BUTTE ENERGY INC.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

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

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

BUTTE ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS
(UNAUDITED)

		March 31, 2022		December 31, 2021
Assets				
Current assets				
Cash	**$**	**609**	$	40,520
Amounts receivable		**10,713**		7,899
Reclamation deposits (Note 3)		**97,645**		97,525
Prepaid expenses		**1,581**		3,684
		110,548		149,628
Total assets	**$**	**110,548**	$	149,628
Liabilities				
Current liabilities				
Amounts payable and accrued liabilities	**$**	**24,163**	$	21,309
Provision for environmental liabilities (Note 4)		**73,944**		73,944
Total liabilities		**98,107**		95,253
Shareholders' equity				
Share capital (Note 5)		**21,840,691**		21,840,691
Equity reserve (Note 5)		**1,043,350**		1,043,350
Deficit		**(22,871,600)**		(22,829,666)
Total shareholders' equity		**12,441**		54,375
Total liabilities and shareholders' equity	**$**	**110,548**	$	149,628

Nature of operations and going concern (Note 1)
Other events (Note 9)

Approved by the Board of Directors and authorized for issue on May 24, 2022

"Geir Liland" Director

"D. Jeffrey Harder" Director

See accompanying notes to the unaudited condensed interim consolidated financial statements.

BUTTE ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND
EXPRESSED IN CANADIAN DOLLARS
(UNAUDITED)

	Three months ended March 31, **2022**	2021
Expenses		
Advisory and consulting	**$ 30,000**	$ 25,000
Professional fees	**4,250**	216,337
Regulatory and transfer agent	**3,510**	31,814
Office and administration	**4,294**	3,574
	(42,054)	(276,725)
Finance income	**120**	120
	120	120
Net loss and comprehensive loss	**$ (41,934)**	$ (276,605)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**319,384,202**	317,384,202

See accompanying notes to the unaudited condensed interim consolidated financial statements.

BUTTE ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
EXPRESSED IN CANADIAN DOLLARS
(UNAUDITED)

	Share capital		Equity		Total shareholders'
	Number	Amount	reserve	Deficit	equity (deficiency)
Balance at December 31, 2020	317,384,202	$ 21,495,478	$ 1,188,563	$ (22,467,881)	$ 216,160
Net loss and comprehensive loss	-	-	-	(276,605)	(276,605)
Balance at March 31, 2021	317,384,202	21,495,478	1,188,563	(22,744,486)	(60,445)
Exercise of share options	2,000,000	345,213	(145,213)	-	200,000
Net loss and comprehensive loss	-	-	-	(85,180)	(85,180)
Balance at December 31, 2021	319,384,202	21,840,691	1,043,350	(22,829,666)	54,375
Net loss and comprehensive loss	-	-	-	(41,934)	(41,934)
Balance at March 31, 2022	319,384,202	$ 21,840,691	$ 1,043,350	$ (22,871,600)	$ 12,441

See accompanying notes to the unaudited condensed interim consolidated financial statements.

BUTTE ENERGY INC.
CONDENSED INTERIM COSNOLIDATED STATEMENTS OF CASH FLOW
EXPRESSED IN CANADIAN DOLLARS
(UNAUDITED)

	Three months ended March 31, **2022**	2021
Operating activities		
Net loss	**$ (41,934)**	$ (276,605)
Items not involving cash:		
Finance income	**(120)**	(80)
Changes in non-cash working capital items:		
Amounts receivable	**(2,814)**	(12,895)
Prepaid expenses	**2,103**	-
Amounts payable and accrued liabilities	**2,854**	118,603
	(39,911)	(170,977)
Change in cash	**(39,911)**	(170,977)
Cash, beginning of period	**40,520**	246,299
Cash, end of period	**$ 609**	$ 75,322

No cash was paid for interest or taxes during the three months ended March 31, 2022 and 2021.

See accompanying notes to the unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Butte Energy Inc. ("Butte" or the "Company") is incorporated under the Business Corporations Act (British Columbia). The Company's head office and principal address is 3123-595 Burrard Street, Vancouver, British Columbia, V7X 1J1 Canada. The Company lists its common shares on the NEX board of the TSX Venture Exchange under the symbol BEN.H.

The Company had been engaged in the acquisition, exploration and development of petroleum and natural gas reserves in Western Canada. In 2017, the Company sold its last remaining asset and has no active operations other than the completion of reclamation activities on previously abandoned wells. In October 2020, there was a change of control of the Company with a new board and management team appointed.

These unaudited condensed interim consolidated financial statements (the "consolidated financial statements") have been prepared assuming the Company will continue as a going concern. The Company has an accumulated deficit of $22,871,600 and working capital of $12,441 as at March 31, 2022. The Company incurred a net loss and comprehensive loss of $41,934 for the three months ended March 31, 2022.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the going concern basis of accounting be inappropriate. In order to fund future operations or acquisitions, the Company will need to raise additional funds by way of equity or debt. There is no assurance that the Company will be able to raise such funds on terms acceptable to it.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements for the year ended December 31, 2021.

(b) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. BASIS OF PRESENTATION (Continued)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, being 1289087 B.C. Ltd. (British Columbia). 1289087 B.C. Ltd. was incorporated under the BCBCA on February 16, 2021 for the purpose of the terminated Transaction (see Note 9).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

(d) Recent accounting standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC.

The following amendments are effective for the period beginning January 1, 2023:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

  In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

- Definition of Accounting Estimates (Amendments to IAS 8)

  In February 2021, the IASB issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors

The Company is currently assessing the impact of these accounting standards and amendments. The Company does not believe that these amendments will have a significant impact on its financial statements.

(Expressed in Canadian dollars)

3. RECLAMATION DEPOSITS

In January 2018, the Company was required to provide a security deposit to the Alberta Energy Regulator in order for the Company to proceed with the finalization of the reclamation on previously abandoned wells. These deposits are refundable upon final acceptance of the reclamation certificates by the Alberta Energy Regulator.

The deposits are held in trust in an interest-bearing bank account. Interest income on the account is recorded in finance income in the statements of net loss and comprehensive loss.

4. PROVISION FOR ENVIRONMENTAL LIABILTIES

The Company recorded a provision for the completion of reclamation activities on previously abandoned wells.

		Provision
Balance, December 31, 2020	$	80,870
Additions		11,674
Settlement of liabilities		(18,600)
Balance, December 31, 2021 and March 31, 2022	$	73,944

During the year ended December 31, 2021, the Company recorded a gain on write-off of provision of $6,926.

5. SHARE CAPITAL

(a) Authorized

Authorized share capital consists of an unlimited number of common shares without nominal or par value and unlimited number of preferred shares without par value.

(b) Issued and fully paid common shares

As at March 31, 2022, there were 319,384,202 common shares issued and outstanding.

During the year ended December 31, 2021, 2,000,000 shares were issued pursuant to the exercise of 2,000,000 share options for proceeds of $200,000.

(c) Share options

The Company has established a rolling Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three month period. All other options vest at the discretion of the Board of Directors.

There were no share options granted during the three months ended March 31, 2022 and 2021.

During the year ended December 31, 2021, 2,000,000 share options were exercised for proceeds of $200,000.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (Continued)

(c) Share options (Continued)

A summary of the changes in share options is presented below:

	Number of options	Weighted average exercise price
Balance, December 31, 2020 and March 31, 2021	11,000,000	$ 0.10
Exercised	(2,000,000)	0.10
Balance, December 31, 2021 and March 31, 2022	9,000,000	$ 0.10

The following table summarizes information about the share options outstanding and exercisable at March 31, 2022:

Outstanding and exercisable	Exercise price	Expiry date
500,000	$ 0.10	August 6, 2022
8,500,000	0.10	October 8, 2030
9,000,000		

(d) Warrants

There were no warrants outstanding and exercisable as at March 31, 2022.

6. RELATED PARTY TRANSACTIONS

Key management personnel are those persons who have authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

There was no compensation to key management personnel during the three months ended March 31, 2022 and 2021.

7. FINANCIAL INSTRUMENTS

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, reclamation deposits and amounts payable and accrued liabilities. Their carrying values approximate fair value due to the short-term nature of these instruments. Cash is carried at fair value.

7. FINANCIAL INSTRUMENTS (Continued)

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash.

Liquidity Risk

The Company's cash is invested in bank accounts which are available on demand. As at March 31, 2022, the Company had working capital of $12,441 and requires additional funding to continue operations for the next twelve months (Note 1).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) Interest Rate Risk

The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. Interest rate exposure is considered to be insignificant.

b) Foreign Currency Risk

The Company is nominally exposed to material currency risk.

c) 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 earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

8. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not subject to externally imposed capital requirements.

8. MANAGEMENT OF CAPITAL (Continued)

Management reviews its capital management approach on an ongoing basis. There was no change in the Company's management of capital policies during the three months ended March 31, 2022.

9. OTHER EVENTS

In February 2021, the Company announced a business combination transaction (the "Transaction") with Genesis Group Limited ("Genesis Mining Group"). In connection with the Transaction, the Company announced a non-brokered private placement (the "Private Placement") of 55,000,000 subscription receipts ("Subscription Receipts") at a price of $1.00 per Subscription Receipt for gross proceeds of $55,000,000. Each Subscription Receipt was to convert into one common share of the Company immediately prior to the completion of the Transaction. The Company learned of circumstances which lead it to believe that Genesis Mining Group had breached its agreement with the Company entered in February 2021. In March 2021 and as at the date of this report, the Transaction was terminated and all funds received from subscribers to the Private Placement were returned to the subscribers.