



CLEARVIEW RESOURCES LTD

Clearview Resources Ltd.

**Condensed Interim Financial Statements
(unaudited)**

**For the three and six months
ended June 30, 2024**

Notice to Reader

The June 30, 2024 Condensed Interim Financial Statements have been prepared by and are the responsibility of management. These financial statements have not been reviewed by the Company's independent external auditors.

CLEARVIEW RESOURCES LTD.**Condensed Interim Statements of Financial Position***(thousands of Canadian dollars) (unaudited)*

	Notes	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		5,110	-
Trade and other receivables		2,984	3,773
Prepaid expenses and deposits		1,172	903
Fair value of financial instruments		30	340
Total current assets		9,296	5,016
Exploration and evaluation assets	4	1,168	268
Property, plant and equipment	5	40,249	43,686
Total assets		50,713	48,970
Liabilities			
Current liabilities			
Bank debt	6	-	1,700
Accounts payable and accrued liabilities		2,732	4,753
Decommissioning obligations	8	711	711
Total current liabilities		3,443	7,164
Convertible debentures	7	1,243	1,236
Decommissioning obligations	8	15,498	15,550
Total liabilities		20,184	23,950
Shareholders' equity			
Common shares	9	73,695	73,695
Equity component of convertible debentures	7	53	53
Contributed surplus	9	4,272	4,177
Deficit		(47,491)	(52,905)
		30,529	25,020
Total liabilities and shareholders' equity		50,713	48,970

Commitments – Note 14

Subsequent Event – Note 15

See accompanying notes to the condensed interim financial statements

Approved by the Board of Directors:

"Lindsay Stollery"

Director

"Patricia Saputo"

Director

CLEARVIEW RESOURCES LTD.

Condensed Interim Statements of Operations and Comprehensive Earnings (Loss)
(thousands of Canadian dollars except per share amounts) (unaudited)

	Notes	Three Months Ended June 30		Six Months Ended June 30	
		2024	2023	2024	2023
Revenues					
Oil and natural gas sales	12	4,975	4,985	10,505	12,119
Royalties		(749)	(355)	(1,416)	(1,477)
		4,226	4,630	9,089	10,642
Realized gain (loss) - financial instruments		130	-	362	-
Unrealized gain (loss) - financial instruments		(10)	-	(310)	-
Processing income		122	31	290	79
		4,468	4,661	9,431	10,721
Expenses					
Transportation		312	305	632	661
Operating		2,700	2,667	5,688	6,118
General and administrative		897	818	1,597	1,474
Stock based compensation	9	36	56	95	113
Depletion and depreciation	5	1,618	1,472	3,391	3,269
Loss (gain) on disposal of property, plant and equipment	5	(5,524)	16	(5,524)	304
Other costs (income)	11	(2,300)	-	(2,300)	-
Transaction costs		-	7	-	23
		(2,261)	5,341	3,579	11,962
Finance costs	10	223	160	438	352
Earnings (loss) before taxes		6,506	(840)	5,414	(1,593)
Income taxes		-	-	-	-
Net earnings (loss) and comprehensive earnings (loss)		6,506	(840)	5,414	(1,593)
Net earnings (loss) per common share					
Basic	9	0.55	(0.07)	0.46	(0.14)
Diluted	9	0.51	(0.07)	0.43	(0.14)

See accompanying notes to the condensed interim financial statements

CLEARVIEW RESOURCES LTD.**Condensed Interim Statements of Changes in Shareholders' Equity***(thousands of Canadian dollars) (unaudited)*

	Common Shares	Equity Component of Convertible Debentures	Contributed Surplus	Deficit	Shareholders' Equity
Balance as at December 31, 2022	75,020	53	3,983	(48,894)	30,162
Stock based compensation expense	-	-	113	-	113
Proceeds on exercise of options	59	-	-	-	59
Transfer from contributed surplus	52	-	(52)	-	-
Net loss and comprehensive loss	-	-	-	(1,593)	(1,593)
Balance as at June 30, 2023	75,131	53	4,044	(50,487)	28,741
Balance as at December 31, 2023	73,695	53	4,177	(52,905)	25,020
Stock based compensation expense	-	-	95	-	95
Net earnings and comprehensive earnings	-	-	-	5,414	5,414
Balance as at June 30, 2024	73,695	53	4,272	(47,491)	30,529

See accompanying notes to the condensed interim financial statements

CLEARVIEW RESOURCES LTD.
Condensed Interim Statements of Cash Flows
(thousands of Canadian dollars) (unaudited)

	Notes	Three Months Ended June 30		Six Months Ended June 30	
		2024	2023	2024	2023
Cash provided by (used in):					
Operating activities					
Net earnings (loss) and comprehensive earnings (loss)		6,506	(840)	5,414	(1,593)
Adjustments for:					
Unrealized (gain) loss - financial instruments		10	-	310	-
Stock based compensation		36	56	95	113
Accretion of decommissioning obligations and convertible debentures	7,8	144	139	283	280
Loss (gain) on disposal of property, plant and equipment	5	(5,524)	16	(5,524)	304
Depletion and depreciation	5	1,618	1,472	3,391	3,269
Decommissioning expenditures	8	(92)	(268)	(92)	(615)
Changes in non-cash working capital	13	(934)	(351)	(915)	376
		1,764	224	2,962	2,134
Investing activities					
Additions to property, plant and equipment	5	(75)	(301)	(866)	(660)
Acquisition of exploration and evaluation assets	4	(900)	-	(900)	-
Acquisition of property, plant and equipment	5	(2,259)	-	(2,259)	-
Proceeds on disposition of property, plant and equipment	5	8,459	(16)	8,459	2,095
Changes in non-cash working capital	13	(829)	187	(586)	66
		4,396	(130)	3,848	1,501
Financing activities					
Repayment of bank debt	6	(1,050)	-	(1,700)	-
Proceeds on exercise of options	9	-	17	-	59
		(1,050)	17	(1,700)	59
Change in cash		5,110	111	5,110	3,694
Cash and cash equivalents, beginning of period		-	3,825	-	242
Cash and cash equivalents, end of period		5,110	3,936	5,110	3,936
Supplemental information					
Interest paid on debt	10	78	50	174	98

See accompanying notes to the condensed interim financial statements

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

1. Nature of operations

Clearview Resources Ltd. (“Clearview” or “the Company”) is a privately owned, crude oil and natural gas company, engaged in the acquisition, exploration, development and production of crude oil and natural gas from properties located in the province of Alberta, Canada. The Company’s head office is located at 1350, 734 – 7th Ave. SW, Calgary, AB T2P 3P8.

2. Basis of preparation

Statement of compliance and authorization

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” using the same accounting policies as those set out in Note 3 of the audited financial statements for the year ended December 31, 2023. The condensed interim financial statements contain disclosures that are supplemental to the Company’s December 31, 2023 audited financial statements. Certain disclosures, which are normally required to be included in the notes to the audited annual financial statements, have been condensed or omitted. The condensed interim financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto for the period ended December 31, 2023. In the opinion of management, these condensed interim financial statements contain all adjustments necessary to present fairly the Company’s financial position as at June 30, 2024 and the results of its operations and cash flows for the three and six months then ended.

The condensed interim financial statements were approved and authorized for issuance by the Board of Directors on August 27, 2024.

3. Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of revision and in any future years affected.

Significant estimates and judgments made by management in the preparation of financial statements are outlined in note 2 to the audited annual financial statements for the year ended December 31, 2023 and December 31, 2022.

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

4. Exploration and evaluation assets

Exploration and evaluation assets (“E&E”) consist of the Company’s exploration projects which are pending the determination of proved plus probable reserves.

As at	June 30, 2024	December 31, 2023
Balance, beginning of the period	268	280
Acquisition of exploration and evaluation assets	900	-
Expense	-	(12)
Balance, end of the period	1,168	268

During the three months ended June 30, 2024, Clearview acquired exploration and evaluation assets in central Alberta as part of an oil and gas property acquisition (see note 5(c)).

5. Property, plant and equipment

(a) Oil and natural gas assets

As at	June 30, 2024	December 31, 2023
Cost		
Balance, beginning of the period	98,955	103,540
Asset retirement costs (see Note 8)	(633)	(671)
Additions to property, plant and equipment	866	5,316
Acquisitions (see Note 5(c))	2,877	-
Disposals (see Note 5(b))	(4,404)	(9,230)
Balance, end of the period	97,661	98,955
Accumulated depletion, depreciation and impairment		
Balance, beginning of the period	(55,269)	(55,605)
Depletion and depreciation	(3,391)	(6,961)
Disposals (see Note 5(b))	1,248	7,297
Balance, end of the period	(57,412)	(55,269)
Net book value, end of the period	40,249	43,686

The Company does not capitalize any of its general and administrative costs.

(b) Disposition of assets

On June 4, 2024, the Company closed the disposition of oil and gas infrastructure in the Northville area of the Central Alberta Gas CGU for cash proceeds of \$8.5 million. The oil and gas infrastructure, which was owned 100% by Clearview, included operational capacity which was not being utilized by the Company in a field gathering system, gas compression facility and sales pipeline. Clearview retained a level of capacity ownership in all the infrastructure to maintain its production and development plans in the area. A gain of \$5.5 million was recorded in the statement of operations and comprehensive earnings (loss) related to the disposition.

CLEARVIEW RESOURCES LTD.**Notes to the Condensed Interim Financial Statements***(tabular amounts in thousands of Canadian dollars) (unaudited)***For the three and six months ended June 30, 2024**

	Northville Infrastructure
Cost	4,404
Accumulated depletion	(1,248)
Net book value	3,156
Decommissioning obligations (see Note 8)	(221)
Net carrying amount	2,935
Proceeds on the disposition	8,459
Gain on disposition	5,524

On January 31, 2023, the Company closed the disposition of an oil property located in its Central Alberta Oil CGU that had been reclassified to assets held for sale at December 21, 2022. At closing in January 2023, the Company received the cash proceeds of \$1.46 million from an unrelated entity and recorded an additional gain on the disposition of \$8 thousand as a result of final closing adjustments. The proceeds from the disposition were immediately deposited with the Company's lender.

In addition, during the three months ended March 31, 2023, the Company closed the disposition of a non-operated, minor working interest property in its Central Alberta Oil CGU for net proceeds of \$0.65 million. The acquirer assumed the decommissioning obligations associated with the properties resulting in a reduction of \$1.0 million in decommissioning obligations. A loss of \$0.3 million was recorded in earnings related to the disposition as calculated below. The Company recorded transaction costs of \$16 thousand related to the disposition.

	Bantry
Cost	9,230
Accumulated depletion	(7,297)
Net book value	1,933
Decommissioning obligations (see Note 8)	(995)
Net carrying amount	938
Proceeds on the disposition	650
Loss on disposition	288

(c) Acquisition of assets

On June 4, 2024, Clearview acquired producing oil and gas assets and undeveloped land from an oil and gas producer for cash consideration of \$3.2 million. The purchase has been accounted for as an acquisition of assets and included in the Central Alberta Oil CGU.

Cash consideration	3,159
Net assets acquired	
Exploration and evaluation assets	900
Property, plant and equipment	2,877
Decommissioning obligations (see Note 8)	(618)
	3,159

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

(d) Depletion and depreciation

The depletion cost base includes future development costs ("FDC") as appropriate. At June 30, 2024, the Company estimated its FDC to be \$162.4 million (December 31, 2023 - \$162.4 million).

(e) Impairment

At June 30, 2024, there were no indicators of impairment or reversal of impairment identified on any of the Company's CGU's within property, plant and equipment resulting in no impairment tests being performed.

At December 31, 2023, Clearview identified indicators of impairment in two of its three CGUs. In the Company's Central Alberta Gas CGU there was an indicator of impairment due to the drop in natural gas prices. In the Central Alberta Oil CGU, there was an indicator of impairment due to negative technical revisions to the reserve report and valuations due to production performance. As a result, the Company completed an impairment test for these two CGU's and determined that no impairment was required.

The impairment tests were performed following the fair value less costs to sell method. The estimated net recoverable amount was based on before-tax discount rates specific to the underlying reserve category, as determined by the Company's independent third-party reserve evaluator at December 31, 2023, and risk profile of each CGU, net of decommissioning obligations. The discount rates used in the valuation ranged from 15% to 20% on average.

The results of Clearview's impairment tests are sensitive to changes in quantities of reserves and future production, forward commodity pricing as forecast by three independent reservoir engineering companies, development costs, operating costs, royalty obligations, abandonment costs and discount rates. As such, any changes to these key estimates could decrease or increase the recoverable amounts of assets and result in additional impairment charges or in the reversal of previously recorded impairments charges.

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

The table below details the pricing used in estimating the recoverable amounts at December 31, 2023.

	WTI	Edmonton Light	Bow River Medium	Propane	Butane	Pentane	AECO Spot
Year	US/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl
2024	73.67	92.91	77.44	29.65	47.69	96.79	2.20
2025	74.98	95.04	80.48	35.13	48.83	98.75	3.37
2026	76.14	96.07	81.84	35.43	49.36	100.71	4.05
2027	77.66	97.99	83.61	36.14	50.35	102.72	4.13
2028	79.22	99.95	85.78	36.86	51.35	104.78	4.21
2029	80.80	101.94	87.49	37.60	52.38	106.87	4.30
2030	82.42	103.98	89.24	38.35	53.43	109.01	4.38
2031	84.06	106.06	91.01	39.12	54.50	111.19	4.47
2032	85.74	108.18	92.83	39.90	55.58	113.41	4.56
2033	87.46	110.35	94.69	40.70	56.70	115.67	4.65
2034	89.21	112.56	96.58	41.51	57.83	117.98	4.74
2035	90.99	114.81	98.52	42.34	58.99	120.34	4.84
2036	92.81	117.10	100.49	43.19	60.17	122.75	4.94
2037	94.67	119.45	102.50	44.06	61.37	125.20	5.03
2038	96.56	121.83	104.55	44.94	62.60	127.71	5.14
2039+	+2.0%/yr	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.

6. Bank debt

At June 30, 2024, the Company had a revolving, operating demand loan (“Operating Facility”) with an Alberta based financial institution (“Lender”) with a facility limit of \$10.0 million (December 31, 2023 - \$10.0 million).

As at	June 30, 2024	December 31, 2023
Operating Facility - prime-based loans	-	1,700
Operating Facility - guaranteed notes	-	-
Total	-	1,700

The Operating Facility is reserve-based, revolving and payable on demand. As the available lending limits are based on the lender’s interpretation of the Company’s reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review. Drawings under the facility can be undertaken in the form of prime-based loans or guaranteed notes offered by the Lender.

The Operating Facility is secured by a general security agreement providing a security interest over all present and acquired property and a floating charge on all oil and natural gas assets.

The interest rates applicable to drawings under the facilities are based on a pricing margin grid and can change quarterly as a result of the ratio of all outstanding indebtedness to annualized quarterly funds flows as calculated in accordance with the agreement governing the facility (“Debt to Funds Flow”). Annualized quarterly funds flow is defined as earnings before depletion and depreciation, stock based compensation, accretion of decommissioning obligations and debenture discounts, unrealized gains or

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

losses on commodity contracts, gains or losses on dispositions, non-cash other costs (income) and deferred income taxes.

Under the Operating Facility, prime-based loans are subject to an interest rate of lender prime plus a credit spread of 3.0% to 6.0%, depending on the Debt to Funds Flow ratio of less than 1.0 to greater than 4.0.

Guaranteed notes are subject to the Canadian Dollar Offered Rate ("CDOR") plus a stamping fee of 4.0% to 7.0%, depending on the Debt to Funds Flow ratio of less than 1.0 to greater than 4.0. Guaranteed notes may be undertaken for terms of 30, 60, 90 or 180 days.

The Company is subject to certain reporting and financial covenants, pursuant to its lending agreement. The agreement requires compliance with a working capital covenant whereby the Company must maintain a minimum working capital ratio of 1 to 1. For calculating compliance with this covenant, the amount drawn on the Operating Facility, classified as a current liability, and the fair value of financial instruments are excluded from working capital. Conversely, the amount of the undrawn portion of the Operating Facility is added to current assets. At June 30, 2024, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.7:1 (2.4:1 at December 31, 2023). In addition, the Company and its lender have agreed to a covenant whereby the Company shall maintain a liability management rating ("LMR") of no less than 2.0. Clearview's LMR as at June 30, 2024 was 2.2. The Company is also required to maintain commodity swap contracts on a six month rolling basis, based on the percent drawn on its Operating Facility versus the credit capacity of \$10 million. At less than or equal to 25%, the Company is required to have 15% of its production volumes hedged for the next six months. The Company has satisfied the requirement to contract a portion of its production volumes as per the lending agreement.

At June 30, 2024, the Company had only \$10 thousand in letters of credit outstanding on the Operating Facility.

7. Convertible debentures

	Number of Convertible Debentures	Liability Component	Equity Component
Balance at December 31, 2022	12,621	1,222	53
Accretion of discount	-	14	-
Balance at December 31, 2023	12,621	1,236	53
Accretion of discount	-	7	-
Balance at June 30, 2024	12,621	1,243	53

The Company has \$1.26 million of unsecured convertible debentures outstanding. The interest rate on the debentures is 10%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. During the term of the debenture, the debenture is convertible into common shares of the Company at the option of the holder based on a conversion price of \$1.50 per common share. Due to the conversion feature of the debenture, the debentures were bifurcated between debt

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

and equity using a discount rate of 11.5% for a debt value of \$1.19 million with the remainder recognized in shareholders' equity as the equity component of the convertible debentures.

The debentures have a term of five years and mature on November 30, 2025. The debentures were not redeemable by the Company in the first year ended December 1, 2021. During the remainder of the term, the Company may redeem the debentures on the following basis:

Years 4 and 5 – 100% of the principal amount plus accrued interest

8. Decommissioning obligations

The following table presents the continuity of the Company's decommissioning obligations.

As at	June 30, 2024	December 31, 2023
Balance, beginning of the period	16,261	18,225
Disposition of obligations (see Note 5(b))	(221)	(995)
Obligations incurred	-	39
Obligations acquired (see Note 5(c))	618	-
Obligations settled	(92)	(823)
Changes in estimates	(633)	(710)
Accretion (see Note 10)	276	525
Total	16,209	16,261
Current portion of decommissioning obligations	(711)	(711)
Balance, end of the period	15,498	15,550

The future estimated cash outflows required to settle the obligations have been discounted using a risk-free rate of 3.39% at June 30, 2024 (December 31, 2023 at 3.02%). An inflation rate of 1.80% at June 30, 2024 (December 31, 2023 at 1.62%) was used as an estimate to determine the future cash outflows required to settle the obligations. The total undiscounted and inflated amount of future cash outflows as estimated at June 30, 2024 was \$26.0 million (December 31, 2023 - \$25.7 million). Payments to settle decommissioning obligations occur over the operating lives of the underlying assets, estimated to be over the next 42 years, with most of the expected expenditures to be incurred between 2028 and 2050.

9. Share capital

(a) Authorized shares

Unlimited voting common shares – without nominal or par value

Unlimited non-voting common shares – without nominal or par value

Unlimited preferred shares with multiple classes – par value of \$1.00

CLEARVIEW RESOURCES LTD.**Notes to the Condensed Interim Financial Statements***(tabular amounts in thousands of Canadian dollars) (unaudited)***For the three and six months ended June 30, 2024****(b) Issued voting common shares**

	#	\$
As at December 31, 2022	11,678,587	75,020
Return of capital	-	(1,500)
Issue of shares on redemption of DSU's	36,767	51
Issue of shares on exercise of options	47,268	59
Transfer from contributed surplus on redemption of DSU's	-	13
Transfer from contributed surplus on exercise of options	-	52
As at December 31, 2023 and June 30, 2024	11,762,622	73,695

(c) Contributed surplus

The following table presents the continuity of contributed surplus.

	Six Months Ended June 30, 2024	Year Ended December 31, 2023
Balance, beginning of the period	4,177	3,983
Transfer to share capital on redemption of DSU's	-	(13)
Transfer to share capital on exercise of options	-	(52)
Stock based compensation	95	259
Balance, end of the period	4,272	4,177

(d) Per share amounts

For the three and six months ended June 30, 2024, 440,000 options for voting common shares, the conversion of convertible debentures into common shares and deferred share units were included in the computation of diluted per share amounts as the Company had earnings for the each of those periods.

For the three and six months ended June 30, 2023 options for voting common shares, the conversion of convertible debentures into common shares and deferred share units were excluded from the computation of diluted per share amounts as the Company was in a net loss position for each of those periods.

The net earnings (loss) per voting common share was determined as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Net earnings (loss)	6,506	(840)	5,414	(1,593)
Weighted average shares outstanding (thousands)				
Basic	11,762	11,724	11,762	11,712
Diluted	12,819	11,724	12,819	11,712
Net earnings (loss) per share - basic	0.55	(0.07)	0.46	(0.14)
Net earnings (loss) per share - diluted	0.51	(0.07)	0.43	(0.14)

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

(e) Options for voting common shares

The Company has provided for equity-settled, share based payments in the form of options to acquire voting common shares which the Board of Directors has granted to directors, officers and employees. The number of options, the exercise price and all other terms thereof were set by the Board of Directors at the time of grants. The options generally vest 1/3 on the first anniversary of the grant date, 1/3 on the second anniversary and 1/3 on the third anniversary. 59,000 options granted in 2023 vest 1/3 at the time of grant, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary. The options expire seven years from the date of grant.

In the six months ended June 30, 2024, no options were granted or exercised, 18,733 options were cancelled and 92,500 options expired. In the year ended December 31, 2023, the Company granted 268,000 options to officers, directors and employees of the Company with a weighted average exercise price of \$1.23 per share under option. During 2023, 154,000 options with an exercise price of \$4.50 per option expired after seven years.

The fair value of the options at the date of measurement was determined based on a Black-Scholes calculation with the following inputs and outcomes:

	Year Ended December 31, 2023
	Inputs
Exercise price	\$1.23
Volatility	73.6%
Expected option life	6.5 years
Dividend	\$ nil
Risk-free interest rate	3.32%
Estimated cost per voting common share under option	\$0.85
Total estimated cost to be amortized over the vesting period	\$228

CLEARVIEW RESOURCES LTD.**Notes to the Condensed Interim Financial Statements***(tabular amounts in thousands of Canadian dollars) (unaudited)***For the three and six months ended June 30, 2024**

The following presents the continuity of the voting common shares under option.

	Number of shares under option	Weighted average exercise price
Balance as at December 31, 2022	644,234	\$2.92
Granted	268,000	\$1.23
Exercised	(47,268)	\$1.25
Cancelled	(12,966)	\$1.25
Expired	(154,000)	\$4.50
Balance as at December 31, 2023	698,000	\$2.06
Cancelled	(18,733)	\$1.48
Expired	(92,500)	\$5.00
Balance as at June 30, 2024	586,767	\$1.62

The following table summarizes the options outstanding and exercisable at June 30, 2024.

Outstanding			Exercisable		
Number of shares under option	Remaining contractual life (Years)	Weighted average exercise price	Number of shares under option	Remaining contractual life (Years)	Weighted average exercise price
50,000	4.42	\$3.96	33,334	4.42	\$3.96
175,500	3.40	\$1.25	175,500	3.40	\$1.25
127,000	5.47	\$2.07	42,333	5.47	\$2.07
40,267	4.86	\$1.48	19,667	3.36	\$1.48
194,000	6.48	\$1.09	-	-	-
586,767	5.06	\$1.62	270,834	3.85	\$1.73

(f) Deferred share units

In the six months ended June 30, 2024, the Company did not grant any deferred share units ("DSU's). For the year ended December 31, 2023, the Company redeemed 36,767 DSU's by exchanging them for common shares of the Company to a former employee and former director. The Company recorded an expense of \$51 thousand on the redemption of the DSU's with an equivalent amount being recorded in share capital.

The DSU's were granted as a long-term incentive program and entitle the holder to receive the underlying number of shares of the Company's common shares when settled. The DSU's are to be settled at the retirement, resignation or death of the holder of the DSU's.

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

The following table presents the continuity of deferred share units.

As at	Six Months Ended June 30, 2024	Year Ended December 31, 2023
Balance, beginning of the period	79,130	115,897
Redeemed	-	(36,767)
Balance, end of the period	79,130	79,130

(g) Restricted share units

The Company has a restricted share unit plan ("RSU"). Employees are eligible to receive RSU awards as approved by the Board of Directors. The RSU awards vest on each of the first, second and third anniversary of the award date at which time the employee will receive a cash payment equivalent to the number of RSUs vested multiplied by the Company's estimated share price on the business day immediately preceding the vesting date.

On December 20, 2023, the Company awarded 63,378 RSUs to employees of the Company. In addition, at that time one-third of the RSUs awarded in 2022 vested and were paid with an expense of \$11 thousand recorded in the financial statements.

The fair value of the RSUs at June 30, 2024 was \$1.36 per RSU. At June 30, 2024, an expense and liability related to the outstanding RSUs of \$22 thousand was recorded in the financial statements.

The following table presents the continuity of restricted share units.

As at	June 30, 2024	December 31, 2023
Balance, beginning of the period	80,365	26,737
Granted	-	63,378
Vested	-	(9,750)
Balance, end of the period	80,365	80,365

10. Finance costs

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Accretion of decommissioning obligations	140	135	276	273
Accretion of convertible debenture discount	4	4	7	7
Interest on bank debt	47	19	111	35
Interest on convertible debentures	31	31	63	63
Credit facility fees and other	1	5	1	8
Interest income	-	(34)	(20)	(34)
Total	223	160	438	352

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

11. Other costs (income)

On June 4, 2024, the Company received a cash payment of \$2.3 million from the acquirer of the Northville infrastructure (see Note 5(b)). The payment was received as settlement of a contract between Clearview and the acquirer. The contract required the acquirer to reimburse Clearview for production that became shut-in as a result of the acquirer's newer production causing increases in facility inlet pressures in the Northville area.

12. Revenue

The Company derives its revenue from contracts with customers for oil and natural gas sales through the transfer of commodities at particular sales points and for processing income through the provision of services at particular facilities. All revenue of the Company is generated through sales in Alberta.

Oil and natural gas sales are comprised of the following major product types.

	Three Months		Six Months	
	Ended June 30		Ended June 30	
	2024	2023	2024	2023
Crude oil	3,096	2,696	6,014	6,367
Natural gas liquids	1,317	1,250	2,810	2,990
Natural gas	562	1,039	1,681	2,762
Total	4,975	4,985	10,505	12,119

13. Supplemental cash flow information

Changes in non-cash working capital are comprised of:

	Three Months		Six Months	
	Ended June 30		Ended June 30	
	2024	2023	2024	2023
Cash provided by (used in):				
Trade and other receivables	955	1,007	789	1,230
Prepaid expenses and deposits	(144)	(759)	(269)	(581)
Accounts payable and accrued liabilities	(2,574)	(412)	(2,021)	(207)
	(1,763)	(164)	(1,501)	442
Related to:				
Operating activities	(934)	(351)	(915)	376
Investing activities	(829)	187	(586)	66
Changes in non-cash working capital	(1,763)	(164)	(1,501)	442

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

13. Risk management and financial instruments

(a) Overview of risk management

The Company's activities expose it to a variety of financial risks that arise from its exploration, development, production and financing activities. The risks include credit risk, liquidity risk and market risk. The Company employs risk management strategies and policies to ensure that any exposure to risk complies with the Company's business objectives and risk tolerance levels. While the Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

(b) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Company's earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Commodity price risk

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Commodity prices for oil and natural gas are impacted by global economic and political events that dictate the levels of supply and demand. Management continuously monitors commodity prices and contracts to manage exposure to these risks when it deems appropriate. The Company does not utilize derivative financial instruments for trading or speculative purposes.

The Company hedges a portion of oil and natural gas sales using derivative financial instruments or may use forward sales contracts or physical sales contracts when deemed appropriate. The Company does not apply hedge accounting for these contracts. The Company's production is usually sold using "spot" or near-term contracts, with prices fixed at the time of transfer of custody or based on a monthly average market price.

The Company had the following physical and financial commodity price contracts outstanding at June 30, 2024.

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
November 1, 2024	October 31, 2025	GJ/d	1,500	AECO 5A – Physical	\$2.63
May 1, 2024	September 30, 2024	Bbls/d	150	Edmonton Par - Financial	\$105.75
May 1, 2024	September 30, 2024	Bbls/d	100	Edmonton Par – Physical	\$108.50

Management monitors the forward price market for oil and natural gas, on an ongoing basis, and may contract additional production volumes as attractive pricing opportunities become available or if production increases from development or acquisitions.

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

(c) 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 manages its liquidity risk by monitoring cash flows from operating activities, reviewing actual capital expenditures against budget, managing maturity profiles of financial assets and liabilities and managing its commodity price risk management program. These activities ensure sufficient funds are available to meet the Company's financial obligations when due.

The Company's financial liabilities at June 30, 2024 which mature within one year are as follows:

Accounts payable and accrued liabilities	2,732
Current portion of decommissioning obligations	711
Total	3,443

The components of accounts payable and accrued liabilities are as follows:

As at	June 30, 2024	December 31, 2023
Trade payables	1,296	2,632
Industry partners	979	1,143
Royalties payable	137	349
Accrued liabilities	320	629
Total accounts payable and accrued liabilities	2,732	4,753

Management prepares an operating and capital budget for presentation to the Board of Directors of the Company and its lender. Management presents quarterly updates of the operating (including hedge contracts) and capital budgets (including potential acquisitions and dispositions) to the Board of Directors of the Company and adjustments to planned activities are made depending on projected cash flows and capital resources.

The Company's credit facility is a demand loans and as such the lender could demand repayment at any time. As the available lending limits are based on the lender's interpretation of the Company's reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review. Management is not aware of any indications the lender would demand repayment in the next 12 months. At June 30, 2024, the Company had made all its interest and fee payments and was compliant with all the financial covenants. Depending on the final credit facility limit approved by the lender, the Company may seek alternate financing arrangements, if necessary, to execute its planned capital program. Given that the credit facility is a demand loan and the uncertainty regarding the renewal amount and terms, there is liquidity risk for the Company.

(d) Capital management

The Company's objective is to maintain access to sources of capital, defined to be working capital, shareholders' equity, its credit facilities, convertible debentures and cash flow from operations, with which to finance its operations. The Company maintains a capital structure of equity and debt as appropriate. The Company manages its capital structure and revises the structure for changes in economic

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

conditions, opportunities for accretive acquisitions and the risk characteristics of the underlying investments. The Company balances its overall capital structure through share issues and the use of debt as deemed appropriate in the circumstances. The Company is not subject to any externally imposed capital requirements other than the working capital covenant associated with its credit facility.

Net debt

The Company monitors net debt in managing its capital. Net debt is defined as current assets less current liabilities, excluding the fair value of its commodity contracts, less convertible debentures.

The components of the Company's net debt calculation are as follows:

As at	June 30, 2024	December 31, 2023
Cash and cash equivalents	5,110	-
Trade and accounts receivable	2,984	3,773
Prepaid expenses and deposits	1,172	903
Bank debt	-	(1,700)
Accounts payable and accrued liabilities	(2,732)	(4,753)
Decommissioning obligations	(711)	(711)
Convertible debentures	(1,243)	(1,236)
Net (debt) surplus	4,580	(3,724)

The Company's credit facility requires compliance with a covenant whereby the working capital ratio can be no less than 1:1 as outlined in Note 6. At June 30, 2024, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.7:1, (as at December 31, 2023 - 2.4:1).

Adjusted funds flow

Adjusted funds flow represents cash provided by operating activities before changes in operating non-cash working capital and decommissioning expenditures. The Company uses this measure to evaluate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment, to repay debt and return capital to shareholders. Management believes that this measure provides an insightful assessment of the Company's operations on a continuing basis by eliminating changes in non-cash working capital and the settlement of decommissioning obligations, the timing of which is discretionary.

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

The following is a reconciliation of cash provided by operating activities to adjusted funds flow:

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Cash provided by operating activities	1,764	224	2,962	2,134
Decommissioning expenditures	92	268	92	615
Change in non-cash working capital	934	351	915	(376)
Adjusted funds flow	2,790	843	3,969	2,373

(e) Fair value

As at June 30, 2024 and December 31, 2023, the carrying value of cash and cash equivalents, trade and other receivables and accounts payable and accrued liabilities included in the statement of financial position approximate fair value due to the short-term nature of those instruments. The fair value of the bank debt approximates its carrying value as it bears a floating rate of interest and the margin charged by the lenders is indicative of current credit spreads. The fair value of the convertible debentures approximates its carrying value based on similar instruments derived from quoted indices. Fair value is measured on the following basis:

Level 1 fair value measurements are based on unadjusted quoted market prices.

Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.

Level 3 fair value measurements are based on unobservable information.

The fair value of financial instruments and the convertible debentures are measured using level 2 inputs.

14. Commitments

Payments required under commitments for each of the next five years are as follows:

	2024	2025	2026	2027	2028	Thereafter
Accounts payable and accrued liabilities	2,732	-	-	-	-	-
Decommissioning obligations	711	711	711	711	711	12,654
Convertible debentures	-	-	1,262	-	-	-
Total	3,443	711	1,973	711	711	12,654

CLEARVIEW RESOURCES LTD.

Notes to the Condensed Interim Financial Statements

(tabular amounts in thousands of Canadian dollars) (unaudited)

For the three and six months ended June 30, 2024

15. Subsequent events

Subsequent to the end of the second quarter of 2024, the Company closed a disposition of certain mineral rights on 24 sections of the undeveloped lands acquired by Clearview in the second quarter. See note 5(c). The Company received a cash payment of \$0.9 million and a gross overriding royalty on 13 of the 24 sections. No gain or loss will be recorded on closing of the disposition.