ATHA ENERGY CORP.
(formerly Inglenook Ventures Ltd.)

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the six months ended June 30, 2022 and
for the period from incorporation on
January 14, 2021 to June 30, 2021

Atha Energy Corp.
(formerly Inglenook Ventures Ltd.)

(the "Company" or "Atha")

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the six months ended June 30, 2022

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of Atha Energy Corp. (formerly Inglenook Ventures Ltd.) is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

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

	As at June 30, 2022	As at December 31, 2021
Assets		
Current Assets		
Cash	$ **7,379**	$ 18,339
Restricted cash (Note 5b)	**365,000**	-
GST receivable	**11,088**	5,222
Total Assets	**383,467**	$ 23,561
Liabilities and Shareholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable and accrued liabilities	$ **84,818**	$ 109,178
	84,818	109,178
Shareholders' Equity (Deficiency)		
Share capital (Note 5)	**263,252**	124,652
Share subscriptions received (Note 5)	**365,000**	-
Share-based payment reserve	**437**	437
Deficit	**(330,040)**	(210,706)
	298,649	(85,617)
Total Liabilities and Shareholders' Equity (Deficiency)	**383,467**	$ 23,561

Nature and continuance of operations (Note 1)
Subsequent events (Note 9)

Approved on Behalf of the Board on August 25, 2022:

"Scott Ackerman"
Scott Ackerman – CEO/CFO/Director

"Mike Castanho"
Mike Castanho – 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 June 30, 2022	2021	For the six months ended June 30, 2022	For the period from incorporation on January 14, 2021 to June 30, 2021
Expenses				
Administration and bank charges	**$ 3,002**	$ 3,018	**$ 6,018**	$ 3,030
Management fees	**30,000**	30,000	**60,000**	35,000
Professional fees	**46,238**	-	**49,605**	-
Share-based compensation	**-**	-	**-**	437
Transfer agent and filing fees	**1,887**	584	**3,711**	1,067
	(81,127)	(33,602)	**(119,334)**	(39,534)
Transaction costs (Note 5)	**-**	-	**-**	(99,653)
	-	-	**-**	(99,653)
Loss and comprehensive loss for the period	**$ (81,127)**	$ (33,602)	**$ (119,334)**	$ (139,187)
Weighted average number of shares outstanding[1] – basic and diluted (Note 5)	**24,891,388**	17,961,388	**22,350,388**	12,200,599
Basic and diluted loss per share[1] (Note 6)	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)

[1] 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 has been retroactively adjusted to reflect the share consolidation.

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					
	Number[1]	Amount	Reserves	Share Subscriptions Received	Deficit	Total Shareholders' Equity (Deficiency)
Balance, December 31, 2021	**17,961,388**	**$ 124,652**	**$ 437**	**$ -**	**$ (210,706)**	**$ (85,617)**
Common shares issued – debt settlement	6,930,000	138,600	-	-	-	138,600
Share subscriptions received	-	-	-	365,000	-	365,000
Loss for the period	-	-	-	-	(119,334)	(119,334)
Balance, June 30, 2022	**24,891,388**	**$ 263,252**	**$ 437**	**$ 365,000**	**$ (330,040)**	**$ 298,649**

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	-	-	-	-	(139,187)	(139,187)
Balance, June 30, 2021	17,961,388	$ 124,653	$ 437	$ -	$ (139,187)	$ (14,097)

[1] 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 has been retroactively adjusted to reflect the share consolidation.

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 six months ended June 30, 2022	For the period from incorporation on January 14, 2021 to June 30, 2021
Cash provided by / (used for):		
Operating Activities:		
Loss for the period	$ **(119,334)**	$ (139,187)
Item not involving cash:		
Share-based payments	**-**	437
Transaction costs	**-**	99,653
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	**114,240**	34,650
GST receivable	**(5,866)**	(1,900)
	(10,960)	(6,347)
Financing Activities:		
Proceeds from share issuance	**-**	25,000
Share subscriptions received	**365,000**	-
	365,000	25,000
Change in cash for the period	**354,040**	18,653
Cash, beginning of the period	**18,339**	-
Cash, end of the period	$ **372,379**	$ 18,653
Supplemental information:		
Interest paid	$ **-**	$ -
Income taxes	$ **-**	$ **-**
Non-cash transactions:		
Share issuance for debt settlement	$ **138,600**	$ -

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

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 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3. On May 30, 2022, the Company changed its name from Inglenook Ventures Ltd. to Atha Energy Corp.

The Company is currently investigating and evaluating business opportunities to either acquire or in which to participate.

In January 2021, the Company received $25,000 in consideration of the issuance of 3,602,305 common shares of the Company (Note 5b).

On March 22, 2021, ECC Diversified Inc. ("ECC") 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 ECC received one common share of the Company for every common share of ECC 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 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.

The Company incurred a net loss and comprehensive loss of $119,334 for the period ended June 30, 2022. As at June 30, 2022, the Company has an accumulated deficit of $330,040 and a working capital deficit of $66,351. As at June 30, 2022, the Company had a history of losses; consequently, continuing business as a going concern is dependent upon the ability of the Company to obtain additional debt or equity financing, both of which are uncertain. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

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

2. BASIS OF PRESENTATION *(continued)*

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 August 25, 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:

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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 June 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 June 30, 2022, $nil (2021 - $179) in share-based payments was recorded related to stock options granted to a director of the Company.

(Expressed in Canadian dollars)

5. 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, ECC Diversified Inc. ("ECC") 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 ECC received one common share of the Company for every common share of ECC 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.

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.

As at June 30, 2022, the issued share capital was comprised of 24,891,388 common shares.

	Number of Shares	Amount
		$
Balance, December 31, 2021	**17,961,388**	**124,652**
March 8, 2022 – debt settlement	6,930,000	138,600
Balance, June 30, 2022	**24,891,388**	**263,252**

During the period ended June 30, 2022, in connection with a non-brokered private placement of 12,050,000 common shares in the capital of the Company (offering price - $0.10 per common share) that closed on July 21, 2022, the Company received share subscriptions of $365,000 from investors. The cash is considered restricted until the shares have been issued to the investors.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (*continued)*

(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.

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 – .23%; expected life – 2 and 2.57 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, and June 30, 2022	1,404,899	$ 0.1388

(Expressed in Canadian dollars)

5. SHARE CAPITAL (*continued)*

(c) Stock options (*continued)*

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

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
March 22, 2021	900,576	$0.1388	February 27, 2023	0.66
March 22, 2021	504,323	$0.1388	October 24, 2023	1.32
Fully vested and exercisable, June 30, 2022	**1,404,899**	**$0.1388**		

Subsequent to the period-end, on July 8, 2022 all 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.

Subsequent to the period-end, on July 21, 2022 the Company granted 500,000 stock options to a consultant of the Company. The options vested immediately upon grant. Each option entitles the holder to acquire one common share at an exercise price of $0.10 per share until July 21, 2027.

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended June 30, 2022 was based on the loss attributable to common shareholders of $119,334 and the weighted average number of common shares outstanding of 22,350,388.

7. MANAGEMENT OF CAPITAL

The Company defines capital as consisting of shareholder’s equity (deficiency) (comprised of issued share capital, share subscriptions received, reserves, 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.

7. MANAGEMENT OF CAPITAL *(continued)*

As at June 30, 2022, the Company is not subject to any externally imposed capital requirements or debt covenants.

8. 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:

(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 June 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.

8. FINANCIAL INSTRUMENTS (*continued)*

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.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2022, the Company has limited sources of revenue and has an unrestricted cash balance of $7,379 to settle current liabilities of $84,818. Subsequent to the period end, the Company completed non-brokered private placements of 12,050,000 common shares for aggregate gross proceeds of $1,205,000 ($365,000 of which was received during the period), and 14,400,000 common shares for gross proceeds of $7,200,000. As such, Management feels that the Company has sufficient cash to fund corporate overhead costs for the next year.

However, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's 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 June 30, 2022, the Company was exposed to liquidity risk, but given the subsequent private placement management feels the Company is now minimally exposed to 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 date.

8. FINANCIAL INSTRUMENTS (*continued)*

Fair Value Measurements (*continued*)

As of June 30, 2022 the Company's financial instruments consist of cash, restricted cash, GST receivable, 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.

9. SUBSEQUENT EVENTS

On July 8, 2022, all current option holders agreed to the cancellation of the stock options they hold 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 20, 2022, the Company entered into an assignment agreement with Axis Capital Ventures Corp. ("Axis") pursuant to which Axis assigned to the Company its rights and obligations under a non-binding letter of intent (the "LOI") with unincorporated joint venture The New Saskatchewan Syndicate (the "NSS"). In accordance with the terms of the LOI, the Company anticipates negotiating the terms of a definitive agreement pursuant to which it would acquire interests in certain mineral exploration assets from the NSS.

On July 21, 2022, the Company granted 500,000 fully vested stock options to a consultant of the Company. Each option entitles the holder to acquire one common share at an exercise price of $0.10 per share until July 21, 2027.

On July 21, 2022, the Company completed a non-brokered private placement of 12,050,000 common shares of the Company at a price of $0.10 per common share for aggregate proceeds of $1,205,000 ($365,000 of which was received during the period). The common shares are subject to a statutory hold period ending November 22, 2022.

On July 19, 2022, the Company entered into an agreement with Conquest Resources Limited ("Conquest") to acquire an option over the Golden Rose Gold Property in Ontario (the "Golden Rose Option Agreement"). Pursuant to the Golden Rose Option Agreement, the Company has 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 Conquest an aggregate of 1,500,000 Common Shares over a period of 36 months. The Company has also agreed to grant Conquest a 1.0% net smelter return on the Golden Rose Project.

9. SUBSEQUENT EVENTS *(continued)*

On August 22, 2022, the Company completed a non-brokered private placement of 14,400,000 common shares of the Company at a price of $0.50 per common share for aggregate proceeds of $7,200,000. The common shares are subject to a statutory hold period ending December 23, 2022.