ORACLE ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

(Unaudited)

ORACLE ENERGY CORP.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Oracle Energy Corp. have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	MARCH 31 2021	DECEMBER 31 2020
ASSETS			
Current			
Cash		$ 15,693	$ 40,324
Amounts receivable		319	164
Total current assets		16,012	40,488
Exploration and evaluation assets	4	-	-
Total Assets		$ 16,012	$ 40,488
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 223,753	$ 205,652
Notes payable	5	70,896	70,896
Due to related parties	6	80,506	62,569
Total current liabilities		375,155	339,117
Notes payable	5,6	309,326	304,912
Total liabilities		684,481	644,029
DEFICIENCY			
Share capital	7	21,930,458	21,930,458
Reserves		4,532,213	4,532,213
Deficit		(27,131,140)	(27,066,212)
Total deficiency		(668,469)	(603,541)
Total liabilities and deficiency		$ 16,012	$ 40,488

These condensed interim financial statements were authorized for issuance by the Board of Directors on May 26, 2021. They are signed on behalf of the Board of Directors by:

"Loren Currie"	*"James Ladner"*
Director	Director

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

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED MARCH 31			
		2021		2020
Expenses				
Advertising and communications	**$**	**180**	$	180
Accretion (Note 5)		**4,602**		
Bank charges and interest		**150**		428
Consulting		**36,000**		-
Foreign exchange gain		**(286)**		2,176
Office		**131**		1,447
Professional fees		**6,000**		6,000
Regulatory and listing fees		**5,200**		6,200
Salaries and benefits (Note 6)		**12,000**		7,500
Transfer agent fees		**951**		1,006
		64,928		24,937
Net loss and comprehensive loss for the period	**$**	**(64,928)**	$	(24,937)
Basic and diluted (loss) earnings per share	**$**	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding		**67,322,600**		67,322,600

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

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	THREE MONTHS ENDED MARCH 31	
	2021	2020
Cash flows provided by (used for):		
Operating activities		
Net (loss) income for the year	**$ (64,928)**	$ (24,937)
Items not affecting cash:		
Accretion	**4,602**	-
Foreign exchange gain	**(188)**	-
Net change in non-cash working capital items:		
Amounts receivable	**(155)**	(395)
Accounts payable and accrued liabilities	**18,101**	(17,518)
Due to related parties	**17,937**	15,991
	(24,631)	(26,859)
Financing activity		
Cash received from notes payable	**-**	20,000
	-	20,000
Net increase (decrease) In cash	**(24,631)**	(6,859)
Cash, beginning of year	**40,324**	10,117
Cash, end of year	**$ 15,693**	$ 3,258

The accompanying notes are an integral part of these financial statements

ORACLE ENERGY CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN DEFICIENCY
(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

	SHARE CAPITAL					
	NUMBER	AMOUNT	SHARES TO BE ISSUED	RESERVES	DEFICIT	TOTAL DEFICIENCY
Balance, December 31, 2019	67,322,600	$ 21,930,458	$ -	$ 4,532,213	$ (27,013,289)	$ (550,618)
Net income for the period	-	-	-	-	(24,937)	(24,937)
Balance, March 31, 2020	67,322,600	21,930,458	-	4,532,213	(27,038,226)	(575,555)
Net loss for the period	-	-	-	-	(27,986)	(27,986)
Balance, December 31, 2020	67,322,600	21,930,458	-	4,532,213	(27,066,212)	(603,541)
Net loss for the period	-	-	-	-	(64,928)	(64,928)
Balance, March 31, 2021	**67,322,600**	**$ 21,930,458**	**$ -**	**$ 4,532,213**	**$ (27,131,140)**	**$ (668,469)**

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

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Oracle Energy Corp. (the "Company") was incorporated on October 2, 1985 under the Business Corporations Act of British Columbia and is in the business of acquiring, exploring and evaluating oil and gas properties and developing these properties further or disposing of them when the evaluation is completed.

The address of the Company and the principal place of business is 1400 – 1040 West Georgia Street, Vancouver, B.C., V6E 4H1 and the registered and records office is located at 2110 – 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

To date, the Company has not earned significant revenues. During the three months ended March 31, 2021, the Company recorded net loss of $64,928 (2020 – $24,937) and as of that date, the Company's current liabilities exceeded its current assets by $359,143 (December 31, 2020 - $298,629). As at March 31, 2021, the Company has an accumulated deficit of $27,131,140 (December 31, 2020 - $27,066,212). The Company's operations are primarily funded with debt or equity financing, which is dependent upon many external factors and may be difficult to raise when required. The Company does not have sufficient cash to fund current operations, amounts payable, or amounts required to complete planned acquisitions and will require additional funding, which if not raised, may result in the delay, postponement or curtailment of some of its activities.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets triggering an economic downturn and making it difficult to raise capital in the public markets. As at March 31, 2021, the Company did not have any operations impacted by COVID-19. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. However, the above factors may cast significant doubt on the use of the going concern basis of accounting used in the preparation of these financial statements. These financial statements do not give effect to adjustments that would be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of Compliance

The condensed interim financial statements of the Company for the three months ended March 31, 2021, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

2. BASIS OF PRESENTATION (continued)

b) Basis of Preparation

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

c) Presentation and Functional Currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Significant Accounting Judgments and Estimates

The preparation of these financial statements 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 expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Elements of these financial statements subject to material estimation uncertainty include:

<u>Fair value measurements</u>

In the preparation of these financial statements, management has estimated the fair value of financial instruments, for which there are no active markets. The fair value estimates are based on the best available information and experience of management. Future events or changes in circumstances may materially impact these estimates used in valuing assets and liabilities at year end.

Elements of these financial statements subject to significant judgment may include:

Significant judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. BASIS OF PRESENTATION (continued)

d) Significant Accounting Judgments and Estimates (continued)

i) going concern assessment:
Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

ii) consideration of exploration and evaluation asset impairment criteria:
Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the exploration and evaluation assets, current and future metal prices, and market sentiment are all factors considered by the Company.

In respect of the carrying value of exploration and evaluation assets recorded on the statements of financial position, management has determined that it continues to be appropriately recorded, as there has been no obsolescence or physical damage to the assets and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

iii) discounting of long-term debt and note payable:
The discounting of long-term notes payable involves estimates in determining the discount rate used by the Company and the estimated timing of the repayments as indicated in Note 5.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2020. Certain comparative figures may have been reclassified in order to conform to the current period's financial statement presentation.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

During the year ended December 31, 2020, the Company was advised that its Italmin project was not viable, and that Italmin had applied to relinquish its 20% Nusco licence. As a result, the Company recorded a writedown of $15,442 for the year ended December 31, 2020. There are no exploration and evaluation assets as and March 31, 2021 and December 31, 2020.

Although the Company takes steps to verify title to the resource properties in which it acquires interests in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory and governmental requirements.

5. NOTES PAYABLE

During the year ended December 31, 2020, the Company entered into debt deferral arrangements in the amount of $302,677 whereby various related parties, key management and third parties agreed to defer 75% of the amounts owing to three equal installments, repayable from each of the first three private placements completed by the company subsequent to the first year after the Company completes a qualifying transaction (see Note 12). As a result of the debt settlements and debt deferral arrangements, 25% of the amounts were reclassified from related party debt to current and 75% to long term notes payable.

During the year ended December 31, 2020, the Company borrowed $40,000 from the Canada Emergency Business Account ("CEBA") program. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

As at March 31, 2021, the total amounts owing were $413,385 (December 31, 2020 - $413,573). The outstanding loans are unsecured and bear no interest.

The summary of notes payable as of March 31, 2021 and December 31, 2020 is as follows:

	MARCH 31 2021	DECEMBER 31 2020
Notes payable	**$ 373,573**	$ 373,573
Foreign exchange adjustment	**(188)**	-
CEBA	**40,000**	40,000
Total notes payable	**413,385**	413,573
Current notes payable	**(70,896)**	(70,896)
Long term portion	**342,489**	342,677
Less: adjustment of amortized cost	**(37,765)**	(38,929)
Add: accretion	**4,602**	1,164
Long term notes payable	**$ 309,326**	$ 304,912

(Expressed in Canadian Dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) Transactions with Key Management Personnel

	THREE MONTHS ENDED MARCH 31			
		2021		2020
Salaries and other short-term benefits	**$**	**12,000**	$	7,500
Legal Fees	**$**	**6,000**	$	6,000
		18,000		13,500

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at March 31, 2021, $80,506 (December 31, 2020 - $62,569) was owing to key management personnel or to a company controlled by an officer or director and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at March 31, 2021, $89,800 (December 31, 2020 - $89.988) was to key management personnel or to a company controlled by an officer or director and the amounts were included in Notes Payable (Note 5).

7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value
5,000,000 preferred shares, par value of $5 per share (none issued)

b) Issued and Outstanding

There were no shares issued during the three months ended March 31, 2021 or the year ended December 31, 2020.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

c) Warrants

A summary of the changes in the Company's share purchase warrants is as follows:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2019	55,638,257	$ 0.19
Expired	(55,638,257)	0.19
Balance, December 31, 2020 and March 31, 2021	**-**	**$ -**

There were no outstanding warrants as at March 31, 2021.

d) Incentive Stock Options

The Company's Stock Option Plan ("the Plan") follows the policies of the TSX Venture Exchange regarding stock option awards granted to employees, directors, and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

There were no options granted during the three months ended March 31, 2021 or the year ended December 31, 2020.

A summary of the changes in the Company's stock options is as follows:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2019	5,360,000	0.15
Cancelled	(1,660,000)	0.15
Forfeited	(3,700,000)	0.15
Balance, December 31, 2020 and March 31, 2021	**-**	**$ -**

There were no outstanding options as at March 31, 2021.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition. The Company does not have any externally imposed capital requirements to which it is subject.

As at March 31, 2021 and December 31, 2020, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, adjust the amount of cash and cash equivalents, or dispose of assets.

8. MANAGEMENT OF CAPITAL (Continued)

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and its ability to attain profitable operations.

9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk

Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Goods and Services Tax (GST) credits and other receivables.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

c) Market Risk

The significant market risks to which the Company is exposed are currency, interest rate, commodity and equity price risks.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at March 31, 2021 and December 31, 2020, the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	MARCH 31 2021		**DECEMBER 31** 2020	
Cash	**USD**	**27**	USD	46
Accounts payable	**USD**	**2,254**	USD	1,118
Due to related parties	**USD**	**4,000**	USD	4,000
Notes payable	**USD**	**12,000**	USD	12,000

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $1,822 (December 31, 2020 - $1,707) in income/loss from operations.

9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

c) Market Risk (continued)

ii) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at March 31, 2021 and December 31, 2020, no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

iii) Commodity and Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's financing abilities due to movements in individual equity prices or general movements in the stock market. The company closely monitors equity prices and the stock market to determine the appropriate course of action to be taken by the Company.

As at March 31, 2021 and December 31, 2020, the Company had no investments subject to commodity and equity price risk.

10. SUBSEQUENT EVENTS

On February 28, 2020, the Company entered into a letter agreement (the "LOI") with Methanogenesis Corporation ("Methano") pursuant to which the parties agreed to complete a business combination (the "**Transaction**") by way of share exchange that would have the effect of the Company acquiring all of the issued and outstanding common shares in the capital of Methano (the **"Methano Shares**") by issuing approximately 16,830,650 Oracle shares to the shareholders of Methano. The Transaction was subject to TSX Venture Exchange (the "**TSXV**") approval and was intended to constitute a "Fundamental Acquisition" in accordance with TSXV Policy.

On April 26, 2021, the Company announced that it terminated its previously announced letter of intent dated February 28, 2020 as amended on May 11, 2020 (the "LOI") to acquire Methanogenesis Corporation.

On May 12, 2021, the Company announced that effective at the opening on May 6, 2021, the Company's listing transferred to NEX due to the Company not meeting Tier 2 Continued Listing Requirements. The Company's Tier classification has changed from Tier 2 to NEX, and the Filing and Service Office has changed from Vancouver to NEX. The trading symbol for the Company has changed from OEC to OEC.H and trading has resumed in conjunction with the transfer to the NEX Boards of the TSX Venture Exchange.

10. SUBSEQUENT EVENTS (Continued)

On May 25, 2021, the Company announced that, subject to all regulatory approvals, it intends to amend its share structure by consolidating its issued and outstanding common shares on the basis of 1 (one) post consolidation shares for each 5 (five) pre-consolidation shares (the "Consolidation"). The Company currently has 67,322,600 common shares issued and outstanding. Following the Consolidation, it is anticipated that the Company will have approximately 13,464,520 common shares issued and outstanding.