

FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

- (a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: Advantagewon Oil Corp.

Website: www.aoc-oil.com

Listing Statement Date: Not Applicable.

Description(s) of listed securities(symbol/type): AOC/Common Shares

Brief Description of the Issuer's Business: Advantagewon Oil Corp. operates as a junior exploration company, providing specialized expertise in oil pool development by development drilling, pressure restoration and maintenance using water and chemical injection to increase oil recovery from 10-15% to up to 70% for each pool.

Description of additional (unlisted) securities outstanding

Jurisdiction of Incorporation: Ontario		
Fiscal Year End: December 31		
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): September 16, 2021		
Financial Information as at: December 31, 2022 and 2021		
	Current	Previous
Cash	8871	101,216
Current Assets	38,012	161,949
Non-current Assets	Nil	Nil
Current Liabilities	553,817	360,053
Non-current Liabilities	123,884	22,141
Shareholders' equity	(541,124)	780,581
Revenue	Nil	124,459
Net Income	(1,346,641)	(2,781,337)
Net Cash Flow from Operations	(90,871)	(681,828)

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.

- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

Refer to Note 17 of the Financial Statements and the Management's Discussion and Analysis attached to this Form 5A as Schedule B for information on the Issuer's related party transactions.

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

Please refer to the condensed interim consolidated statements of changes in equity on page 4 of the Financial Statements for the number and recorded value for shares issued and outstanding.

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

No stock options were granted by the Issuer during the year ended December 31, 2022.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The Company is authorized to issue an unlimited number of common shares without par value. Refer to Note 12 of the Annual Financial Statement.

- (b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Refer to Notes 12-14 on pages 26-27 of the Financial Statements for a summary of common shares issued and warrants reserved.

- (c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

There are no shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

Name	Position	Date of Appointment
Paul Haber	Chairman	2013-07-10
	Chief Financial Officer	2023-04-20
	Interim Chief Executive Officer	2023-04-20
	Director	2013-07-10
Stan Dimakos	Director	2014-07-01

5. Financial Resources

- a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

The Issuer plans to continue the Proposed COB ("Change of Business") and search for suitable assets or businesses to acquire. The Company

determined to refocus its business operations from a "resource issuer" to an "investment issuer". The board of directors of the Company believe that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize upon investment opportunities as an "investment issuer". In connection with the Proposed COB, the Company intends to adopt an investment policy (the "Investment Policy") to govern its investment activities and investment strategy.

- b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur, and the costs related to each event;

The Issuer's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon raising capital, obtaining financing, and attaining sustained profitability. There are various risks and uncertainties affecting the Company's operations including, but not limited to, revenue from NEVs and mobility networks. Given the volatility global parts shortages and supply chain issues, it may be difficult to generate needed revenue and raise capital when needed. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations.

- c) Disclose the total funds available to the Issuer and the following breakdown of those funds:
- (i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and
 - (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and
 - (iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Respecting c(i)-(iii), see the Consolidated Statement of Cash Flows of the Issuer's Audited Financial Statements, incorporated by way of Schedule "A", and further Note 12 (Share Capital) of the Financial Statements.

6. Status of Operations

During the fiscal year, did the Listed Issuer

- (a) reduce or impair its principal operating assets; or
- (b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

Provide details: During the year ended December 31, 2022, the Issuer recorded an impairment loss of \$996,841 on the Starvolt Power Inc. loan on the statement of financial position and as at December 31, 2022, this loan is carried at \$nil net of the provision.

7. Business Activity

a) Activity for a mining or oil and gas Listed Issuer

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or \$50,000 in exploration or development expenditures?

Provide details.

No.

- (ii) If the response to (i) above is “no”, for the three most recent fiscal years did the Listed Issuer have an aggregate of \$100,000 in exploration or development expenditures?

Provide details.

No.

b) Activity for industry segments other than mining or oil & gas

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or \$100,000 in revenue from operations or \$100,000 in development expenditures?

Provide details.

Not Applicable.

- (ii) If the response to (i) above is “no”, for the three most recent fiscal years, did the Listed Issuer have either \$200,000 in operating revenues or \$200,000 in expenditures directly related to the development of the business?

Provide details.

Not Applicable.

SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS



ADVANTAGEWON OIL CORP.

CSE: AOC | OTC: ANTGF

ADVANTAGEWON OIL CORPORATION

Audited Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the years ended December 31, 2022 and 2021

August 15, 2023

Audit 2022

Independent Auditors' Report

To: The Shareholders of **Advantagewon Oil Corporation**

Opinion

We have audited the consolidated financial statements of Advantagewon Oil Corporation and its subsidiaries (collectively, the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which indicates that the Company incurred a net loss and comprehensive loss for the year ended December 31, 2022 of \$1,346,641, and had a working capital deficit of \$515,805 and an accumulated deficit of \$22,602,156 at December 31, 2022. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and not otherwise addressed in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our auditors' report.

Other Matter

The financial statements of the Company for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on May 4, 2022.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditors' Report (continued)

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.

A handwritten signature in black ink, reading "Kemmy Mack Shusarchuk Stewart". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

June 30, 2023
Calgary, Alberta

Advantagewon Oil Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 8,871	\$ 101,216
Trade and other receivables	5,680	17,289
Prepaid expenses	23,461	41,412
Current portion of investment in sublease (note 7)	-	2,032
Total current assets	38,012	161,949
Loan to Starvolt Power Inc. (note 9)	-	1,000,826
Right of use asset (note 7)	98,565	-
Total assets	\$ 136,577	\$ 1,162,775
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 6 and 17)	533,398	358,199
Lease liability - current portion (note 7)	20,419	1,854
Total current liabilities	553,817	360,053
Non-current liabilities		
Long-term lease liability (note 7)	83,478	-
Long-term loans payable (note 10)	40,406	22,141
Total liabilities	677,701	382,194
Equity		
Common shares (note 12)	20,100,918	20,072,738
Shares to be issued	6,000	6,000
Warrants reserve (note 13)	994,707	1,127,463
Accumulated other comprehensive income	959,407	961,029
Accumulated deficit	(22,602,156)	(21,386,649)
Total equity	(541,124)	780,581
Total equity and liabilities	\$ 136,577	\$ 1,162,775
Going concern (note 1)		
Subsequent event (note 22)		

"Stan Dimakos", Director

"Paul Haber", Director

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

Advantagewon Oil Corporation
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating expenses		
General, office and miscellaneous (note 17)	304,008	1,942,680
Depreciation (note 7)	22,127	-
Total operating expenses	326,135	1,942,680
Loss before other items	(326,135)	(1,942,680)
Interest and accretion (notes 7, 9 and 10)	(19,922)	(182,458)
Termination of sub lease	(2,032)	-
Bad debt	-	(25,000)
Impairment on financial instrument (note 9)	(996,841)	-
Gain on write down of accounts payable	-	52,447
Share of (loss) on investment (note 9)	-	(378,817)
Bargain purchase (note 9)	-	(753,833)
Loss on settlement of accounts payable with shares	(3,333)	(117,227)
Net loss for the year on continued operations	\$ (1,348,263)	\$ (3,347,568)
Discontinued operations		
Income from discontinued operations (note 5)	-	565,993
Net loss for the year	(1,348,263)	(2,781,575)
Other comprehensive loss		
Exchange difference on translation of foreign subsidiaries	1,622	238
Total loss and comprehensive loss for the year	\$ (1,346,641)	\$ (2,781,337)
Basic and diluted net loss per share (note 15)		
Basic and diluted net loss per share	\$ (0.03)	\$ (0.06)
Basic and diluted net loss per share - continued operations	\$ (0.03)	\$ (0.07)
Weighted average number of common shares outstanding	47,942,775	47,152,231

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

Advantagewon Oil Corporation
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating activities		
Net loss for the year	\$ (1,348,263)	\$ (3,347,568)
Adjustments for:		
Non cash expenses (note 16)	1,042,633	1,418,603
Adjustments in the movement of working capital:		
Trade accounts and other receivables	11,609	36,489
Prepaid expenses	17,951	(18,864)
Cash held in trust	-	500,000
Accounts payable and accrued liabilities	185,199	729,512
Net cash used in operating activities	(90,871)	(681,828)
Investing activities		
Principal payment on net investment in lease	-	6,181
Loan to Starvolt Power	3,985	(1,000,826)
Proceeds from disposition of oil and gas property	-	1
Net cash (used in) provided by investing activities	3,985	(994,644)
Financing activities		
Proceeds from issuance of common shares	-	1,975,036
Summit loan proceeds	25,000	-
Lease payments	(30,459)	(22,575)
Warrants exercised	-	238,879
Repayment of loans payable	-	(432,494)
Net cash provided by (used in) financing activities	(5,459)	1,758,846
Net change in cash	(92,345)	82,374
Cash, beginning of year	101,216	18,842
Cash, end of year	\$ 8,871	\$ 101,216

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

Advantagewon Oil Corporation
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common shares	Shares to be issued	Warrant reserve	Share-based payments	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2020	\$ 16,168,098	\$ 6,000	\$ 745,905	\$ 389,417	\$ 961,267	\$(19,570,994)	\$ (1,300,307)
Issuance of Units (net of share costs)	959,092	-	1,015,945	-	-	-	1,975,037
Shares issued for accounts payable	1,516,132	-	-	-	-	-	1,516,132
Shares issued for acquisition of minority interest in Starvolt Power	1,132,650	-	-	-	-	-	1,132,650
Expiry of warrants	-	-	(576,502)	-	-	576,502	-
Warrants exercised	296,764	-	(57,885)	-	-	-	238,879
Stock options expired	-	-	-	(389,417)	-	389,417	-
Currency translation	-	-	-	-	(238)	-	(238)
Net loss for the year	-	-	-	-	-	(2,781,575)	(2,781,575)
Balance, December 31, 2021	\$ 20,072,738	\$ 6,000	\$ 1,127,463	\$ -	\$ 961,029	\$(21,386,649)	\$ 780,581
Shares issued for accounts payable	13,333	-	-	-	-	-	13,333
Shares issued for financing	14,847	-	-	-	-	-	14,847
Warrants expired	-	-	(132,756)	-	-	132,756	-
Currency translation	-	-	-	-	(1,622)	-	(1,622)
Net loss for the year	-	-	-	-	-	(1,348,263)	(1,348,263)
Balance, December 31, 2022	\$ 20,100,918	\$ 6,000	\$ 994,707	\$ -	\$ 959,407	\$(22,602,156)	\$ (541,124)

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

Advantagewon Oil Corporation
Notes to the Consolidated Financial Statements
Years Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

1. Description of business and going concern

Advantagewon Oil Corporation (or the "Company") was incorporated under the laws of the Province of Ontario on July 10, 2013. During the year ended December 31, 2021, the Company sold its remaining oil interests in Canada. On February 19, 2021 the Company acquired approximately 30% of the outstanding common shares in the capital of Starvolt Power Inc., (Starvolt"). The Company is now focussing on delivering cost-effective power solutions, which is a core element of StarVolt's proprietary solar skin technology, with a rejuvenated focus on StarVolt's line of New Energy Vehicles ("NEVs") and sustainable mobility networks. The address of its registered office is 47 Colborne Street, Suite 307, Toronto, Ontario, M5E 1P8.

The Company's common shares trade on the Canadian Securities Exchange under the trading symbol "AOC" and on the OTC Pink Sheets under the trading symbol "ANTGF".

Going concern

The Company incurred a net loss during the year ended December 31, 2022 of \$1,346,641 (2021 - \$2,781,337) and had an accumulated deficit of \$22,602,156 (December 31, 2021 - \$21,386,649). As at December 31, 2022, the Company had a working capital deficit of \$515,805 (December 31, 2021 - working capital deficit of \$198,104). These conditions indicate material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon raising capital obtaining financing and attaining sustained profitability. There are various risks and uncertainties affecting the Company's operations including, but not limited to, revenue from NEVs and mobility networks. Given the volatility global parts shortages and supply chain issues, it may be difficult to generate needed revenue and raise capital when needed. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. The Company may periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future

Advantagewon Oil Corporation
Notes to the Consolidated Financial Statements
Years Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

2. Basis of presentation

These consolidated financial statements include the accounts of the Company, together with its wholly-owned subsidiaries, Advantagewon Oil US Corporation (USA) ("AOC US"), Ainslie Oil Corporation (Canada) ("Ainslie"), Albaro Oil Corp. (Canada) ("Albaro"), and Plutus US Oil Corporation (USA) ("Plutus").

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has consistently applied the same accounting policies throughout all periods presented except as noted in changes and impact of new accounting policies adopted effective January 1, 2021 and 2022.

The consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on June 30, 2023.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in these consolidated financial statements. These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional currency is the currency of the primary economic environment in which a company operates. The functional currency of the Company, Ainslie, and Albaro is Canadian dollars ("CAD"). The functional currency of AOC US and Plutus is the United States dollar ("USD"). These consolidated financial statements are presented in CAD.

3. Significant accounting policies

Consolidation

Subsidiaries

These consolidated statements include the accounts of the Company, together with its wholly-owned subsidiaries, Advantagewon Oil US Corporation (USA) ("AOC US"), Ainslie Oil Corporation (Canada) ("Ainslie"), Albaro Oil Corp. (Canada) ("Albaro"), and Plutus US Oil Corporation (USA) ("Plutus").

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The acquisition method of accounting is used to account for acquisitions of subsidiaries and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their recognized amounts (generally fair value) at the acquisition date. The excess of the cost of acquisition over the recognized amounts of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, a bargain purchase gain is recognized immediately in the consolidated statement of loss. Acquisition costs incurred are expensed.

Advantagewon Oil Corporation
Notes to the Consolidated Financial Statements
Years Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Consolidation (continued)

Subsidiaries (continued)

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Foreign currency translation

Foreign currency transactions are translated into the respective functional currencies of the Company and its subsidiaries using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss.

The financial results and position of foreign subsidiaries, AOC US and Plutus, whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

- ◆ Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- ◆ Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on the translation of AOC US and Plutus are transferred directly to the Company's exchange difference on translation of foreign subsidiaries in the consolidated statement of loss and comprehensive loss and are reported as a separate component of shareholders' equity titled "accumulated other comprehensive income".

Cash

Cash consist of cash deposits held in Canadian banks.

Taxes

Taxes on earnings for the periods presented are comprised of current and deferred tax. Taxes are recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, deferred tax is not recorded on taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of assets and liabilities in a transaction other than a business combination that affect neither accounting nor taxable profit or loss. Deferred tax is also not recorded on differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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3. Significant accounting policies (continued)

Taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

All financial instruments are initially recorded at fair value at the time of acquisition. The Company aggregates its financial instruments in accordance with IFRS 9, Financial Instruments, into classes based on their nature and characteristics. Management determines the classification when the instruments are initially recognized, which is normally the date of the transaction. The Company's accounting policy for each class of financial instruments is as follows:

Non-derivative financial instruments

Non-derivative financial instruments comprise cash, trade and other receivables, accounts payable and accrued liabilities and loans payable. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss ("FVTPL"), any directly attributable transaction costs. Transaction costs of financial assets measured at FVTPL are expensed in profit or loss. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. A financial asset is classified at FVTPL unless it is measured at amortized cost or classified as fair value through other comprehensive income (loss) ("FVOCI"). However an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in FVOCI with no reclassification of realized gains or losses to profit or loss upon derecognition of the equity instruments

Advantagewon Oil Corporation
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3. Significant accounting policies (continued)

Financial instruments (continued)

Non-derivative financial instruments (continued)

Financial liabilities at FVTPL

A financial liability is initially classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. The classification of a financial liability is irrevocable.

Financial liabilities at FVTPL (other than financial liabilities designated at FVTPL) are measured at fair value with changes in fair value, along with any interest expense, recognized in the consolidated statement of loss. Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of loss. Any gain or loss on derecognition is also recognized in the consolidated statement of loss.

A financial liability is derecognized when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially modified, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are considered non-substantial, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified it is considered to be extinguished and a gain or loss is recognized in the consolidated statement of loss based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is remeasured based on the new cash flows and a gain or loss is recorded in the consolidated statement of loss.

Financial assets at FVOCI

Financial assets at FVOCI are measured at fair value, and changes therein are recognized in other comprehensive income. A financial asset is classified as FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments at amortized cost

The Company classifies cash, trade and other receivables, accounts payable and accrued liabilities, lease liability and loans payable as financial instruments at amortized cost. These financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. Any gain or loss arising on de-recognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the consolidated statement of loss.

Derivative financial instruments

The Company has not entered into any financial derivative contracts.

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3. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on net investments in leases, note receivable, and trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises lifetime ECLs for trade receivables and net investments in leases. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. An impairment loss on financial assets carried at amortized cost is reversed in subsequent periods if the amount of the loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognized.

De-recognition of financial instruments

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and reward of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in net income (loss). The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in net income (loss).

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

Warrants

The Company may issue warrants as part of a unit issuance comprised of a share and warrant or as a share issue cost. Compensation warrants are classified as equity instruments. Consideration received on the sale of a share and share purchase warrant classified as equity is allocated, within equity, to the respective equity accounts on a proportionate basis based on their respective fair values. The fair value of warrants is measured at the date of issuance using the Black-Scholes pricing model taking into account the terms and conditions upon which the warrants were issued. Warrants classified as equity instruments are not subsequently re-measured for changes in fair value.

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3. Significant accounting policies (continued)

Share-based payments

The Company follows the fair value method of accounting for stock options and performance warrants issued to directors, officers, employees and technical consultants. The fair value of each stock option or performance warrant is calculated on the grant date using the binomial model or Black-Scholes pricing model, depending on the circumstances and is charged to the statement of loss and comprehensive loss over the vesting period of the stock option or performance warrant, with a corresponding increase recorded in share-based payments reserve. Forfeitures are accounted for at grant date and adjusted based on actual vesting. Upon exercise of the stock option or performance warrant, the consideration received plus the amount previously recorded in share-based payments reserve is recorded as an increase to share capital. For options and warrants that expire after vesting, the recorded value is transferred to deficit.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Loss per share

The Company presents basic and diluted per share data for its common shares. Basic loss per share amounts are calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted per share amounts are determined by adjusting loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted, for the effects of all dilutive potential common shares.

Revenue recognition

The Company recognizes revenue from the sale of oil and gas when control of the product transfers to the buyer and collection is reasonably assured. This is generally at the point in time when the customer obtains legal title to the product which is when it is physically transferred to the pipeline or other transportation method agreed upon. Sales of oil and natural gas are based on variable pricing based on benchmark commodity prices and other variable factors including quality, location and other factors.

The Company's payment terms generally range from 30 to 60 days from the transfer of control.

Government assistance

Government grants are recognized only once there is reasonable assurance that the Company will be able to comply with any conditions attached to the grant and that the grant will be received. Grants are recognized as either income over the period(s) necessary to match them with the related costs or if related to a specific expense, as a reduction or contra to the expenses for which they are intended to compensate, on a systematic basis. Grants receivable for costs already incurred or for immediate financial support, with no future related costs, are recognized as income in the period in which the grant is receivable.

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3. Significant accounting policies (continued)

Leases

Lessee

A contract is a lease (or may contain a lease) if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability. The lease liability is subsequently measured at amortized cost using the effective interest method.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases for which the underlying asset is of low value. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Finance Lease - Lessor

At commencement date, the Company recognizes assets held under finance leases in its consolidated statements of financial position as a receivable at the amount equal to the net investment in the lease. The net investment in the lease is calculated as the present value of lease payments, using the interest rate implicit in the lease. For subleases, if the interest rate implicit in the sublease cannot be readily determined, the Company uses the discount rate under the primary lease. The Company recognizes finance income over the lease term using the effective interest rate method.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial instruments

The Company determines the fair value of financial instruments according to the following hierarchy:

- ◆ Level 1– Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- ◆ Level 2 – Pricing inputs other than quoted prices in active markets included in Level 1. Prices are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward rates for interest rate, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- ◆ Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. The Company does not hold any Level 3 financial instruments.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level. These financial instruments are in the level 2 hierarchy.

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3. Significant accounting policies (continued)

Determination of fair values (continued)

Warrants, stock options and performance warrants

The Company uses the Black-Scholes pricing model to estimate the fair value of warrants and stock options issued, modified or granted.

New accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2022 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022. Adoption of the amendment did not have a significant impact on the Company's consolidated financial statements.

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3. Significant accounting policies (continued)

New accounting policies (continued)

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. Adoption of the amendment did not have a significant impact on the Company's consolidated financial statements.

New standards not yet adopted and interpretations issued but not yet effective

The Company has reviewed new and amended accounting pronouncements that have been issued but are not yet effective:

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and **IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. The Company will adopt these amendments as of their effective date, and it has no significant impact on the Company's financial statements.

Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors

The amendments to IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendments effective for annual periods beginning on or after January 1, 2023, with early application permitted. The Company will adopt these amendments as of their effective date, and it has no significant impact on the Company's financial statements.

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4. Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 the revision affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Cash-generating units

The Company's assets are aggregated into cash-generating units ("CGUs") based on an assessment of the unit's ability to generate independent cash in-flows. The determination of the Company's CGUs was based on management's judgment regarding shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality. The allocation of assets into CGU's requires significant judgment and interpretations with respect to the way in which management monitors operations.

Functional currency

The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

Investment in associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine controls over subsidiaries. The Company's investment in its investment in Starvolt Power Inc. is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recorded at cost. On acquisition of the investment, any difference between the cost of the investment and the investor's share of the fair values of the investee's identifiable assets and liabilities is accounted for as goodwill or negative good will and added to the cost of the investment. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring recognize the effect of differences in accounting policies and / or reporting framework from the investee.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Loss from equity investment' in the consolidated statement of profit or loss.

Advantagewon Oil Corporation
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4. Critical accounting estimates and judgments (continued)

Current and deferred taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, current and deferred taxes are subject to measurement uncertainty. Management uses judgment to assess deferred tax assets at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

Expected credit losses

Determining an allowance for expected credit losses ("ECLs") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Warrants, stock options and performance warrants

Warrants, stock options and performance warrants are valued using the Black-Scholes pricing model. Estimates and assumptions for inputs to the model, including the expected volatility of the Company's shares and the expected life of the options and warrants, are subject to significant uncertainties and judgment.

Discount rate on IFRS 16

The determination of the Company's lease liability and net investment in lease depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's consolidated financial statements

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events, which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

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5. Discontinued operations

During the year ended December 31, 2021, the Company entered into a sale agreement with Steeple Oil and Gas regarding the sale of its Canadian oil and gas properties for a \$1. As such, the Company recorded a gain on disposal for the year ended December 31, 2021 of \$543,676 (note 8).

In accordance with IFRS 5, the results of the discontinued operations have been consolidated into a single line item "gain (loss) from discontinued operations" on the consolidated statements of loss and comprehensive loss for the current and comparative periods to so as to provide better comparative information for the continuing operations.

The items that make up the lines and the headings they would otherwise have been reported under are as follows:

Net income (loss) and comprehensive income (loss) from discontinued operations

		Year Ended December 31, 2021
Revenue		
Petroleum and natural gas revenue	\$ -	\$ 151,793
Royalties	-	(27,334)
Gross profit	-	124,459
Operating expenses		
Production - Canada	-	52,033
Depletion and depreciation (note 8)	-	8,470
Accretion of decommissioning liability (note 11)	-	1,280
Gain on sale of properties and equipment (note 8)	-	(543,676)
Bad debt	-	40,359
Total operating (income) expenses	-	(441,534)
Income from discontinued operations	\$ -	\$ 565,993
Basic and diluted net income (loss) per share (note 15)		
discontinued operations	\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding	47,942,775	47,152,231

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6. Accounts payable and accrued liabilities

	December 31, 2022	December 31, 2021
Trade and other payables	\$ 318,099	\$ 203,149
Accrued liabilities	134,099	73,850
Dividend payable	81,200	81,200
Total accounts payable and accrued liabilities	\$ 533,398	\$ 358,199

7. Lease liabilities

Net investment in lease

The Company entered into a finance leasing arrangement as a lessor for office premises located in Toronto. These premises were originally leased by the Company, and subsequently sub-leased. These sub-lease contracts do not include extension or early termination options.

Balance, December 31, 2020	\$ 22,761
Interest income	3,996
Lease payments	(24,725)
Balance, December 31, 2021	2,032
Termination of investment in sublease	(2,032)
Balance, December 31, 2022	\$ -

Right-of-use assets

The Company extended its current lease for 5 years from January 31, 2022 to January 31, 2027. The weighted average incremental borrowing rate applied to the lease liability was 12.45%.

	Total
Balance, December 31, 2021	\$ -
Additions	120,692
Depreciation	(22,127)
Balance, December 31, 2022	\$ 98,565

A reconciliation of the carrying amount of the lease liabilities is as follows:

Balance, December 31, 2020	\$ 20,782
Interest expense	3,647
Lease payments	(22,575)
Balance, December 31, 2021	1,854
Additions	120,692
Interest expense	11,810
Lease payments	(30,459)
Balance, December 31, 2022	\$ 103,897
Current portion of lease liability	(20,419)
Long term portion of lease liability	\$ 83,478

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7. Lease liabilities (continued)

The following is a reconciliation from the undiscounted lease payments to the lease liabilities

	Under 1 year	Between 1 - 2 years	Between 3 - 5 years	Over 5 years	Total
Property	\$ 31,175	\$ 32,160	\$ 67,187	\$ -	\$ 130,522
Total contractual cash flows	31,175	32,160	67,187	-	130,522
Less: interest accretion on lease	(10,756)	(8,265)	(7,604)	-	(26,625)
Lease liability	\$ 20,419	\$ 23,895	\$ 59,583	\$ -	\$ 103,897

8. Oil and gas properties

The Company sold its working interests in Alberta in April 2021 (Note 5).

	Alberta, Canada Elnora	Total
Cost		
Balance, December 31, 2020,	\$ 749,111	\$ 749,111
Disposition (Note 5)	(749,111)	(749,111)
Balance, December 31, 2021 and December 31, 2022	\$ -	\$ -

	Alberta, Canada Elnora	Total
Accumulated depreciation		
Balance, December 31, 2020	\$ 622,979	\$ 622,979
Depletion and depreciation for the year	10,360	10,360
Disposition (Note 5)	(633,339)	(633,339)
Balance, December 31, 2021 and December 31, 2022	\$ -	\$ -

	Alberta, Canada Elnora	Total
Carrying amount		
Balance, December 31, 2021	\$ -	\$ -
Balance, December 31, 2022	\$ -	\$ -

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8. Oil and gas properties and equipment (continued)

2021 - Disposition

The Company had working rights interest in a former operating well in Central Alberta, Canada and a 50% working interest in twelve wells in its Alberta operating area. During the year ended December 31, 2021, the Company entered into a sale agreement with Steeple Oil and Gas regarding the sale of its Canadian oil and gas properties for a \$1. The Company recorded a gain on disposal of \$543,676.

Consideration - Cash	\$	1
Total consideration	\$	1
Net carrying amount		
Oil and gas properties and equipment	\$	117,663
Intangible assets		10,000
Decommission liability		(671,338)
Net liabilities dispose	\$	(543,675)
Gain on disposal of oil and gas property, equipment and liabilities	\$	543,676

9. Minority investment in Starvolt Power Inc.

On February 19, 2021 the Company acquired approximately 30% of the outstanding common shares in the capital of Starvolt Power Inc., (Starvolt") in consideration for the issuance of 8,390,000 common shares in the capital of Advantagewon at a deemed price of \$0.135 per share to the holders of the Starvolt Shares being acquired by Advantagewon. The transaction was completed pursuant to a share exchange agreement. This results in an initial valuation of \$1,132,650.

During the year ended December 31, 2021, the Company loaned \$975,000 to Starvolt. The loan bears interest at 5% per annum and is unsecured. The loan is due June 22, 2023. For the year ended December 31, 2022, an impairment loss of \$996,841 was recorded on this loan on the statement of financial position and as at December 31, 2022, this loan is carried at \$nil net of the provision.

During the year ended December 31, 2022, the Company recorded interest income of \$nil (year ended December 31, 2021 - \$25,826). The amount is included in the loan to Starvolt Power Inc. on the statement of financial position.

An associate is an entity over which the Company has significant influence, and is not a subsidiary or joint venture. Significant influence is presumed to exist when the Company has the power to be actively involved and influential in financial and operating policy decisions of the associate.

The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date. The Company's share of comprehensive earnings or losses of associates are recognized in comprehensive loss during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

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9. Minority investment in Starvolt Power Inc. (continued)

The Company is considered to have significant influence over Starvolt due to advance to Starvolt and its representation on Starvolt's board of directors.

Consideration	\$ 1,132,650
Share of net fair value of identifiable assets at acquisition date (29.96%)	(378,817)
Premium purchase	\$ 753,833

Changes in the investment in Starvolt Power Inc.:

	December 31, 2022	December 31, 2021
Balance, beginning of year	\$ -	\$ -
Investment	-	378,817
Share of loss from Investment during the year	-	(378,817)
Proportionate net loss for the period	-	-
Balance, end of year	\$ -	\$ -

Statement of Financial position as at December 31, 2022

Assets

Bank	\$ 1,864
Inventory	110,159
	112,023
Promissory note receivable	985,783
Property, plant and equipment	967
Total assets	\$ 1,098,773

Liabilities and shareholder's deficiency

Accounts payable and accrued liabilities	\$ 16,785
Loans and advances payable	1,102,187
Due to shareholder	70,166
	1,189,138
Shareholder's deficiency	
Share capital	2,289,694
Deficits	(2,380,059)
	\$ (90,365)
Total liabilities and shareholder's deficiency	\$ 1,098,773

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9. Minority investment in Starvolt Power Inc. (continued)

Proportionate loss on investment in Starvolt

	December 31, 2022	December 31, 2021
Revenue	\$ -	\$ 3,000
Interest income	65,600	54,250
Cost of Sales - Consultants' fees	-	(1,614,200)
Gross profit	65,600	(1,556,950)
Expenses		
Depreciation	544	39
Professional Fees	15,813	241,326
General and administration	280,081	81,540
Foreign exchange	222	18,040
Total expenses	\$ (296,660)	\$ (340,945)
Starvolt net loss	\$ (231,060)	\$ (1,897,895)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Starvolt net (loss) income	\$ (231,060)	\$ (1,897,895)
Ownership	29.96%	29.96%
Equity pick-up	\$ (69,226)	\$ (568,609)

Unrecognised share of loss from investment in associate as of December 31, 2021 is \$259,019 (December 31, 2021 - \$189,793)

10. Loans payable

	Syndicate	Summit	CEBA	Total
Balance, December 31, 2020	\$ 244,483	\$ -	\$ 16,463	\$ 260,946
Repayments	(432,494)	-	-	(432,494)
Accrued interest and accretion of debt	188,011	-	5,678	193,689
Balance, December 31, 2021	-	-	22,141	22,141
Additions	-	25,000	-	25,000
Equity component of convertible loans payable	-	(14,847)	-	(14,847)
Accrued interest and accretion of debt	-	253	7,859	8,112
Balance, December 31, 2022	\$ -	\$ 10,406	\$ 30,000	\$ 40,406

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10. Loans payable (continued)

Syndicate loans

On October 1, 2019, November 28, 2019, December 30, 2019 and February 28, 2020, the Company entered into loan agreements with a syndicate of lenders (the "Syndicate") for total loan proceeds \$175,000, \$87,500, \$40,000, and \$80,000, respectively. Under the terms of the loan agreements the Company will pay 12% interest per annum to the lenders and repay the loans over three years. In connection with the loan agreements, the Company issued respectively: 1,312,500, 656,250, 300,000, and 600,000 units of the Company to the Syndicate. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at \$1.00 per share for a period of up to three years after the date of issuance of the units.

The proceeds from these loans were allocated based on the relative fair value of each component. The fair value of the common shares is based on the market price, and the fair value of the warrants is based on the Black-Scholes values, at the respective issuance dates. As a result of the allocation, the loans have effective interest rates differing from the stated rates, at 180.74%, 180.74%, 169.47%, and 169.47% respectively. The loan agreements specify that if a loan is in default the interest rate shall increase to 24% and in the event of default 5% shall be added to the principal base of the loan. The Company did not make the required payments on these loans, and therefore, the loans were in default. At December 31, 2020, the lenders waived the default and agreed not to demand repayment on or before December 31, 2021, therefore, the loans are presented in accordance with their stated repayment terms.

Effective January 31, 2021, all Syndicate loans and accrued interest were repaid and accordingly the loans were fully accreted to their face amount and accrued interest at the time of repayment.

Summit loan

In November 2022, the Company borrowed \$25,000 from a related party. The loans bears interest of 15% per annum and has a maturity of April 2025 and is unsecured. The Company has the option to pay off the loan by issuing common stock based on the current market of the stock, but not the interest.

Upon the receipt of the loan amount, the Company issue 833,333 common shares (Note 12). The Company used the residual value method to allocate the principal amount of the loans payable between the liability and the equity component. Under this method, an amount of \$14,847 to the equity issued were recorded in consolidated statements of changes in equity. The fair value of the liability component of \$10,153 was computed as the present value of future principal and interests, discounted at a rate of 35%,

Canada Emergency Business Account (CEBA) loan

In response to the COVID-19 crisis, the government of Canada created the Canadian Emergency Business Account ("CEBA") in partnership with Canadian banks, wherein a company can apply to their principle banker to receive a loan on the following terms: CEBA provides zero-interest loans up to \$40,000 to small business and non-profit organizations that have experienced diminished revenues due to COVID-19 but face ongoing non-deferrable costs, such as rent, utilities, insurance, taxes and wages. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000). As no payment is due on this loan until 2022, the full amount of the loan is shown as long term. Because the loan bears no interest if it is repaid on or before December 31, 2022 and because up to \$10,000 is forgivable, the Company has imputed and recorded an amount of \$25,555 as other income. During the year ended December 31, 2022 the Company recorded \$7,859 as imputed interest expense (for the year ended December 31, 2021 - \$3,964). The net of these amounts has reduced the stated amount of this loan to \$30,000 on the statement of financial position.

Advantagewon Oil Corporation
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10. Loans payable (continued)

Canada Emergency Business Account (CEBA) loan (continued)

During the year ended December 31, 2022, the Government of Canada announced that the deadline to repay loans under the Canada Emergency Business Account program would be extended by one year (that is from December 31, 2022 to December 31, 2023). As of January 1, 2024, the loan balance will bear interest at 5% and will be repayable on maturity on December 31, 2025.

11. Decommission liability

Alberta, Canada properties

The Company's decommissioning liability was based on the following estimates and assumptions:

- Total undiscounted future costs of 2020 – \$694,500
- Annual inflation rate of 1.51% to 1.64%
- Settlement of the liability occurring in approximately two to fifteen years
- Risk free discount rate of 0.39% to 1.21%

	December 31, 2022	December 31, 2021
Balance, beginning of year	\$ -	\$ 670,058
Accretion expense	-	1,280
Reduction due to disposition (notes 5 and 8)	-	(671,338)
Balance at end of year	\$ -	\$ -

12. Share capital

Common shares

a) Authorised

The Company is authorized to issue an unlimited number of common shares without par value.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2020	13,998,466	\$ 16,168,098
Common shares issued (net of share issue cost) (i)(ii)(iii)	18,737,714	1,975,037
Value of warrants granted (i)(ii)(iii)	-	(1,015,945)
Shares issued for acquisition of minority interest in Starvolt Power (Note 9)	8,390,000	1,132,650
Accounts payable settlement (iv)	4,325,422	1,516,132
Warrants exercised	2,388,890	296,764
Balance, December 31, 2021	47,840,492	\$ 20,072,736
Shares issued for financing (note 10)	833,333	14,847
Accounts payable settlement (v)	333,333	13,333
Balance, December 31, 2022	49,007,158	\$ 20,100,918

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12. Share capital (continued)

b) Common shares issued (continued)

Common shares issued - 2021

- (i) On January 26, 2021 the Company closed a private placement financing of 14,285,714 units of the Company at a price of \$0.0525 per unit for gross proceeds of \$750,000. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.10, for a period of three years following the closing of the Offering. The fair value of the warrants was estimated at \$346,158 using the Black-scholes pricing model. The Black-scholes model inputs were as follows: expected volatility 200%, risk free rate 1.32%, expected life 3 years, and expected dividend yield 0%. At December 31, 2020 \$500,000 of gross proceeds were held in trust pending closing of this private placement.
- (ii) On June 9, 2021 the Company closed a private placement of 3,968,333 units of the Company at a price of \$0.30 per unit for gross proceeds of \$1,190,500. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.75 for a period expiring on the earlier of: (1) June 9, 2023, and (2) in the event that the closing price (or closing bid price on days when there are no trades) of the Common Shares on the Canadian Securities Exchange is at least \$1.50 for a minimum of 10 consecutive trading days, AOC may provide written notice to the holders of the Warrants requiring them to exercise such Warrants within 30 days following the date of issuance of such written notice. The fair value of the warrants was estimated at \$478,566 using the Black-scholes pricing model. The Black-scholes model inputs were as follows: expected volatility 398%, risk free rate 0.32%, expected life 3 years, and expected dividend yield 0%.

In connection with the Offering, the Company paid finder's fees of \$109,050 in cash, legal and other cost of \$1,513 and issued 363,500 in compensation warrants. The compensation warrants are issued on the same terms of the Warrants comprising of the Units. The fair value of the warrants was estimated at \$119,100 using the Black-scholes pricing model. The Black-scholes model inputs were as follows: expected volatility 398%, risk free rate 0.32%, expected life 3 years, and expected dividend yield 0%.

- (iii) On July 30, 2021 the Company closed a private placement of 483,667 units of the Company at a price of \$0.30 per unit for gross proceeds of \$145,100. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.75 for a period expiring on the earlier of: (1) July 30, 2023, and (2) in the event that the closing price (or closing bid price on days when there are no trades) of the Common Shares on the Canadian Securities Exchange is at least \$1.50 for a minimum of 10 consecutive trading days, AOC may provide written notice to the holders of the Warrants requiring them to exercise such Warrants within 30 days following the date of issuance of such written notice. The fair value of the warrants was estimated at \$72,121 using the Black-scholes pricing model. The Black-scholes model inputs were as follows: expected volatility 393%, risk free rate 0.45%, expected life 3 years, and expected dividend yield 0%.
- (iv) During the year ended December 31, 2021, the Company issued an aggregate of 3,825,422 shares, for the settlement of accounts payable of \$1,272,906. The shares were recorded at closing price on the date of issuance. Therefore, the fair value of the transaction recorded in equity is \$1,516,132 and a loss on shares of \$243,226 was recorded in the consolidated statements of loss.
- (v) During the year ended December 31, 2022, the Company issued an aggregate of 333,333 shares, for the settlement of accounts payable of \$10,000. The shares were recorded at closing price on the date of issuance. Therefore, the fair value of the transaction recorded in equity is \$13,333 and a loss on shares of \$3,333 was recorded in the consolidated statements of loss.

Advantagewon Oil Corporation
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13. Warrant reserve

The following table summarizes information regarding the Company's outstanding warrants:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2020	3,239,965	\$ 1.20
Issued (note 12)	19,101,215	0.26
Expired	(321,215)	(3.24)
Exercised	(2,388,890)	(0.10)
Balance, December 31, 2021	19,631,075	\$ 0.55
Expired	(2,018,750)	1.02
Balance, December 31, 2022	17,612,325	\$ 0.32

The following table reflects the warrants issued and outstanding as of December 31, 2022:

Expiry date	Number of warrants	Grant date fair value	Exercise price
February 28, 2023 ⁽ⁱ⁾	600,000	24,432	\$ 1.00
February 23, 2023 ⁽ⁱ⁾	300,000	12,216	1.00
January 26, 2024	11,896,824	288,272	0.10
June 9, 2023 ^{(i) (ii)}	4,331,833	597,666	0.75
July 30, 2023 ⁽ⁱⁱ⁾	483,668	72,121	0.75
	17,612,325	\$ 994,707	\$ 0.32

(i) Expired unexercised subsequent to December 31, 2022.

(ii) In the event that the closing price (or closing bid price on days when there are no trades) of the Common Shares on the Canadian Securities Exchange is at least \$1.50 for a minimum of 10 consecutive trading days, AOC may provide written notice to the holders of the Warrants requiring them to exercise such Warrants within 30 days following the date of issuance of such written notice.

Advantagewon Oil Corporation
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14. Share-based payments reserve

The Company's stock option plan provides for the granting of options to directors, officers, employees and technical consultants. Under the terms of the option plan, options issued will not exceed 10% of the issued and outstanding shares from time to time. Stock options shall be exercisable for a period as determined by the Board, such period not to exceed ten years from the date of the grant. In addition, the aggregate number of common shares reserved for issuance to any one optionee (other than a technical consultant) in any 12 month period shall not exceed 5% of the Company's issued and outstanding common shares at the date of grant, and the aggregate number of common shares reserved for issuance pursuant to options granted to any one technical consultant in any 12 month period may not exceed 2% of the Company's issued and outstanding common shares at the date of the grant. The exercise price for each option is not less than the discounted market price on the grant date. The Board shall determine the time during which each stock option shall vest and the method of vesting or that no vesting restriction exists.

The following table summarizes information regarding the Company's outstanding options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2020 and December 31, 2021	505,000	\$ 1.70
Expired	(505,000)	(1.70)
Balance, December 31, 2021 and December 31, 2022	-	\$ -

15. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2022, was based on the loss attributable to common shareholders of \$1,348,263 (year ended December 31, 2021 - \$3,347,568) and the weighted average number of common shares outstanding of 47,942,775 (year ended December 31, 2021 - 47,152,231). Diluted loss per share did not include the effect of 17,612,325 warrants for the year ended December 31, 2022 (year ended December 31, 2021 - 19,631,075) as their effect is anti-dilutive.

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16. Cashflow non cash adjustments

	Year Ended December 31, 2022	Year Ended December 31, 2021
Bad debt	\$ -	\$ 25,000
Depreciation	22,127	-
Impairment on financial instrument	996,841	-
Gain on write down of accounts payable	-	(52,447)
Share of loss on investment	-	378,817
Bargain purchase	-	753,833
Interest and accretion	21,954	211,884
Foreign exchange (gain)	(1,622)	(238)
Loss on settlement of accounts payable with shares	3,333	117,227
Net cash used in discontinued operations	-	(15,473)
Non cash adjustments	\$ 1,042,633	\$ 1,418,603

17. Related party

(a) Key management compensation

The Company considers its key management personnel to consist of its officers and directors. The Company's directors and officers participate in the Company's stock option plan.

Remuneration of directors and key management personnel, including consulting fees, of the Company was as follows:

		Year Ended December 31, 2022	2021
Remuneration paid to director (i)	\$ 15,750	\$ 2,250	
Remuneration paid to CEO (ii)	40,000	45,000	
Remuneration paid to director/corporate secretary	-	6,154	
Remuneration paid to CFO (iii)	33,153	-	
Remuneration paid to previous CEO (iv)	-	15,000	
Remuneration paid to previous CFO	-	13,995	
	\$ 88,903	\$ 82,399	

(i) During the year ended December 31, 2022 the Company expensed directors fees of \$15,750, (year ended December 31, 2021 - \$2,250) to a private company controlled by the Company's director, for director services.

(ii) During the year ended December 31, 2022 the Company expensed consulting and management fees of \$40,000, (year ended December 31, 2021 - \$45,000) to a private company controlled by the Company's director and officer for management services.

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17. Related party transactions (continued)

(a) Key management compensation (continued)

(iii) During the year ended December 31, 2022 the Company expensed \$33,153, (year ended December 31, 2021 - \$nil) to Marrelli Support Services Inc. ("Marrelli Support") for the services of Victor Hugo to act as Chief Financial Officer of the Company.

(iv) During the year ended December 31, 2022 the Company paid \$nil, (year ended December 31, 2021 - \$15,000) to a private company controlled by a former director and officer of the Company for management services.

(b) The Company entered into the following transactions with related parties in the ordinary course of business:

During the year ended December 31, 2022, the Company incurred interest on loans to a director and a company controlled by a director of \$nil (year ended December 31, 2021 - \$28) and effective January 31, 2021, the loans and accrued interest were repaid in the amount of \$2,870.

As at December 31, 2022, \$105,357 (December 31, 2021 - \$41,350) was payable to related parties and the amount is included in accounts payable and accrued liabilities.

18. Capital management

The capital structure of the Company as at December 31, 2022 and 2021 consists of equity attributable to common shareholders comprised of common shares, equity reserves, deficit and loans payable. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out acquisition, exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological and economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2022 and 2021. The Company is not subject to any capital requirements imposed by a regulatory body.

19. Financial instruments and fair value risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2022 and 2021.

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19. Financial instruments and risk management (continued)

Financial risk factors (continued)

Foreign exchange risk

Foreign currency denominated financial instruments held by the Company as at December 31, 2022 and 2021:

	2022		2021	
	Denominated in USD	CAD Equivalent	Denominated in USD	CAD Equivalent
Cash	\$ 688	\$ 932	\$ 761	\$ 965
Accounts payable and accrued liabilities	\$ (18,727)	\$ (25,365)	\$ (18,757)	\$ (23,743)

For the year ended December 31, 2022, a 5% change in the USD to CAD exchange rate would change the Company's reported net loss by approximately \$1,200 (2021 – \$1,100).

Credit risk

The Company is exposed to credit risk in relation to its cash, cash held in trust, trade and other receivables. Cash is held with highly-rated Canadian and American banks or held with Company's legal counsel. Therefore, the Company does not believe these financial instruments are subject to material credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash balance of \$8,871 (December 31, 2021 – \$101,216) to settle current liabilities of \$553,817 (December 31, 2021 – \$360,053).

Advantagewon Oil Corporation
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19. Financial instruments and risk management (continued)

Financial risk factors (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on its fixed interest rate financial instruments. Given the composition of loans payable, fixed-rate instruments subject the Company to fair value risk. A one percent (1%) increase or decrease in interest rates would not have a material effect on the Company's operating results.

20. Income taxes

a) The reconciliation of income taxes attributable to operations computed at the statutory income tax rates of 26.5% (2021 – 26.5%) to income tax expense is as follows:

	Year Ended	
	December 31, 2022	December 31, 2021
Net loss before income taxes	\$ (1,346,641)	\$ (2,781,337)
Expected income tax recovery based on statutory rate	(357,000)	(737,000)
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	-	360,000
Other	13,000	(210,000)
Change in deferred tax benefits not recognized	344,000	587,000
Deferred income tax provision (recovery)	\$ -	\$ -

Unrecognized deferred tax assets

Deferred tax assets have not been recognized for the following deductible temporary differences as it is not probable that future taxable profit will be available against which the Company can utilize the benefits:

	2022	2021
Deferred tax assets		
Non capital losses carried forward	\$ 20,574,000	\$ 20,230,000
Debt and share issue costs	230,000	230,000
Capital losses	46,000	46,000
	20,850,000	20,506,000

As at December 31, 2022, the Company has approximately \$6.7 million (2021 – \$6.4 million) of non-capital losses in Canada and \$13.5 million (USD 13.0 million) (2021 - \$13.5 million (USD 13 million)) of non-capital losses in the United States available to reduce future taxable income. The non-capital losses expire at various times between 2023 and 2042.

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21. Commitments and contingent liabilities

Discontinued operations

The Company has discontinued oil and gas operations in various jurisdictions and has sold, disposed of, or written down the carrying value of the related assets to nominal amounts. An estimate of the total liability, if any, for which the Company might become obligated as a result of its role as operator, guarantor, or indemnifier is not determinable, and no amount has been provided for in these consolidated financial statements.

22. Subsequent event

On April 26, 2023, the Company closed a private placement and issued 2,600,000 units at a price of \$0.05 per unit for gross proceeds of \$130,000. Each unit consists of one common share and one share purchase warrant exercisable at \$0.06 per warrant for 2 years after the date of the unit issuance.



ADVANTAGEWON
OIL CORP.

SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS



ADVANTAGEWON OIL CORP.

CSE: AOC | OTC: ANTGF

ADVANTAGEWON OIL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2022

August 15, 2023

Audit 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Advantagewon Oil Corporation ("AOC" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, together with the notes thereto. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2022, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 15, 2023, unless otherwise indicated.

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee

For the purposes of preparing this MD&A, management, in conjunction with the Audit Committee of the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AOC's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Audit Committee of the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Specifically, the following forward-looking statements are based on the corresponding assumptions, and are subject to the noted risk factors:

Forward-looking statements	Assumptions	Risk factors
<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2023.</p> <p>The Company expects to incur further losses in the development of its business.</p> <p>Should the Company not raise sufficient capital, it may cease to be a reporting issuer. See subsequent events.</p>	<p>The operating activities of the Company for the twelve-month period ending December 31, 2023, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; ongoing uncertainties relating to the COVID-19 virus</p>
<p>The Company's ability to carry out anticipated change of business to an investment company.</p>	<p>The Company expects to complete the anticipated change of business to an investment company; debt and equity markets, interest rates and other applicable economic conditions are favourable to the Company.</p>	<p>The Company inability to complete the anticipated change of business to an investment company; the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete the change of business, resulting in the Company remaining as a public shell.</p>
<p>Management's outlook regarding future trends</p>	<p>Financing will be available for the Company's operating activities; debt and equity markets, interest rates and other applicable economic conditions are favourable to the Company.</p>	<p>Changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation.</p>

Inherent in forward-looking statements are risks, uncertainties and other factors beyond AOC's ability to predict or control. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Readers should refer to those risk factors referenced in the "Risks and Uncertainties" section below.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause AOC's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The country is currently experiencing a broad-based downturn as a result of the significant risk of a global recession brought about by record inflation and rapidly rising interest rates. In this environment investment is greatly impaired. The Company is mindful of the current market environment and is managing accordingly. See "Risk Factors".

Although there can be no assurance that additional funding will be available to the Company, management believes that its projects are delivering positive results and should attract investment under normal market condition. Hence, management believes it is likely to obtain additional funding for its projects in due course

Description of Business

The Company was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company completed its go-public transaction and commenced trading on the CSE on July 13, 2017 followed by trading on the OTCQB on November 24, 2017.

On February 19, 2021 the Company acquired approximately 30% of the outstanding common shares in the capital of Starvolt Power Inc., (Starvolt"). The Company is now focus on delivering cost-effective power solutions, which is a core element of StarVolt's proprietary solar skin technology, with a rejuvenated focus on StarVolt's line of New Energy Vehicles ("NEVs") and sustainable mobility networks.

Starvolt is an energy solution technology company that was incorporated in 2020. The Company provides low-cost energy solutions and sustainable mobility through an innovative product lineup of advanced EVs. The Company uses renewable energy sources, harnessing the power of the sun and provides sustainable, intelligent and adaptable transport solutions for consumers.

On May 9, 2022, the Company announced that it will be pursuing a change of business to an investment company under the rules of the Canadian Securities Exchange.

Outlook and Overall Performance

Corporate

Proposed change of business (the "Proposed COB")

After a thorough evaluation of the Company's existing resources and a review of strategic options for the Company generally, the Company determined to refocus its business operations from a "resource issuer" to an "investment issuer". The board of directors of the Company (the "Board") believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize upon investment opportunities as an "investment issuer". In connection with the Proposed COB, the Company intends to adopt an investment policy (the "Investment Policy") to

govern its investment activities and investment strategy. A summary of the material terms of the Investment Policy will be disclosed in due course and a copy of the Investment Policy will be posted on the Company's profile at www.sedar.com.

In conjunction with the Proposed COB, it is anticipated that the Company's name will be changed to "Environmental Capital Corp." or such other name as the directors of the Company in their sole discretion may determine. The Company reserved "ERUN" as trading symbol with the CSE. The directors of the Company believe this name will better reflect AOC's new focus as an investment issuer in clean technology space.

The completion of the Proposed COB is subject to a number of conditions, including the CSE acceptance and shareholder approval. The Proposed COB cannot be completed until the required shareholder approval is obtained which the Company intends to obtain through a written resolution.

The Company also announces the appointment of Paul Haber as Interim Chief Executive Officer of the Company effective May 3, 2022, following the resignation of Carlos Brasil as Chief Executive Officer of the Company.

On April 20, 2023, the Company announced that Frank Kordy as director of the Company and Victor Hugo has resigned as Chief Financial Officer and Corporate Secretary of the Company. The Company has appointed Paul Haber as Interim Chief Financial Officer

On April 26, 2023, the Company closed a private placement and issued 2,600,000 units at a price of \$0.05 per unit for gross proceeds of \$130,000. Each unit consists of one common share and one share purchase warrant exercisable at \$0.06 per warrant for 2 years after the date of the unit issuance.

Financial highlights

For the year ended December 31, 2022, the Company had a net loss of \$1,348,263 which consisted primarily of (i) general, office and miscellaneous of \$304,008 (ii) impairment of an financial instrument of \$996,841

At December 31, 2022, the Company had a net working capital deficit of \$515,805 (December 31, 2021 – working capital deficit of \$198,104). The Company had cash of \$8,871 (December 31, 2021 – bank of \$101,216). Cash decreased during the twelve months ended December 31, 2022 due to net cash used in operating activities of \$90,871.

The Company has insufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the 12-month period starting on December 31, 2022. See "Liquidity and Financial Position" below.

The Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon raising capital obtaining financing and attaining sustained profitability. There are various risks and uncertainties affecting the Company's operations including, but not limited to, revenue from NEVs and mobility networks. Given the volatility global parts shortages and supply chain issues, it may be difficult to generate needed revenue and raise capital when needed. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. The Company may periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future

Minority investment in Starvolt Power Inc.

On February 19, 2021 the Company acquired approximately 30% of the outstanding common shares in the capital of Starvolt in consideration for the issuance of 8,390,000 common shares in the capital of Advantagewon at a deemed price of \$0.135 per share to the holders of the Starvolt Shares being acquired by Advantagewon. The transaction was completed pursuant to a share exchange agreement.

The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date. The Company's share of comprehensive earnings or losses of associates are recognized in comprehensive loss during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

Starvolt statement of financial position as at December 31, 2022 (unaudited)

	As at December 31, 2022 (\$)
Assets	
Bank	1,864
Inventory	110,159
Promissory note	985,783
Property, plant and equipment	967
Total assets	1,098,773
Liabilities and shareholder's deficiency	
Account payable and accrued liabilities	16,785
Loans and advance payable	1,102,187
Due to shareholder	70,116
Shareholder's deficiency	
Share capital	2,289,894
Deficit	(2,380,050)
	(90,365)
Total liabilities and shareholder's deficiency	1,098,773

Unaudited proportionate loss on investment in Starvolt

	As at December 31, 2022 (\$)
Revenue	Nil
Interest income	65,600
Cost of sales - consultants	Nil
Gross profit	65,699
Expenses	
Depreciation	544
Professional fees	15,813
General and administration	280,081
Foreign exchange	222
Total expenses	(296,660)
Net loss for the period	(231,060)
Ownership	29.96%
Equity pick-up	(69,226)
Cost of investment, post bargain	
Unrecognized loss	(69,226)

Unrecognised share of loss from investment in associate as of December 31, 2022 is \$259,019 (December 31, 2021 - \$189,793)

Trends

The Company plans to continue the Proposed COB and search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing transactions.

The Company's operations can be significantly affected by the effects of the conflict in Ukraine and the effect on financial markets. The Company cannot accurately predict the impact thereof, or will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the geographic and demographic spread and affect thereof, the duration of the conflict and restrictions imposed by governments of countries from time to time. It is clear that the conflict has impacted economic, political and financial conditions, global parts, supply chains and the availability of capital. Continuous conflict could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Selected Annual Financial Information

	Years Ended December 31,		
	2022 (\$)	2022 (\$)	2020 (\$)
Total revenue	Nil	Nil	Nil
Net loss for the year	1,348,263	2,781,574	1,318,454
Basic and diluted loss per share	0.03	0.06	0.05
Total assets	138,577	1,162,775	802,266
Total non-current liabilities	123,884	22,141	688,375
Total liabilities	677,701	382,194	2,102,573
Total shareholder equity (deficiency)	(541,124)	780,581	(1,300,307)

Selected Quarterly Financial Information

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue (\$)	Loss (Income)		Total Assets (\$)	Total Non - Current Liabilities \$
		Total (\$)	Per Share (\$)		
2022-December 31	Nil	1,049,331	0.03	138,577	123,884
2022-September 30	Nil	68,174	0.01	1,164,152	116,435
2022-June 30	Nil	73,418	0.00	1,168,237	119,621
2022-March 31	Nil	157,340	0.00	1,159,655	122,822
2021-December 31	Nil	1,354,343	0.03	1,162,775	22,141
2021-September 30	Nil	52,437	0.01	2,390,127	20,427
2021-June 30	Nil	972,368	0.02	2,609,445	690,407
2021-March 31	Nil	402,426	0.01	1,514,302	688,409

Discussion of Operations

Three months ended December 31, 2022 compared with three months ended December 31, 2021

For the three months ended December 31, 2022, AOC had a net loss of \$1,049,331 with basic loss per share of \$0.03. This compares to a net loss of \$1,354,343 with basic and diluted loss per share of \$0.03 or the three months ended December 31, 2021. The decrease of \$305,012 in net loss was principally because:

- ✓ For the three months ended December 31, 2022, the Company recorded a share of (loss) on investment of \$nil, compare (\$337,577) for the three months ended December 31, 2021;
- ✓ For the three months ended December 31, 2022, general, office and miscellaneous decreased to \$75,617, as the Company were searching for various opportunities during the three months ended December 31, 2021.
- ✓ For the three months ended December 31, 2022, the Company an impairment of a financial instrument of \$996,841.

Twelve months ended December 31, 2022 compared with twelve months ended December 31, 2021

For the twelve months ended December 31, 2022, AOC had a net loss of \$1,348,263 with basic loss per share of \$0.03. This compares to a net loss of \$3,781,575 with basic and diluted loss per share of \$0.07 or the twelve months ended December 31, 2021. The decrease of \$2,433,312 in net loss was principally because:

- ✓ For the twelve months ended December 31, 2021, the Company recorded a Bargain purchase from Starvolt acquisition of \$753,833 and a share of (loss) on investment of (\$378,817) (twelve months ended December 31, 2022 - \$nil and nil, respectively);
- ✓ For the twelve months ended December 31, 2022, general, office and miscellaneous decreased, as the Company were searching for various opportunities during the twelve months ended December 31, 2021.

Cash Flow

The Company had cash of \$8,871 at December 31, 2022 (December 31, 2021 – bank of \$101,216). The change in cash during the twelve months ended December 31, 2022 was primarily due to the cash used in operating activities.

Cash used in operating activities was \$90,871, for the twelve months ended December 31, 2022. Operating activities were affected by net loss of \$1,348,263 and net changes in the movement in working capital due to a decrease in trade accounts and other receivables of \$11,609; and prepaids of \$17,951, and an increase in accounts payable and accrued liabilities of \$185,199. The Company also recorded non-cash expenses of \$1,042,633.

Net cash used financing activities was \$5,549 during the twelve months ended December 31, 2022, due to lease payments and loan payable.

Liquidity and Capital Resources

The Company's activities have been financed through the completion of equity offerings. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

The Company has no revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants or options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of December 31, 2022, the Company had 17,612,325 warrants outstanding that would raise approximately \$5.636,000, if exercised in full; however all of the warrants are subject to the Company meeting certain revenue thresholds so it is not anticipated that they will become exercisable in the next twelve months.

At December 31, 2022, the Company reported cash of \$8,871 at December 31, 2022 (December 31, 2021 – bank of \$101,216) and a net working capital working capital deficit of \$515,805 (December 31, 2021 - working capital working capital deficit of \$198,104). The net cash as at December 31, 2022, is not sufficient to satisfy current liabilities and general and administrative costs up to December 31, 2023. Currently, the Company's operating expenses are approximately \$50,000 to \$60,000 per month for management fees, professional fees, listing expenses and other working expenses. The Company needs to secure additional financing to carry on business activities. Although the Company has been successful in raising funds to date, there is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk Factors" below.

Accounting Pronouncements

Changes in accounting policy

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022.

Property, Plant and Equipment ("IAS 16")

The amendments to IAS 16 introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those

items. The amendments are effective for annual periods beginning on January 1, 2022. Adoption of the amendment did not have a significant impact on the Company's unaudited condensed consolidated interim financial statements.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37")

The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. Adoption of the amendment did not have a significant impact on the Company's consolidated financial statements

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023..

Accounting policies, changes in accounting estimates and errors ("IAS 8")

The amendments to IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendments effective for annual periods beginning on or after January 1, 2023, with early application permitted. No significant impact to the Company's financial statements is expected.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")

IAS 28 were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IAS 1 – Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments effective for annual periods beginning on or after January 1, 2023, with early application permitted. The Company will adopt these amendments as of their effective date, and it has no significant impact on the Company's financial statements.

Critical accounting estimates and judgments

The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 the revision affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency

The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, and future direction and investment opportunities.

Cash-generating units

The Company's assets are aggregated into cash-generating units ("CGUs") based on an assessment of the unit's ability to generate independent cash in-flows. The determination of the Company's CGUs was based on management's judgment regarding shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality. The allocation of assets into CGU's requires significant judgment and interpretations with respect to the way in which management monitors operations.

Investment in associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine controls over subsidiaries. The Company's investment in its investment in Starvolt Power Inc. is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recorded at cost. On acquisition of the investment, any difference between the cost of the investment and the investor's share of the fair values of the investee's identifiable assets and liabilities is accounted for as goodwill or negative good will and added to the cost of the investment . The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring recognize the effect of differences in accounting policies and / or reporting framework from the investee.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether

there is objective evidence that the investment in associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Loss from equity investment' in the consolidated statement of profit or loss.

Current and deferred taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, current and deferred taxes are subject to measurement uncertainty. Management uses judgment to assess deferred tax assets at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

Expected credit losses

Determining an allowance for expected credit losses ("ECLs") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Warrants, stock options and performance warrants

Warrants, stock options and performance warrants are valued using the Black-Scholes pricing model. Estimates and assumptions for inputs to the model, including the expected volatility of the Company's shares and the expected life of the options and warrants, are subject to significant uncertainties and judgment.

Discount rate on IFRS 16

The determination of the Company's lease liability and net investment in lease depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's consolidated financial statements

Related Party Transactions

Related parties include the Board of Directors and officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) The Company entered into the following transactions with related parties:

- ✓ During the twelve months ended December 31, 2022, the Company expensed directors fees of \$15,750, (twelve months ended December 31, 2021 - \$2,250) to a private company controlled by the Company's director, for director services.
- ✓ During the twelve months ended December 31, 2022, the Company expensed consulting and management fees of \$40,000 (twelve months ended December 31, 2021 - \$45,000) to a private company controlled by Paul Hauber, a director and officer, for management services.
- ✓ During the twelve months ended December 31, 2022, the Company expensed management fees of \$nil, (twelve months ended December 31, 2021 - \$6,154) to Frank Kordy, a director and corporate secretary, for management and secretarial services.
- ✓ During the twelve months ended December 31, 2022, the Company paid \$33,153, (twelve months ended December 31, 2021 - \$nil) to Marrelli Support Services Inc. ("Marrelli Support") for the services of Victor Hugo to act as Chief Financial Officer of the Company.
- ✓ During the twelve months ended December 31, 2022, the Company paid \$nil, (twelve months ended December 31, 2021 - \$15,000) to a private company controlled by Stephen Hughes, former director and officer of the Company, for management services.

(b) Remuneration of directors and key management personnel, other than consulting or professional fees, of the Company was as follows:

- ✓ During the twelve months ended December 31, 2022, the Company incurred interest on loans to a director and a company controlled by a director of \$nil (twelve months ended December 31, 2021 - \$28) and effective January 31, 2021, the loans and accrued interest were repaid in the amount of \$2,870.
- ✓ As at December 31, 2022, \$105,357 (December 31, 2021 - \$41,350) was payable to related parties and the amount is included in accounts payable and accrued liabilities

Capital management

The capital structure of the Company as at December 31, 2022 and 2021 consists of equity attributable to common shareholders comprised of common shares, equity reserves, deficit and loans payable. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out acquisition, exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological and economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2022 and 2021. The Company is not subject to any capital requirements imposed by a regulatory body.

Financial instruments and fair value risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2022 and 2021.

Foreign exchange risk

Foreign currency denominated financial instruments held by the Company as at December 31, 2022 and 2021:

	2022		2021	
	Denominated in USD	Denominated in USD	Denominated in USD	Denominated in USD
Cash	688	932	761	965
Accounts payable and accrued liabilities	(18,727)	(5,365)	(18,727)	(23,743)

For the year ended December 31, 2021, a 5% change in the USD to CAD exchange rate would change the Company's reported net loss by approximately \$1,200 (2020 – \$1,100).

Credit risk

The Company is exposed to credit risk in relation to its cash, cash held in trust, trade and other receivables. Cash is held with highly-rated Canadian and American banks or held with Company's legal counsel. Therefore, the Company does not believe these financial instruments are subject to material credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash balance of \$8,871 (December 31, 2021 – \$101,216) to settle current liabilities of \$553,817 (December 31, 2021 – \$360,053).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on its fixed interest rate financial instruments. Given the composition of loans payable, fixed-rate instruments subject the Company to fair value risk. A one percent (1%) increase or decrease in interest rates would not have a material effect on the Company's operating results.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The operations of AOC are high-risk due to the nature of oil and gas exploration and development. AOC's production and exploration activities have historically been concentrated in the state of Texas in the United States, where activity is highly

competitive and includes a variety of different sized companies ranging from smaller junior producers to the much larger integrated petroleum companies. AOC's future activity is focused in Alberta Canada which is just as competitive but may as a result of the industry downturn in Alberta provide greater opportunity. There is no guarantee the AOC will be able to take advantage of such opportunities. AOC is subject to various types of business risks and uncertainties, which may materially affect the Company's future financial and operating performance, including without limitation the following:

- risks associated with operations in emerging markets, including changes in energy policies or personnel administering them;
- general economic conditions in Canada, the United States and globally;
- the ability of management to execute its business plan;
- the risk that the Company will not be able to reduce its operating costs and thereby improve the return on its investments;
- risks inherent in marketing operations, including credit risk;
- the insufficiency of cash flow to fund operations;
- the ability of management to identify and complete potential acquisitions;
- if completed, the failure to realize the anticipated benefits of acquisitions;
- incorrect assessments of the value of acquisitions;
- income tax reassessments and other taxes payable by the Company;
- stock market volatility and market valuations; and
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel.



ADVANTAGEWON
OIL CORP.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated September 28, 2023.

Paul Haber

Name of Director or Senior Officer

"Paul Haber"

Signature

Interim Chief Executive Officer

Official Capacity

Issuer Details Name of Issuer Advantagewon Oil Corp.	For the years ended December 31, 2022 and 2021	Date of Report 23/09/28
Issuer Address 47 Colborne Street, Suite 307		
City/Province/Postal Code Toronto, Ontario M5E 1P8	Issuer Fax No. ()	Issuer Telephone No. (647) 466-4037
Contact Name Paul Haber	Contact Position Interim Chief Executive Officer	Contact Telephone No. (647) 466- 4037
Contact Email Address paul.haber@aoc-oil.com	Web Site Address www.aoc-oil.com	