. All share and per share information in these financial statements have been retroactively adjusted to reflect the consolidation.

These condensed interim financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and evaluating resource properties, operating costs, the current capital market environment, and global market conditions. As at September 30, 2022, the Company has working capital of \$7,109,158. For significant expenditures and resource property exploration and evaluation, the Company depends almost exclusively on outside capital. Such outside capital includes the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and evaluation plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2022

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using accounting policies that the Company expects to adopt in its annual financial statements for the year ended December 31, 2022. These condensed interim financial statements do not include all the information required for the annual financial statements and should be read in conjunction with the Company’s most recent audited financial statements for the year ended December 31, 2021, which are available on www.sedar.com.

The condensed interim financial statements are presented in Canadian dollars.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on November 29, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Critical Accounting Estimates, Judgments and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the condensed interim financial statements is as follows:

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Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2022

(Unaudited – Prepared by Management)

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Judgements

Going Concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Estimates

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Provision for environmental rehabilitation

Liabilities for environmental provisions are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future reclamation. The provision for environmental rehabilitation represents management's best estimate of the present value of the future cash outflows required to settle the liability.

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Notes to the Condensed Interim Financial Statements

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(Unaudited – Prepared by Management)

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for environmental rehabilitation (continued)

Factors that affect the final cost of remediation include estimates of the extent and costs of rehabilitation activities, the expected timing, technological changes, cost increases and changes in discount rates. Changes in the above factors can result in a change to the asset retirement obligation. This liability is reassessed and re-measured at each reporting date.

Stock options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

4. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of September 30, 2022, \$Nil was due to related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the period ended September 30, 2022, \$161,429 (2021 - \$179) in share-based payments was recorded related to stock options granted to directors of the Company.

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Notes to the Condensed Interim Financial Statements

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5. EXPLORATION AND EVALUATION ASSETS

September 30, 2022	Golden Rose Property
Acquisition costs:	
Balance, beginning of period	\$ -
Additions	110,000
Balance, end of period	<u>110,000</u>
Total costs	<u>\$ 110,000</u>

Golden Rose Property

Pursuant to a property option agreement dated July 19, 2022 between the Company and Conquest Resources Limited (“Conquest”), the Company has secured the sole and exclusive right and option (the “Option”) to acquire up to a 100% undivided interest in certain mineral leases, known as the Golden Rose Gold Property, located in the Sudbury Mining District, Ontario.

To fully exercise the Option, the Company must pay Conquest an aggregate of \$1,000,000 and issue to Conquest an aggregate of 1,500,000 common shares of the Company over a period of 36 months, as follows:

- \$100,000 plus the cost of obtaining a technical report on the effective date (paid);
- 200,000 common shares of the Company upon obtaining a public listing on a recognized Canadian stock exchange;
- \$200,000 and 300,000 common shares of the Company on the first anniversary of the effective date of the Option;
- \$200,000 and 300,000 common shares of the Company on the second anniversary of the effective date of the Option; and
- \$500,000 and 700,000 common shares of the Company on the third anniversary of the effective date of the Option.

The Company has also agreed to grant Conquest a 1.0% net smelter returns royalty on the Golden Rose Property, which can be purchased by the Company for \$1,000,000.

New Saskatchewan Syndicate Properties (“NSS”)

On September 20, 2022, the Company entered into an agreement (the “Purchase Agreement”) to acquire a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin (the “Acquired Assets”) from The New Saskatchewan Syndicate (the “Vendors”) which includes a 10% carried interest on certain land owned and operated by NexGen Energy Ltd. and IsoEnergy Ltd. (the “Acquisition”).

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(Unaudited – Prepared by Management)

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5. EXPLORATION AND EVALUATION ASSETS (continued)

New Saskatchewan Syndicate Properties (“NSS”) (continued)

In accordance with the terms of the Purchase Agreement, and as consideration for the Acquired Assets, the Company has agreed, among other things, to pay the Vendors the following:

- \$2,000,000 cash to be paid as follows:
 - \$200,000 non refundable deposit upon execution of the term sheet signed between the parties on January 11, 2022 (paid);
 - \$800,000 non refundable deposit upon execution of the Purchase Agreement (paid); and
 - \$1,000,000 upon Listing (as defined in Note 10).
- Issuance of common shares representing not less than 30% of the shares of the Company, on a fully diluted basis, upon Listing; and
- \$3,000,000 to be made available to the Vendors for the purpose of acquiring additional prospective uranium exploration properties on behalf of, and for the benefit of, the Company.

The Vendors will retain a 10% interest in any additional prospective mineral exploration properties acquired. The Company has also agreed to grant the Vendors a 2% net smelter returns royalty and a 10% carried interest in and to the Acquired Assets. Closing of the Acquisition is conditional upon completion of the Listing.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

On January 14, 2021, the Company received \$25,000 through the issuance of 3,602,305 common shares at \$0.007 per share.

On March 22, 2021, ECCD completed a strategic reorganization of its assets in which it spun out Atha. The transaction was carried out by way of the Arrangement. Under the terms of the Arrangement, shareholders of ECCD received one common share of the Company for every common share of ECCD they held as of March 22, 2021; as a result, 14,359,083 common shares of the Company were issued. The value associated with these shares is \$0.007 per share for a total of \$99,653 recorded to transaction costs.

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Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2022

(Unaudited – Prepared by Management)

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6. SHARE CAPITAL (continued)

(b) Issued and outstanding (continued)

On March 8, 2022, the Company completed a consolidation of its issued and outstanding common shares on a 1.388:1 basis and settled \$138,600 of outstanding indebtedness with certain creditors through the issuance of 6,930,000 common shares of the Company with a fair value of \$0.02 per share. All share and per share information in these financial statements have been retroactively adjusted to reflect the consolidation.

On July 21, 2022, the Company received \$1,005,000, and settled \$200,000 in loans made to the Company, in aggregate consideration of the issuance of 12,050,000 common shares of the Company at \$0.10 per common share. The Company incurred \$12,563 in costs in connection with the financing.

On August 22, 2022, the Company received \$7,200,000 in consideration of the issuance of 14,400,000 common shares of the Company at \$0.50 per common share. The Company incurred \$24,444 in costs in connection with the financing.

As at September 30, 2022, the issued share capital was comprised of 51,341,388 common shares.

(c) Stock options

On January 14, 2021, the Company adopted a stock option plan (the “Stock Option Plan”) whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price (if any) of the Company’s common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued and outstanding common shares, if the individual is a director or officer, or 2% of the issued and outstanding common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2022

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)**(c) Stock options (continued)**

On March 22, 2021, the Company granted a total of 1,404,899 incentive stock options to a director and consultants to the Company, which vested immediately, having an exercise price of \$0.1388 per share. The fair value of the options granted was determined to be \$437 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – 0.23%; expected life – 2 and 2.57 years; expected volatility – 100% and expected dividends – nil.

On July 8, 2022, all then current option holders agreed to the cancellation of the stock options they held in the Company. As a result, the Company cancelled an aggregate of 1,404,899 stock options exercisable at \$0.1388 per share.

On July 21, 2022, the Company granted a total of 500,000 stock options to a consultant to the Company, which vested immediately, having an exercise price of \$0.10 per share. The fair value of the options granted was determined to be \$36,898 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – 0.23%; expected life – 5 years; expected volatility – 100% and expected dividends – nil.

On August 29, 2022, the Company granted a total of 1,437,500 stock options to a consultant and to directors of the Company, which vested immediately, having an exercise price of \$0.50 per share. The fair value of the options granted was determined to be \$530,409 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – 0.23%; expected life – 5 years; expected volatility – 100% and expected dividends – nil.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2021	1,404,899	\$ 0.1388
Cancelled	(1,404,899)	\$(0.1388)
Granted	1,937,500	\$ 0.40
Balance, September 30, 2022	1,937,500	\$ 0.40

As at September 30, 2022, outstanding options were as follows:

Grant Date	Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
July 21, 2022	500,000	\$0.10	July 21, 2027	4.81
August 29, 2022	1,437,500	\$0.50	August 29, 2027	4.92
Fully vested and exercisable, September 30, 2022	1,937,500	\$0.40		

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7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended September 30, 2022 was based on the loss attributable to common shareholders of \$769,125 (period from incorporation on January 14, 2021 to September 30, 2021 - \$172,471) and the weighted average number of common shares outstanding of 28,419,954 (period from incorporation on January 14, 2021 to September 30, 2021 – 14,246,927).

8. MANAGEMENT OF CAPITAL

The Company defines capital as consisting of shareholder's equity (deficiency) (comprised of issued share capital, share-based payment reserve, and deficit). Management's objective is to provide investment management services to shareholders which includes investing in marketable securities for the purpose of returns in the form of investment income and capital appreciation, as well as the ability to meet its on-going operational obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at September 30, 2022, the Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes to the Company's approach to capital management during the nine months ended September 30, 2022.

9. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

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Notes to the Condensed Interim Financial Statements

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9. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2022, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible. The Company's maximum exposure to credit risk is equal to the carrying amount of cash, and GST receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2022, the Company has no sources of revenue and has a cash balance of \$7,222,083 to settle current liabilities of \$129,560. Subsequent to the period end, the Company completed a non-brokered private placement of 33,725,000 common shares for aggregate gross proceeds of \$33,725,000 (Note 10).

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Notes to the Condensed Interim Financial Statements

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(Unaudited – Prepared by Management)

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9. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk (continued)

Since inception the Company has relied solely on private placements to fund its operations. Management believes these financings will fund the Company's exploration work on its resource projects, as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. As at September 30, 2022, the Company was exposed to a low level of liquidity risk.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As of September 30, 2022 the Company's financial instruments consist of cash, GST receivable, and accounts payable and accrued liabilities. These financial instruments are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

10. SUBSEQUENT EVENTS

Subsequent to September 30, 2022, on October 28, 2022 and November 8, 2022, the Company completed two tranches of a non-brokered private placement of an aggregate of 33,725,000 subscription receipts (the "Subscription Receipts") of the Company at a price of \$1.00 per Subscription Receipt, for aggregate proceeds of \$33,725,000.

The proceeds from the Subscription Receipts financings are being held in escrow, pending the listing of the Company's common shares on a recognized Canadian stock exchange (the "Listing"). Upon completion of the Listing, each Subscription Receipt will be automatically exchanged, for no further consideration and with no further action on the part of the holder, for 1 common share of the Company. In the event that the Listing is not completed on or prior to January 31, 2023, each Subscription Receipt will be cancelled, and the subscription funds will be returned to the subscribers.

ATHA ENERGY CORP. (formerly Inglenook Ventures Ltd.)

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2022

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

10. SUBSEQUENT EVENTS (continued)

Completion of the Listing is subject to a number of conditions, and there can be no assurance that the Listing will be completed at all.