SECURITIES AND EXCHANGE COMMISSION

FORM S-1/A

General form of registration statement for all companies including face-amount certificate companies [amend]

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FILER

Permex Petroleum Corp

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SIC: **1381** Drilling oil & gas wells

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As filed with the Securities and Exchange Commission on October 20, 2023

Registration No. 333-268191

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 7
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PERMEX PETROLEUM CORPORATION
(Exact name of Registrant as specified in its charter)

British Columbia, Canada	**1381**	**98-1384682**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2911 Turtle Creek Blvd, Suite 925
Dallas, Texas 75219
(469) 804-1306
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Mehran Ehsan
Permex Petroleum Corporation
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(469) 804-1306
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ☒

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information contained in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION** **DATED OCTOBER 20, 2023**

Up to 1,900,000 Common Units, Each Consisting of a Common Share and a Warrant to Purchase One Common Share

Up to 1,900,000 Pre-funded Units, Each Consisting of a Pre-funded Warrant to Purchase One Common Share and a Warrant to Purchase One Common Share

Permex Petroleum Corporation

This is a firm commitment public offering of securities of Permex Petroleum Corporation, consisting of an aggregate of 1,900,000 common units (each, a "Common Unit"). Each Common Unit consists of one Common Share, no par value per share (a "Common Share"), and one warrant (each a "Warrant") at an assumed public offering price of $7.64 per Common Unit, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split (as defined herein).

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Each Warrant will entitle the holder to purchase one Common Share at an exercise price of $, equal to 125% of the public offering price of one Common Unit, and expire five years from date of issuance.

A holder will not have the right to exercise any portion of a Warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, at the election of the holder prior to issuance, 9.99%) of the number of Common Shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Warrants (the "Warrant Exercise Limitation"). However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99% upon at least 61 days' prior notice from the holder to us.

We are also offering to those purchasers, if any, whose purchase of Common Units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% (or, at the election of the purchaser, 9.99%) of our outstanding Common Shares immediately following the consummation of this offering, the opportunity to purchase, if the purchaser so chooses, pre-funded units (each a "Pre-funded Unit") in lieu of Common Units. We are offering a maximum of 1,900,000 Pre-funded Units. Each Pre-funded Unit will consist of one pre-funded warrant to purchase one Common Share at an exercise price of $0.01 per share (each a "Pre-funded Warrant") and one Warrant. The purchase price of each Pre-funded Unit is equal to the price per Common Unit being sold to the public in this offering, minus $0.01. The Pre-funded Warrants will be immediately exercisable and may be exercised at any time and are subject to the Warrant Exercise Limitation.

For each Pre-funded Unit we sell, the number of Common Units we are offering will be decreased on a one-for-one basis up to 1,900,000. Common Units and Pre-funded Units will not be certificated. The Common Shares included in the Common Units or Pre-funded Units, as the case may be, and the Warrants included in the Common Units or the Pre-funded Units, can only be purchased together in this offering, but the securities contained in the Common Units and Pre-funded Units are immediately separable and will be issued separately.

The offering also includes the Common Shares issuable from time to time upon exercise of the Pre-funded Warrants and Warrants.

We have applied to have the Common Shares and Warrants listed on The Nasdaq Capital Market upon our satisfaction of The Nasdaq Capital Market's initial listing criteria under the trading symbols "OILS" and "OILSW," respectively. No assurance can be given that our application will be approved. If our Common Shares and Warrants are not approved for listing on The Nasdaq Capital Market we will not consummate this offering. On November 2, 2022, we effected a 1-for-60 reverse split of our outstanding common shares. In order to obtain approval to list our securities on The Nasdaq Capital Market we intend to effect a 1-for-4 reverse stock split of our Common Shares, with an expected effective date of October 23, 2023. Except as otherwise indicated, information in this prospectus, other than as set forth in our financial statements and the notes thereto, reflects an assumed 1-for-4 reverse stock split of our Common Shares, which we refer to as the "Reverse Stock Split," to be effective prior to the effective date of the registration statement of which this prospectus forms a part. The proposed Reverse Stock Split is subject to approval by the Canadian Securities Exchange, which is expected to coincide with the expected effective date of October 23, 2023.

We do not intend to apply for the listing of the Common Units, Pre-funded Units or Pre-funded Warrants on any national securities exchange or other trading market. Without an active trading market, the liquidity of the Pre-funded Warrants will be limited.

Our Common Shares are presently listed on the Canadian Securities Exchange and the Frankfurt Stock Exchange under the symbols "OIL" and "75P", respectively, and quoted on the OTCQB tier of the OTC Markets Group, Inc. under the symbol "OILCF." The closing price of our Common Shares on October 16, 2023, as reported by the OTCQB was $7.64 per Common Share after giving effect to the proposed Reverse Stock Split. We have assumed a public offering price of $7.64 per Common Unit (which is based on the closing price of our Common Shares as reported by the OTCQB on October 16, 2023). The final public offering price will be determined through negotiation between us and the representative of the underwriters in the offering and the assumed offering price used throughout this prospectus may not be indicative of the final offering price. At present, there is a very limited market for our Common Shares and there is no established trading market for the Warrants. The trading price of our Common Shares has been, and may continue to be, subject to wide price fluctuations in response to various factors, many of which are beyond our control, including those described in "Risk Factors."

Quotes of the trading prices of our Common Shares on the OTCQB may not be indicative of the market price of our Common Shares if listed on The Nasdaq Capital Market.

Investing in our securities involves a high degree of risk. See the section entitled "Risk Factors" beginning on page 17 of this prospectus and elsewhere in this prospectus for a discussion of information that should be considered in connection with an investment in the Company's securities. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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	Per Common Unit	Per Pre-Funded Unit	Total
Initial public offering price	$	$	$
Underwriting discounts and commissions[1]	$	$	$
Proceeds to us, before expenses	$	$	$

(1) Does not include a non-accountable expense allowance equal to 1% of the gross proceeds of this offering payable to the underwriters. The underwriters will receive compensation in addition to the discounts and commissions. We refer you to "Underwriting" beginning on page 87 of this prospectus for additional information regarding underwriting compensation.

We have granted a 45-day option to the underwriters to purchase up to 285,000 additional Common Shares, and/or up to 285,000 Pre-funded Warrants and/or up to 285,000 Warrants representing 15% of the Common Shares, Pre-funded Warrants and Warrants sold in the offering, solely to cover over-allotments, if any.

The underwriters expect to deliver our securities to purchasers in the offering on or about , 2023.

ThinkEquity

The date of this prospectus is , 2023

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We and the underwriters have not authorized anyone to provide any information or to make any representations other than those contained in or incorporated by reference in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in or incorporated by reference in this prospectus is accurate only as of its date regardless of the time of delivery of this prospectus or of any sale of securities.

To the extent there is a conflict between the information contained in this prospectus, on the one hand, and the information contained in any document incorporated by reference filed with the U.S. Securities and Exchange Commission (the "SEC") before the date of this prospectus, on the other hand, you should rely on the information in this prospectus. If any statement in a document incorporated by reference is inconsistent with a statement in another document incorporated by reference having a later date, the statement in the document having the later date modifies or supersedes the earlier statement.

Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons who come into possession of this prospectus and any free writing prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any free writing prospectus applicable to that jurisdiction.

This prospectus and the documents incorporated by reference in this prospectus contain market data and industry statistics and forecasts that are based on independent industry publications and other publicly available information. Although we believe that these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. Although we are not aware of any misstatements regarding the market and industry data presented or incorporated by reference in this prospectus, these estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" and any related free writing prospectus. Accordingly, investors should not place undue reliance on this information.

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GLOSSARY OF TERMS

Unless otherwise indicated in this prospectus, natural gas volumes are stated at the legal pressure base of the state or geographic area in which the reserves are located at 60 degrees Fahrenheit. Crude oil and natural gas equivalents are determined using the ratio of six Mcf of natural gas to one barrel of crude oil, condensate or natural gas liquids.

The following definitions shall apply to the technical terms used in this prospectus.

Terms used to describe quantities of crude oil and natural gas:

"*Bbl*." One stock tank barrel, of 42 U.S. gallons liquid volume, used herein in reference to crude oil, condensate or NGLs.

"*Boe*." A barrel of oil equivalent and is a standard convention used to express crude oil, NGL and natural gas volumes on a comparable crude oil equivalent basis. Gas equivalents are determined under the relative energy content method by using the ratio of 6.0 Mcf of natural gas to 1.0 Bbl of crude oil or NGL.

"*MBbl*." One thousand barrels of crude oil, condensate or NGLs.

"*MBoe*" One thousand barrels of oil equivalent.

"*Mcf*." One thousand cubic feet of natural gas.

"*MMCF*." one million cubic feet.

"*NGLs*." Natural gas liquids. Hydrocarbons found in natural gas that may be extracted as liquefied petroleum gas and natural gasoline.

Terms used to describe our interests in wells and acreage:

"*Basin*." A large natural depression on the earth's surface in which sediments generally brought by water accumulate.

"*Completion*." The process of treating a drilled well followed by the installation of permanent equipment for the production of crude oil, NGLs, and/or natural gas.

"*Developed acreage*." Acreage consisting of leased acres spaced or assignable to productive wells. Acreage included in spacing units of infill wells is classified as developed acreage at the time production commences from the initial well in the spacing unit. As such, the addition of an infill well does not have any impact on a company's amount of developed acreage.

"*Development well*." A well drilled within the proved area of a crude oil, NGL, or natural gas reservoir to the depth of a stratigraphic horizon (rock layer or formation) known to be productive for the purpose of extracting proved crude oil, NGL, or natural gas reserves.

"*Differential*." The difference between a benchmark price of crude oil and natural gas, such as the NYMEX crude oil spot price, and the wellhead price received.

"*Dry hole*." A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

"*Field*." An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations.

"*Formation*." A layer of rock which has distinct characteristics that differs from nearby rock.

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"*Gross acres or Gross wells.*" The total acres or wells, as the case may be, in which a working interest is owned.

"*Held by operations.*" A provision in an oil and gas lease that extends the stated term of the lease as long as drilling operations are ongoing on the property.

"*Held by production*" or "*HBP*" A provision in an oil and gas lease that extends the stated term of the lease as long as the property produces a minimum quantity of crude oil, NGLs, and natural gas.

"*Hydraulic fracturing*." The technique of improving a well's production by pumping a mixture of fluids into the formation and rupturing the rock, creating an artificial channel. As part of this technique, sand or other material may also be injected into the formation to keep the channel open, so that fluids or natural gases may more easily flow through the formation.

"*Infill well.*" A subsequent well drilled in an established spacing unit of an already established productive well in the spacing unit. Acreage on which infill wells are drilled is considered developed commencing with the initial productive well established in the spacing unit. As such, the addition of an infill well does not have any impact on a company's amount of developed acreage.

"*Net acres.*" The percentage ownership of gross acres. Net acres are deemed to exist when the sum of fractional ownership working interests in gross acres equals one (e.g., a 10% working interest in a lease covering 640 gross acres is equivalent to 64 net acres).

"*NYMEX*." The New York Mercantile Exchange.

"*Productive well*." A well that is found to be capable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of the production exceed production expenses and taxes.

"*Recompletion*." The process of treating a drilled well followed by the installation of permanent equipment for the production of crude oil, NGLs or natural gas or, in the case of a dry hole, the reporting of abandonment to the appropriate agency.

"*Reservoir*." A porous and permeable underground formation containing a natural accumulation of producible crude oil, NGLs and/or natural gas that is confined by impermeable rock or water barriers and is separate from other reservoirs.

"*Spacing*." The distance between wells producing from the same reservoir. Spacing is often expressed in terms of acres, e.g., 40-acre spacing, and is often established by regulatory agencies.

"*Undeveloped acreage*." Leased acreage on which wells have not been drilled or completed to a point that would permit the production of economic quantities of crude oil, NGLs, and natural gas, regardless of whether such acreage contains proved reserves. Undeveloped acreage includes net acres held by operations until a productive well is established in the spacing unit.

"*Unit*." The joining of all or substantially all interests in a reservoir or field, rather than a single tract, to provide for development and operation without regard to separate property interests. Also, the area covered by a unitization agreement.

"*Wellbore*." The hole drilled by the bit that is equipped for natural gas production on a completed well. Also called well or borehole.

"*Working interest*." The right granted to the lessee of a property to explore for and to produce and own crude oil, NGLs, natural gas or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty, or carried basis.

"Workover." Operations on a producing well to restore or increase production.

Terms used to assign a present value to or to classify our reserves:

"*Possible reserves.*" The additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than probable reserves.

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"*Pre-tax PV-10% or PV-10.*" The estimated future net revenue, discounted at a rate of 10% per annum, before income taxes and with no price or cost escalation or de-escalation in accordance with guidelines promulgated by the SEC.

"*Probable reserves.*" The additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but which together with proved reserves, are as likely as not to be recovered.

"*Proved reserves*." The quantities of crude oil, NGLs and natural gas, which, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations, prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

"*Proved undeveloped reserves*" or "*PUDs*." Proved Reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as having proved undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. Estimates for proved undeveloped reserves are not attributed to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

"*SEC Pricing*" means pricing calculated using oil and natural gas price parameters established by current guidelines of the SEC and accounting rules based on the unweighted arithmetic average of oil and natural gas prices as of the first day of each of the 12 months ended on the given date.

PROSPECTUS SUMMARY

This summary highlights information contained in this prospectus. It does not contain all of the information that you should consider in making your investment decision. Before investing in our securities, you should read this entire prospectus carefully, including the sections entitled "Risk Factors," "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes. Except as otherwise required by the context, references to "Permex," "the Company," "we," "us" and "our" are to Permex Petroleum Corporation, a corporation organized under the laws of British Columbia, Canada, individually, or as the context requires, collectively with its subsidiary. Certain operational terms used in this prospectus are defined in the "Glossary of Terms." All references to "U.S. Dollars," "USD" or "$" are to the legal currency of the United States, and all references to "CAD$" and "C$" are to the legal currency of Canada. All references to "M$" are in thousands of dollars.

All information presented in this prospectus has been retrospectively restated to give effect to the proposed Reverse Stock Split assuming no fractional shares will be issued in connection with the proposed Reverse Stock Split and all such fractional interests will be rounded up or down to the nearest whole number of Common Shares, as applicable.

Company Overview

We are an independent energy company engaged in the acquisition, exploration, development and production of oil and natural gas properties on private, state and federal land in the United States, primarily in the Permian Basin region of West Texas and Southeast New Mexico which includes the Midland – Central Basin and Delaware Basin. We focus on acquiring producing assets at a discount to market, increasing production and cash-flow through recompletion and re-entries, secondary recovery and reducing risk by infill drilling and development. Currently, we own and operate various oil and gas properties as well as royalty interests in 73 wells and five permitted wells across 3,800 acres within the Permian Basin. Overall, we own and operate more than 78 oil and gas wells, have more than 11,700 net acres of production oil and gas assets, 62 shut-in opportunities, 17 salt water disposal wells and two water supply wells allowing for waterflood secondary recovery.

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As described in more detail below, according to the 2022 Appraisal Report (defined below), the net present value of net future revenues, (net of royalties, operating costs and capital expenditures, including asset retirement obligations) before income tax, discounted at 10% ("NPV 10%" or "PV10") of our total proved plus probable reserves is estimated at $428 million, or $221.53 per outstanding share (basis). In particular, based on the information in the 2022 Appraisal Report:

- Our reserves are comprised of 93% light oil and 7% natural gas;
- Our total proved reserves were 9.2 million Boe and had a PV10 value of $198 million, which represented an increase of 51% year-over-year;
- Our total probable reserves were 17.8 million Boe and had a PV10 value of $230 million, which represented an increase of 46% year-over-year; and
- Our total proved and probable reserves were 27.0 million Boe and a PV10 value of $428 million, which represented an increase of 48% year-over-year.

The following is a summary of our net oil and gas reserves net present value of revenue as of September 30, 2022:

	Reserves MBoe	NPV 10% ($ thousand)	NPV per Boe $/Boe
Proved Developed Producing	492.5	12,057.6	24.48
Total Proved	6,739.0	198,619.1	29.47
Proved Plus Probable	15,917.5	428,186.5	26.90

1. Natural Gas: 5.98 Mcf/Boe
2. The 2022 Appraisal Report used SEC Pricing effective September 30, 2022

Oil and Gas Properties

We hired MKM Engineering, who prepared for us an Appraisal of Certain Oil and Gas Interests owned by Permex Petroleum Corporation located in New Mexico and Texas as of September 30, 2022 (the "2022 Appraisal Report") as well as an Appraisal of Certain Oil and Gas Interests owned by Permex Petroleum Corporation located in New Mexico and Texas as of September 30, 2021 (the "2021 Appraisal Report" and together with the 2022 Appraisal Report the "Appraisal Reports"). MKM Engineering is independent with respect to Permex Petroleum Corporation as provided in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. MKM Engineering's estimates of our proved and probable reserves in each of the Appraisal Reports were prepared according to generally accepted petroleum engineering and evaluation principles, and each of the Appraisal Reports conform to SEC Pricing. The Appraisal Reports are each filed as an exhibit to the registration statement for which this prospectus is a part.

The Appraisal Reports were each specifically prepared by Michele Mudrone, an employee of MKM Engineering, a registered Professional Engineer in the State of Texas, and a member of the Society of Petroleum Engineers. Ms. Mudrone graduated from the Colorado School of Mines with a Bachelor of Science degree in Petroleum Engineering in 1976 and has been employed in the petroleum industry and directly involved in reservoir engineering, petrophysical analysis, reservoir simulation and property evaluation since that time. Ms. Mudrone certified in each Appraisal Report that she did not receive, nor expects to receive, any direct or indirect interest in the holdings discussed in the report or in the securities of the Company. Because of our current size, we do not have any technical person responsible for overseeing the preparation of the reserve estimates presented herein (or have any internal control policies pertaining to estimates of oil and gas reserves), and consequently, we rely exclusively on the Appraisal Reports in the preparation of the reserve estimates present in this prospectus.

Since all of our reserves are from conventional reservoirs, MKM Engineering assumed for the purposes of its appraisal reports that the technology to be used to develop our reserves would include horizontally drilled wells, fracturing, and acidizing.

The following tables show a summary of our reserves as of September 30, 2022 and September 30, 2021 which have been derived from the Appraisal Reports and conform to SEC Pricing.

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Composite Proved Reserve Estimates and Economic Forecasts for the year ended September 30, 2022

		Proved	Proved Developed Producing	Proved Non-Producing	Proved Undeveloped
Net Reserves					
Oil/Condensate	MBbl	6,237.1	444.6	709.3	5,083.2
Gas	Mcf	3,001.2	286.2	578.6	2,136.4
Revenue					
Oil/Condensate	M$	572,090.2	40,485.1	65,032.6	466,572.5
Gas	M$	17,390.7	1,736.5	3,287.4	12,366.8
Severance and Ad Valorem Taxes	M$	43,493.7	3,633.2	4,955.7	34,904.8
Operating Expenses	M$	48,136.3	11,893.8	5,610.1	30,632.4
Investments	M$	71,700.0	806.9	2,074.6	68,818.5
Operating Income (BFIT)	M$	426,150.9	25,887.7	55,679.6	344,583.6
Discounted @ 10%	M$	198,619.1	12,057.6	34,831.6	151,729.9

Composite Proved Reserve Estimates and Economic Forecasts for the year ended September 30, 2021

		Proved	Proved Developed Producing	Proved Non-Producing	Proved Undeveloped
Net Reserves					
Oil/Condensate	MBbl	6,199.4	399.3	188.1	5,612.0
Natural Gas	Mcf	3,018.3	314.4	97.5	2,606.4
Revenue					
Oil/Condensate	M$	347,051.0	21,920.1	10,468.6	314,662.3
Natural Gas	M$	8,906.8	949.0	286.9	7,670.9
Severance and Ad Valorem Taxes	M$	26,171.1	1,927.3	774.5	23,469.3
Operating Expenses	M$	43,511.4	8,048.8	3,057.0	32,405.6
Investments	M$	71,700.0	791.9	689.6	70,218.5
Operating Income (BFIT)	M$	214,575.4	12,101.2	6,234.4	196,239.8
Discounted @ 10%	M$	100,772.6	6,356.0	3,644.6	90,772.0

Composite Probable Reserve Estimates and Economic Forecasts for the year ended September 30, 2022

		Probable	Probable Developed Producing	Probable Non-Producing	Probable Undeveloped
Net Reserves					
Oil/Condensate	MBbl	7,452.1	1.9	115.9	7,334.3
Gas	Mcf	10,323.8	10.5	6.2	10,307.1
Revenue					
Oil/Condensate	M$	680,179.1	164.4	10,469.2	669,545.5
Gas	M$	62,309.3	64.5	38.3	62,206.5
Severance and Ad Valorem Taxes	M$	41,500.1	28.4	750.3	40,721.4
Operating Expenses	M$	50,223.2	73.9	1,112.6	49,036.7
Investments	M$	107,884.9	—	—	107,884.9
Operating Income (BFIT)	M$	542,880.1	126.6	8,644.5	534,109.0
Discounted @ 10%	M$	229,567.4	53.4	3,247.1	226,266.9

Composite Probable Reserve Estimates and Economic Forecasts for the year ended September 30, 2021

		Probable	Probable Non-Producing	Probable Undeveloped
Net Reserves				

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Oil/Condensate	MBbl	7,466.5	119.8	7,346.7
Natural Gas	Mcf	10,252.1	6.3	10,245.8
Revenue				
Oil/Condensate	M$	411,745.8	6,686.4	405,059.4
Natural Gas	M$	30,171.8	18.4	30,153.4
Severance and Ad Valorem Taxes	M$	23,511.2	478.1	23,033.1
Operating Expenses	M$	50,336.3	1,061.2	49,275.1
Investments	M$	102,884.9	—	102,884.9
Operating Income (BFIT)	M$	265,185.3	5,165.5	260,019.8
Discounted @ 10%	M$	123,329.8	1,957.5	121,372.3

Probable reserves are unproven reserves that geologic and engineering analyses suggest are more likely than not to be recoverable. They are not comparable to proved reserves and estimates of oil, condensate, and gas reserves and future net revenue should be regarded only as estimates that may change as further production history and additional information become available. Such reserve and revenue estimates are based on the information currently available, the interpretation of which is subject to uncertainties inherent in applying judgmental factors.

Conversion of Undeveloped Acreage

Our process for converting undeveloped acreage to developed acreage is tied to whether there is any drilling being conducted on the acreage in question. We have started development and conversion of our undeveloped acreage located in Martin County, Texas. The PPC Eoff #3 well, operated by Permex Petroleum, is the first of two permitted wells that has been drilled and is being completed by us on the 7,780 gross acre Breedlove oilfield. Drilling of the first well commenced on September 14, 2022. Management furthermore expects to commence lateral drilling and completion of the well by January 2024, subject to receipt of additional funding.

An aggregate of 5,083 MBoe and 2,136 MMCF of our proved undeveloped reserves as of September 30, 2022, are part of a development plan that has been adopted by management that calls for these undeveloped reserves to be drilled within the next five years, thus resulting in the conversion of such proved undeveloped reserves to developed status within five years of initial disclosure at September 30, 2022.

Proved Undeveloped Reserves Additions

From September 30, 2021 to September 30, 2022, we had no proved undeveloped additions. The specific changes to our proved undeveloped reserves from September 30, 2021 to September 30, 2022 were as follows:

	Breedlove	Pittcock & Mary Bullard	Henshaw	Royalty Wells	Total
Beginning balance at September 30, 2021 (Mboe)(1)	5,584.14	336.09	—	0.22	5,920.45
Production (Mboe)(1)	—	—	—	—	—
Revisions or reclassifications of previous estimates (Mboe)(1)	(589.17)	—	—	—	(589.17)
Improved Recovery (Mboe)(1)	—	—	—	—	—
Extensions and Discoveries (Mboe)(1)	—	—	—	—	—
Acquisitions/Purchases (Mboe)(1)	—	—	—	—	—
Sales (Mboe)(1)	—	—	—	—	—
Price Change (Mboe)	(28.54)	6.02	—	—	(22.52)
Ending balance as of September 30, 2022 (Mboe)(1)	4,966.43	342.11	—	0.22	5,308.76

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(1) Natural gas volumes have been converted to Boe based on energy content of six Mcf of gas to one Bbl of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis is currently substantially lower than the corresponding price for oil and has been similarly lower for a number of years. For example, in the year ended September 30, 2022, the average prices of WTI (Cushing) oil and NYMEX Henry Hub natural gas were $91.71 per Bbl and $6.126 per Mcf, respectively, resulting in an oil-to-gas ratio of just under 14 to 1.

Financing of Proved and Probable Undeveloped Reserves

We currently estimate that the total cost to develop our proved undeveloped reserves of 5,083.2 MBbl of oil and 2,136.4 Mcf of natural gas as of September 30, 2022 is $68,818,530. We expect to finance these capital costs through a combination of current cash on hand, debt financing through a line of credit or similar debt instrument, one or more offerings of debt or equity, and from cash generated from estimated revenues from sales of oil and natural gas produced at our wells.

We currently estimate that the total cost to develop our probable undeveloped reserves of 7,334.3 MBbl of oil and 10,307.1 Mcf of natural gas as of September 30, 2022 is $107,884,900. We expect to finance these capital costs through a combination of joint ventures, farm-in agreements, direct participation programs, one or more offerings of equity, a debt offering or entering into a line of credit, and from cash generated from estimated revenues from sales of oil and natural gas produced at our wells.

Drilling Activities

We drilled one well during the last three fiscal years. As at September 30, 2022, we had 78 gross wells and 14 net productive wells. Our gross developed acreage totaled 5,177 and net developed acreage totaled 3,942 with the following property breakdown:

Property	Gross Developed Acreage	Net Developed Acreage	Gross Productive Wells	Net Productive Wells
Pittcock	818	664.63	1	0.81
Henshaw	1,880	1,353.60	6	4.32
Oxy Yates	680	489.60	5	3.60
Bullard	241	187.98	1	0.78
Breedlove	1,558	1,246.40	16	12.80
Royalty Interest Properties	—	—	73	0.01

We have 6,000 gross undeveloped acres and 4,800 net undeveloped acres. All of our undeveloped acreage is on our Breedlove property.

Our leases are held by production in perpetuity. If a field/lease is undeveloped it typically has a 2, 3 or 5 year term of expiry. We have over 340 leases covering undeveloped acreage and less than 5% of these leases have an expiry date that is less than two years from the date hereof.

Sales and Production

The average sales prices of our oil and gas products sold in the fiscal years ended September 30, 2022, 2021, and 2020 was $89.14/Boe, $54.19/Boe, and $38.51/Boe, respectively.

Our net production quantities by final product sold in the fiscal years ended September 30, 2022, 2021, and 2020, was 12,597.45 Boe, 1,182.70 Boe, and 17,772.14 Boe, respectively.

Our average production costs per unit for the fiscal years ended September 30, 2022, 2021, and 2020, was $65.82/Boe, and $40.94/Boe, and $32.59/Boe, respectively.

The breakdown of production and prices between oil/condensate and natural gas was as follows:

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Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	10,670	948	16,240
Natural Gas (Mcf)	11,567	1,410	9,196

Average Sales Price	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate ($/Bbl)	96.18	62.37	41.09
Natural Gas ($/Mcf)	8.36	3.54	1.44

The breakdown of our production quantities by individual product type for each of our fields that contain 15% or more of our total proved reserves expressed on an oil-equivalent-barrels basis was as follows:

Breedlove

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	6,998	—	—
Natural Gas (Mcf)	11,567	419	—

Henshaw

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	2,189	—	—
Natural Gas (Mcf)	—	—	—

Pittcock – Mary Bullard

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	1,483	847	291
Natural Gas (Mcf)	—	—	—

ODC San Andres

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	—	—	15,948

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Natural Gas (Mcf)	—	—	2,605

Texas Properties

Breedlove "B" Clearfork Leases

In September 2021, we, through our wholly-owned subsidiary, Permex Petroleum US Corporation, acquired a 100% Working Interest and an 81.75% Net Revenue Interest in the Breedlove "B" Clearfork leases located in Martin County, Texas. We issued 104,164 Common Shares and 52,082 share purchase warrants as consideration for this acquisition. The Breedlove "B" Clearfork properties situated in Martin County, Texas are over 12 contiguous sections for a total of 7,870.23 gross and 7,741.67 net acres, of which 98% is held by production in the core of the Permian Basin. It is bounded on the north by Dawson County, on the east by Howard County, on the south by Glasscock and Midland Counties, and on the west by Andrews County. There is a total of 25 vertical wells of which 12 are producers, 4 are saltwater disposal wells and 9 that are shut-in opportunities. In January 2022, we began the pilot re-entry on the Carter Clearfork well #5, which is one of 67 shut-in wells that we currently own. The re-entry involved targeting the Clearfork formation at a depth of 7,200 feet. Due to the high water concentrating in the fluid entry, management plans to install appropriate flow-lines from this well to the injections wells on the property prior to putting the well back on pump. By doing so management plans to reduce unnecessary operating expenses from water disposal in third party disposal facilities.

Pittcock Leases

The Pittcock Leases are situated in Stonewall County which is in Northwest Texas, in the central part of the North Central Plains and consists of the Pittcock North property, the Pittcock South property and the Windy Jones Property. It is bounded on the north by King County, on the east by Haskell County, on the south by Fisher and Jones Counties, and on the west by Kent County. The Pittcock North property covers 320 acres held by production. There is currently one producing well, ten shut-in wells, two saltwater disposal wells, and a water supply well. We hold a 100% working interest in the Pittcock North Property and an 81.25% net revenue interest. The Pittcock South property covers 498 acres in four tracts. There are currently 19 shut-in wells and two saltwater disposal wells. We hold a 100% working interest in the lease and a 71.90% net revenue interest. The Windy Jones Property consists of 40 acres and includes two injection wells and two suspended oil wells. The sole purpose of the Windy Jones property is to provide waterflood to the offset wells being the Pittcock wells located east boundary of the Windy Jones Property. We hold a 100% working interest in the Windy Jones Property and a 78.9% net revenue interest.

Mary Bullard Property

We acquired the Mary Bullard Property in August 2017 for cash consideration of approximately $50,000. The Mary Bullard Property is located in Stonewall County, about 5 ½ miles south west of Aspermont, Texas. It is bounded on the north by King County, on the east by Haskell County, on the south by Fisher and Jones Counties, and on the west by Kent County. The asset is situated on the Eastern Shelf of the Midland Basin in the central part of the North Central Plains. The Mary Bullard Property covers 241 acres held by production and is productive in the Clearfork formation at a depth of approximately 3,200 feet. There is currently one producing well, four shut-in wells, and two water injection wells. We hold a 100% working interest in the Mary Bullard Property and a 78.625% net revenue interest.

New Mexico Properties

In December 2017, Permex Petroleum US Corporation, our wholly-owned subsidiary, acquired the West Henshaw Property and the Oxy Yates Property for $170,000 from Permex Petroleum Company LLC ("PPC"). An additional $95,000 was transferred by us to PPC to purchase reclamation bonds in connection with the future operation of the properties.

West Henshaw Property

The West Henshaw Property is located in Eddy County, New Mexico, 12 miles northeast of Loco Hills in the Delaware Basin. Eddy County is in Southeast New Mexico. It is bounded by Chaves County to the north, Otero County to the east, Loving County, Texas to the south, and Lea County to the west. The West Henshaw Property covers 1,880 acres held by production. There are two producing

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wells, seven shut-in wells and four saltwater disposal wells. We hold a 100% working interest in the West Henshaw Property and a 72% net revenue interest.

In January 2022, we began the pilot re-entry on the West Henshaw well #15-3, one out of the 67 shut-in wells we currently owns. The re-entry and re-stimulation involved the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet. The recompletion was successful and came online at an initial rate of 30 bopd and has stabilized at 15 bopd.

In April 2022, we began the re-entry on the West Henshaw well #6-10. The re-entry and re-stimulation involved the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet. The recompletion was successful and came online at an initial rate of 15 bopd and has stabilized at 10 bopd.

The remaining 67 shut-in wells that we plan to re-enter have potential to yield similar results increasing our total daily production solely by re-entering shut-in wells.

Oxy Yates Property

The Oxy Yates Property is located in Eddy County, approximately eight miles north of Carlsbad, New Mexico in the Delaware Basin. It is bounded by Chaves County to the north, Otero County to the east, Loving County, Texas to the south, and Lea County to the west. The Oxy Yates Property covers 680 acres held by production. There is one producing well and nine shut-in wells. The Yates formation is located at an average depth of 1,200 feet and overlies the Seven River formation and underlies the Tansill formation. We hold a 100% working interest in the Oxy Yates Property and a 77% net revenue interest.

Royalty Interest Properties

During the year ended September 30, 2021, we acquired royalty interests in 73 producing oil and gas wells located in Texas and New Mexico for $179,095. There are no changes to the royalty interests held by the Company in fiscal 2022.

Business Strategy

The principal elements of our business strategy include the following:

- Grow production and reserves in a capital efficient manner using internally generated levered free cash flow. We intend to allocate capital in a disciplined manner to projects that we anticipate will produce predictable and attractive rates of return. We plan to direct capital to our oil-oriented and reduced-risk development opportunities while focusing on driving cost efficiencies across our asset base with the primary objective of internally funding our capital budget and growth plan. We may also use our capital flexibility to pursue value-enhancing, bolt-on acquisitions to opportunistically improve our positions in existing basins.

- Maximize ultimate hydrocarbon recovery from our assets by optimizing drilling, completion and production techniques and investigating deeper reservoirs and areas beyond our known productive areas. While we intend to utilize proven techniques and technologies, we will also continuously seek efficiencies in our drilling, completion and production techniques in order to optimize ultimate resource recoveries, rates of return and cash flows. We will explore innovative enhanced oil recovery ("EOR") techniques to unlock additional value and have allocated capital towards next generation technologies. For example, we have already completed extensive waterflood EOR studies in Pittcock North and Pittcock South. Through these studies, we will seek to expand our development beyond our known productive areas in order to add probable and possible reserves to our inventory at attractive all-in costs as of the time of our studies.

- Pursue operational excellence with a sense of urgency. We plan to deliver low cost, consistent, timely and efficient execution of our drilling campaigns, work programs and operations. We intend to execute our operations in a safe and environmentally responsible manner, focus on reducing our emissions, apply advanced technologies, and continuously seek ways to reduce our operating cash costs on a per barrel basis.

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- Pursue strategic acquisitions that maintain or reduce our break-even costs. We intend to actively pursue accretive acquisitions, mergers and dispositions that are intended to improve our margins, returns, and break-even costs of our investment portfolio. Financial strategies associated with these efforts will focus on delivering competitive adjusted per share returns.

Development

We believe that there is significant value to be created by drilling the identified undeveloped opportunities on our properties in conjunction with the stimulation and rework of our shut-in wells. While our near-term plans are focused towards drilling wells on our existing acreage to develop the potential contained therein, our long-term plans also include continuing to evaluate acquisition and leasing opportunities that can earn attractive rates of return on capital employed.

Risk Factor Summary

Our business is subject to a number of risks of which you should be aware before making an investment decision. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under "Risk Factors" in deciding whether to invest in our securities. Among these important risks are the following:

- If we fail to obtain the capital necessary to fund our operations, we will be unable to continue our operations and you will likely lose your entire investment. Even if we can raise additional funding, we may be required to do so on terms that are dilutive to you.
- Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern, which may hinder our ability to obtain future financing.

- Oil and gas prices are volatile, and declines in prices may adversely affect our financial position, financial results, cash flows, access to capital and ability to grow.
- The actual quantities and present value of our proved oil, gas, and NGL reserves may be less than we have estimated.
- Our acquisition strategy may subject us to certain risks associated with the inherent uncertainty in evaluating properties.
- We may be unable to successfully integrate recently acquired assets or any assets we may acquire in the future into our business or achieve the anticipated benefits of such acquisitions.
- Drilling for and producing oil, natural gas and NGLs are high risk activities with many uncertainties that could adversely affect our financial condition or results of operations.
- Our future success depends on our ability to replace reserves.
- Our business depends on third-party transportation and processing facilities and other assets that are owned by third parties.
- The development of our proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our undeveloped reserves may not be ultimately developed or produced.
- Weather conditions, which could become more frequent or severe due to climate change, could adversely affect our ability to conduct drilling, completion and production activities in the areas where we operate.
- We may incur losses as a result of title defects in the properties in which we invest.

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- Fuel conservation measures, technological advances and negative shift in market perception towards the oil and natural gas industry could reduce demand for oil and natural gas.
- Our operations are concentrated in the Permian and Delaware Basins, making us vulnerable to risks associated with operating in a limited geographic area.
- Increased attention to environmental, social and governance matters may impact our business.
- We are substantially dependent on a limited number of customers.
- The unavailability, high cost or shortages of rigs, equipment, raw materials, supplies or personnel may restrict or result in increased costs for operators related to developing and operating our properties.
- Our business is highly regulated and governmental authorities can delay or deny permits and approvals or change legal requirements governing our operations, including well stimulation, enhanced production techniques and fluid injection or disposal, that could increase costs, restrict operations and delay our implementation of, or cause us to change, our business strategy.
- Failure to comply with environmental laws and regulations could result in substantial penalties and adversely affect our business.
- The market price of our Common Shares is volatile and may not accurately reflect the long term value of our Company.
- Even if we meet the initial listing requirements of The Nasdaq Capital Market, there can be no assurance that we will be able to comply with The Nasdaq Capital Market's continued listing standards, a failure of which could result in a de-listing of our Common Shares and Warrants.
- Our principal shareholders and management own a significant percentage of our shares and may be able to exert significant control over matters subject to shareholder approval.
- We are a British Columbia company and it may be difficult for you to enforce judgments against us or certain of our directors or officers.
- An investment in our securities, and certain subsequent transactions with respect to our securities, may result in uncertain or adverse U.S. federal income tax consequences for an investor.

Corporate History

We were incorporated on April 24, 2017 under the laws of British Columbia, Canada. At June 30, 2023, we have one wholly-owned subsidiary, Permex Petroleum US Corporation, a corporation incorporated under the laws of New Mexico. We own and operate oil and gas properties in Texas (Breedlove "B" Property, Pittcock North Property, Pittcock South Property, and Mary Bullard Property), and Permex Petroleum US Corporation owns and operates oil and gas properties in New Mexico (Henshaw Property and the Oxy Yates Property).

Implications of Being an Emerging Growth Company and a Smaller Reporting Company

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley Act"), and the requirement to present only two years of audited

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financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in the registration statement of which this prospectus forms a part. We are currently utilizing or intend to utilize both of these exemptions. We have not made a decision whether to take advantage of any other exemptions available to emerging growth companies. We do not know if some investors will find our securities less attractive as a result of our utilization of these or other exemptions. The result may be a less active trading market for our securities and our share price may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, such an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our consolidated financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

We will remain an "emerging growth company" until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceed $1.235 billion, (b) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (c) the date on which we have issued more than $1.0 billion in nonconvertible debt during the preceding three-year period or (d) the last day of our fiscal year containing the fifth anniversary of the date on which we completed our initial public offering of securities.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and in our filings with the SEC. As a result, the information that we provide to our shareholders may be different than you might receive from other public reporting companies in which you hold equity interests.

We are also a "smaller reporting company" as defined under the Securities Act and Exchange Act. We may continue to be a smaller reporting company so long as either (i) the market value of our Common Shares held by non-affiliates is less than $250 million or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year and the market value of our Common Shares held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and have reduced disclosure obligations regarding executive compensation, and, similar to emerging growth companies, if we are a smaller reporting company under the requirements of (ii) above, we would not be required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

THE OFFERING

The following summary is provided solely for convenience and is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus.

Common Units offered by us	Up to 1,900,000 Common Units, each Common Unit consisting of one Common Share and one Warrant, with each Warrant exercisable for one Common Share at an assumed public offering price of $7.64 per Common Unit, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split. The Warrants offered as part of the Common Units are exercisable immediately, at an exercise price of $, equal to 125% of the public offering price of one Common Unit, and expire five years from the date of issuance. The securities contained in the Common Units are immediately separable and will be issued separately in this offering.

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	This Prospectus also relates to the offering of the Common Shares issuable upon exercise of the Warrants. A holder of Warrants will not have the right to exercise any portion of a Warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, at the election of the holder prior to issuance, 9.99%) of the number of Common Shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99% upon at least 61 days' prior notice from the holder to us.
Pre-Funded Units offered by us	We are also offering to those purchasers, if any, whose purchase of Common Units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% (or, at the election of the purchaser, 9.99%) of our outstanding Common Shares immediately following the consummation of this offering, the opportunity to purchase, if the purchaser so chooses, Pre-funded Units in lieu of Common Units. Each Pre-funded Unit will consist of a Pre-funded Warrant to purchase one Common Share at an exercise price of $0.01, per share and one Warrant. The purchase price of each Pre-funded Unit is equal to the price per Common Unit being sold to the public in this offering, minus $0.01. The Pre-funded Warrants will be immediately exercisable and may be exercised at any time. For each Pre-funded Unit we sell, the number of Common Units we are offering will be decreased on a one-for-one basis. Because we will issue one Warrant as part of each Common Unit or Pre-funded Unit, the number of Warrants sold in this offering will not change. The Pre-funded Warrants are subject to the Warrant Exercise Limitation. This Prospectus also relates to the offering of the Common Shares issuable upon exercise of the Pre-funded Warrants.

Common Shares outstanding prior to this offering	551,504
Common Shares to be outstanding immediately after this offering	2,451,504 Common Shares (2,736,504 Common Shares if the underwriters exercise their option to purchase additional Common Shares in full), assuming no sale of any Pre-funded Units.
Over-allotment option	The underwriters have an option for a period of 45 days to acquire up to an additional 285,000 Common Shares, representing 15% of the Common Units sold in the offering, and/or up to 285,000 Pre-funded Warrants, representing 15% of the Pre-funded Units sold in the offering, and/or up to 285,000 Warrants, representing 15% of the Warrants sold in the offering in each case, solely to cover over-allotments, if any. The Over-Allotment Option purchase price to be paid per additional Common Share or Pre-funded Warrant by the underwriter shall be equal to the public offering price of one Common Unit or one Pre-funded Unit, as applicable less

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	underwriting discount, and the purchase price to be paid per additional Warrant by the underwriter shall be $0.00001.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $12.58 million, or approximately $14.59 million if the underwriters exercise their over-allotment option in full, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds of this offering for budgeted capital expenditures, continuing operating expenses and working capital. See "*Use of Proceeds*"
Risk factors	Investing in our securities involves a high degree of risk. See "Risk Factors" in this prospectus for a discussion of factors you should carefully consider before investing in our securities.
Trading symbol	Our Common Shares are currently quoted on the OTCQB under the trading symbol "OILCF." We have applied to list our Common Shares and Warrants on The Nasdaq Capital Market under the trading symbols "OILS" and "OILSW," respectively, upon our satisfaction of The Nasdaq Capital Market's initial listing criteria; however, no assurance can be given that our listing application will be approved. If our listing application is not approved by Nasdaq, we will not consummate this offering.

The number of Common Shares shown above to be immediately outstanding after this offering is based on 551,504 Common Shares outstanding as of October 16, 2023, and excludes:

- 20,313 Common Shares issuable upon the exercise of outstanding options, with a weighted average exercise price of $54.96 per share;
- 279,745 Common Shares issuable upon the exercise of outstanding warrants, with a weighted average exercise price of $39.90 per share;
- 34,837 Common Shares available for future issuance under our 2017 and 2022 Stock Option Plans;
- up to 1,900,000 Common Shares issuable upon the exercise of the Warrants; and
- up to 95,000 (or 109,250 if the underwriters exercise their over-allotment option to purchase additional securities in full) Common Shares issuable upon exercise of the representative's warrants.

Except as otherwise indicated herein, all information in this prospectus reflects or assumes:

- no exercise of the outstanding options or warrants described above;
- no sale of any Pre-funded Units; and
- no exercise of the underwriters' option to purchase up to an additional 285,000 Common Shares and/or 285,000 Pre-funded Warrants and/or 285,000 Warrants to cover over-allotments, if any.

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On November 2, 2022, we effected a 1-for-60 reverse split of our outstanding common shares. In order to obtain approval to list our securities on The Nasdaq Capital Market we intend to effect the proposed Reverse Stock Split. Except as otherwise indicated, information in this prospectus, other than as set forth in our financial statements and the notes thereto, reflects an assumed 1-for-4 reverse stock split of our Common Shares to be effective prior to the effective date of the registration statement of which this prospectus forms a part. The proposed Reverse Stock Split is subject to approval by the Canadian Securities Exchange, which is expected to coincide with the expected effective date of October 23, 2023.

SUMMARY FINANCIAL DATA

The following tables set forth our consolidated financial data as of the dates and for the periods indicated. We have derived the summary consolidated statements of operations data for the years ended September 30, 2022 and 2021 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated statements of operations data for the nine months ended June 30, 2023 and 2022 and our balance sheet data as of June 30, 2023 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for a fair presentation of the unaudited interim consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and the results in the nine months ended June 30, 2023 are not necessarily indicative of results to be expected for the full year or any other period. The following summary financial data should be read with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes and other information included elsewhere in this prospectus.

Consolidated Statements of Operations Data:

	Nine Months Ended June 30, (unaudited)		Years Ended September 30,	
	2023	2022	2022	2021
Revenue				
Oil and gas sales	$ 541,459	$ 577,244	$ 815,391	$ 46,703
Royalty income	18,140	47,813	63,068	37,922
Total revenue	$ 559,599	$ 625,057	$ 878,459	$ 84,625
Operating expenses	$ (3,929,106)	$ (2,572,367)	$ (3,778,693)	$ (1,324,361)
Other income (expense)	$ 39,400	$ 149,525	$ 185,618	$ (13,506)
Net loss	$ (3,873,341)	$ (1,797,785)	$ (2,714,616)	$ (1,253,242)
Net loss per common share – basic and diluted(1)(2)	$ (6.86)	$ (5.09)	$ (8.18)	$ (7.34)
Weighted average common shares outstanding – basic and diluted(1)(2)	485,780	352,934	385,756	169,740

(1) See Note 11 to our consolidated financial statements appearing elsewhere in this prospectus for an explanation of the method used to calculate the basic and diluted net loss per share attributable to common shareholders and the number of shares used in the computation of the per share amounts.

(2) After giving effect to the proposed Reverse Stock Split.

Balance Sheet Data:

	June 30, 2023 (unaudited)

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	Actual	As Adjusted[(1)(2)]
Cash and cash equivalents	$ 764,386	$ 13,343,270
Working capital (deficit)	(2,501,571)	10,077,313
Total assets	11,677,797	24,256,681
Total liabilities	3,856,389	3,856,389
Total equity	7,821,408	20,400,292

(1) On an as adjusted basis to give further effect to (i) our issuance and sale of 1,900,000 Common Units in this offering at an assumed public offering price of $7.64 per Common Units (which is based on the closing price of our Common Shares as reported by the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. As adjusted balance sheet data is illustrative only and will change based on the actual public offering price and other terms of this offering determined at pricing.

(2) Each $1.00 increase (decrease) in the assumed public offering price of $7.64 per Common Units (which is based on the closing price of our Common Shares as reported by the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split) would increase (decrease) the as adjusted amount of each of cash, working capital, total assets and total stockholders' equity (deficit) by approximately $1.74 million, assuming that the number of Common Units offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 100,000 Common Units in the number of Common Units offered by us at the assumed public offering price of $7.64 per Common Unit (which is based on the closing price of our Common Shares as reported by the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split) would increase (decrease) the as adjusted amount of each of cash, working capital, total assets and total stockholders' equity (deficit) by approximately $0.70 million. These unaudited adjustments are based upon available information and certain assumptions we believe are reasonable under the circumstances.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks and information below and elsewhere in this prospectus, including our consolidated financial statements and the related notes thereto, before making an investment decision. We describe risks below that we currently believe are the material risks of our business, our industry and our securities. These are not the only risks we face. We are subject to risks that are currently unknown to us, or that we may currently believe are remote or immaterial. If any of these risks or events occurs, our business, financial condition and operating results could be harmed. In that case, the trading price of our securities could decline, and you might lose all or part of your investment in our securities.

Risks Related to Our Financial Position and Need for Capital

If we fail to obtain the capital necessary to fund our operations, we will be unable to continue our operations and you will likely lose your entire investment.

We are in the early stages of our operations and have not generated revenue in excess of our expenses. We will likely operate at a loss until our business becomes established, and we will require additional financing in order to fund future operations and expansion plans. Our ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and the success of our operations. There can be no assurance that we will be successful in our efforts to secure any additional financing or additional financing on terms satisfactory to us. If adequate funds are not available, or are not available on acceptable terms, we may be required to scale back our current business plan or cease operations.

Even if we can raise additional funding, we may be required to do so on terms that are dilutive to you.

The capital markets have been unpredictable in the recent past. In addition, it is generally difficult for early stage companies to raise capital under current market conditions. The amount of capital that a company such as ours is able to raise often depends on variables that are beyond our control. As a result, we may not be able to secure financing on terms attractive to us, or at all. If we are able to consummate a financing arrangement, the amount raised may not be sufficient to meet our future needs and may be dilutive to our current

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shareholders. If adequate funds are not available on acceptable terms, or at all, our business, including our results of operations, financial condition and our continued viability will be materially adversely affected.

We have a limited operating history.

We have a limited operating history and our business is subject to all of the risks inherent in the establishment of a new business enterprise. Our likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with development and expansion of a new business enterprise. If we are unable to achieve profitability, we may be unable to continue our operations.

Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern, which may hinder our ability to obtain future financing.

Our financial statements as of September 30, 2022 have been prepared under the assumption that we will continue as a going concern for the next twelve months. Our independent registered public accounting firm included in its opinion for the year ended September 30, 2022 an explanatory paragraph referring to our significant losses from operations and expressing substantial doubt in our ability to continue as a going concern without additional capital becoming available. Our ability to continue as a going concern is dependent upon our ability to obtain additional equity or debt financing, reduce expenditures and to generate significant revenue. Our financial statements as of September 30, 2022 did not include any adjustments that might result from the outcome of this uncertainty. The reaction of investors to the inclusion of a going concern statement by our auditors, and our potential inability to continue as a going concern, in future years could materially adversely affect the price of our securities and our ability to raise new capital.

Risks Related to Our Business

Oil and gas prices are volatile, and declines in prices may adversely affect our financial position, financial results, cash flows, access to capital and ability to grow.

The prices we receive for our oil and natural gas production heavily influence our revenue, operating results, profitability, access to capital, future rate of growth and carrying value of our properties. Oil and natural gas are commodities, and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand, as well as costs and terms of transport to downstream markets.

Historically, the commodities markets had volatile prices, and these markets will likely continue to be volatile in the future. If the prices of oil and natural gas experience a substantial decline, our operations, financial condition and level of expenditures for the development of our oil and natural gas reserves may be materially and adversely affected. The prices we receive for our production, and the levels of our production, depend on numerous factors beyond our control and include the following:

- changes in global supply and demand for oil and natural gas;
- the actions of the Organization of Petroleum Exporting Countries;
- political conditions, including embargoes, in or affecting other oil-producing activity;
- the level of global oil and natural gas exploration and production activity;
- the level of global oil and natural gas inventories;
- weather conditions;
- technological advances affecting energy consumption; and
- the price and availability of alternative fuels.

Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Our revenues, operating results, profitability and future rate of growth depend primarily upon the prices we receive for oil and, to a lesser extent, natural gas that we sell. Prices also affect the amount of cash flow available for capital expenditures and our ability to borrow money or raise additional capital. In addition, we may need to record asset carrying value write-downs if prices fall. A significant decline in the prices of natural gas or oil could adversely affect our financial position, financial results, cash flows, access to capital and ability to grow.

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The actual quantities and present value of our proved oil, gas, and NGL reserves may be less than we have estimated.

There are numerous uncertainties inherent in estimating crude oil and natural gas reserves and their value. Reservoir engineering is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. Because of the high degree of judgment involved, the accuracy of any reserve estimate is inherently imprecise, and a function of the quality of available data and the engineering and geological interpretation. Our reserves estimates are based on 12-month average prices, except where contractual arrangements exist; therefore, reserves quantities will change when actual prices increase or decrease. In addition, results of drilling, testing, and production may substantially change the reserve estimates for a given reservoir over time. The estimates of our proved reserves and estimated future net revenues also depend on a number of factors and assumptions that may vary considerably from actual results, including:

- historical production from the area compared with production from other areas;
- the effects of regulations by governmental agencies, including changes to severance and excise taxes;
- future operating costs and capital expenditures; and
- workover and remediation costs.

For these reasons, estimates of the economically recoverable quantities of crude oil and natural gas attributable to any particular group of properties, classifications of those reserves and estimates of the future net cash flows expected from them prepared by different engineers or by the same engineers but at different times may vary substantially. Accordingly, reserves estimates may be subject to upward or downward adjustment, and actual production, revenue and expenditures with respect to our reserves likely will vary, possibly materially, from estimates.

Additionally, because some of our reserves estimates are calculated using volumetric analysis, those estimates are less reliable than the estimates based on a lengthy production history. Volumetric analysis involves estimating the volume of a reservoir based on the net feet of pay of the structure and an estimation of the area covered by the structure. In addition, realization or recognition of proved undeveloped reserves will depend on our development schedule and plans. A change in future development plans for proved undeveloped reserves could cause the discontinuation of the classification of these reserves as proved.

Our acquisition strategy may subject us to certain risks associated with the inherent uncertainty in evaluating properties.

Although we perform a review of properties that we acquire that we believe is consistent with industry practices, such reviews are inherently incomplete. It generally is not feasible to review in-depth every individual property involved in each acquisition. Ordinarily, we will focus our review efforts on the higher-value properties and will sample the remainder. However, even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit us as a buyer to become sufficiently familiar with the properties to assess fully and accurately their deficiencies and potential. Inspections may not always be performed on every well, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. Even when problems are identified, we often assume certain environmental and other risks and liabilities in connection with acquired properties. There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and future production rates and costs with respect to acquired properties, and actual results may vary substantially from those assumed in the estimates. In addition, there can be no assurance that acquisitions will not have an adverse effect upon our operating results, particularly during the periods in which the operations of acquired businesses are being integrated into our ongoing operations.

We may be unable to successfully integrate recently acquired assets or any assets we may acquire in the future into our business or achieve the anticipated benefits of such acquisitions.

Our ability to achieve the anticipated benefits of our acquisitions will depend in part upon whether we can integrate the acquired assets into our existing business in an efficient and effective manner. We may not be able to accomplish this integration process successfully. The successful acquisition of producing properties requires an assessment of several factors, including:

- recoverable reserves;
- future oil and natural gas prices and their appropriate differentials;
- availability and cost of transportation of production to markets;
- availability and cost of drilling equipment and of skilled personnel;
- development and operating costs including access to water and potential environmental and other liabilities; and

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- regulatory, permitting and similar matters.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, we have performed reviews of the subject properties that we believe to be generally consistent with industry practices. The reviews are based on our analysis of historical production data, assumptions regarding capital expenditures and anticipated production declines without review by an independent petroleum engineering firm. Data used in such reviews are typically furnished by the seller or obtained from publicly available sources. Our review may not reveal all existing or potential problems or permit us to fully assess the deficiencies and potential recoverable reserves for all of the acquired properties, and the reserves and production related to the acquired properties may differ materially after such data is reviewed by an independent petroleum engineering firm or further by us. Inspections will not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or a portion of the underlying deficiencies. The integration process may be subject to delays or changed circumstances, and we can give no assurance that our acquired assets will perform in accordance with our expectations or that our expectations with respect to integration or cost savings as a result of such acquisitions will materialize.

Drilling for and producing oil, natural gas and NGLs are high risk activities with many uncertainties that could adversely affect our financial condition or results of operations.

Our drilling activities are subject to many risks, including the risk that they will not discover commercially productive reservoirs. Drilling for oil or natural gas can be uneconomical, not only from dry holes, but also from productive wells that do not produce sufficient revenues to be commercially viable. In addition, drilling and producing operations on our acreage may be curtailed, delayed or canceled as a result of other factors, including:

- declines in oil or natural gas prices, as occurred in 2020 in connection with the COVID-19 pandemic;
- infrastructure limitations;
- the high cost, shortages or delays of equipment, materials and services;
- unexpected operational events, pipeline ruptures or spills, adverse weather conditions, facility malfunctions or title problems;
- compliance with environmental and other governmental requirements;
- regulations, restrictions, moratoria and bans on injection wells and water disposal;
- unusual or unexpected geological formations;
- environmental hazards, such as oil, natural gas or well fluids spills or releases, pipeline or tank ruptures and discharges of toxic gas;
- fires, blowouts, craterings, and explosions and other physical accidents;
- uncontrollable flows of oil, natural gas or well fluids;
- changes in the cost of decommissioning or plugging wells;
- maintenance of quality, purity and thermal quality standards both for commodity sales and purposes of transportation;
- members of the public have engaged in physical confrontations or acts of sabotage to impede or prevent transportation of hydrocarbons; and
- pipeline capacity curtailments.

In addition to causing curtailments, delays and cancellations of drilling and producing operations, many of these events can cause substantial losses, including personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution, environmental contamination, loss of wells and regulatory penalties. The occurrence of an event that is not fully covered by insurance could have a material adverse impact on our business activities, financial condition and results of operations.

Our future success depends on our ability to replace reserves.

Because the rate of production from oil and natural gas properties generally declines as reserves are depleted, our future success depends upon our ability to economically find or acquire and produce additional oil and natural gas reserves. Except to the extent that we acquire additional properties containing proved reserves, conduct successful exploration and development activities or, through engineering studies, identify additional behind-pipe zones or secondary recovery reserves, our proved reserves will decline as our reserves are produced. Future oil and natural gas production, therefore, is highly dependent upon our level of success in acquiring or finding additional reserves that are economically recoverable. We cannot assure you that we will be able to find or acquire and develop additional reserves at an acceptable cost. We may acquire significant amounts of unproved property to further our development efforts. Development and exploratory drilling and production activities are subject to many risks, including the risk that no commercially productive reservoirs

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will be discovered. We seek to acquire both proved and producing properties as well as undeveloped acreage that we believe will enhance growth potential and increase our earnings over time. However, we cannot assure you that all of these properties will contain economically viable reserves or that we will not abandon our initial investments. Additionally, we cannot assure you that unproved reserves or undeveloped acreage that we acquire will be profitably developed, that new wells drilled on our properties will be productive or that we will recover all or any portion of our investments in our properties and reserves.

Our business depends on third-party transportation and processing facilities and other assets that are owned by third parties.

The marketability of our oil and natural gas depends in part on the availability, proximity, capacity and cost of pipeline and gathering systems, processing facilities, oil trucking and barging fleets and rail transportation assets as well as storage facilities owned by third parties. The lack of available capacity on these systems and facilities, whether as a result of proration, growth in demand outpacing growth in capacity, physical damage, scheduled maintenance or other reasons could result in a substantial increase in costs, declines in realized commodity prices, the shut-in of producing wells or the delay or discontinuance of development plans for our properties. In addition, our wells may be drilled in locations that are serviced to a limited extent, if at all, by gathering and transportation pipelines, which may or may not have sufficient capacity to transport production from all of the wells in the area. As a result, we rely on third-party oil trucking to transport a significant portion of our production to third-party transportation pipelines, rail loading facilities and other market access points. In addition, concerns about the safety and security of oil and gas transportation by pipeline may result in public opposition to pipeline development or continued operation and increased regulation of pipelines by the Pipeline and Hazardous Materials Safety Administration, and therefore less capacity to transport our products by pipeline. Any significant curtailment in gathering system or pipeline capacity, or the unavailability of sufficient third-party trucking or rail capacity, could adversely affect our business, results of operations and financial condition. Our contracts for downstream transportation service include those that may be adjusted on a month-to-month basis, impacting underlying economics of our production. Our downstream contract transportation counterparties include entities that are far larger than we are and have greater market share in their markets than is the case for us in our markets.

The development of our proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our undeveloped reserves may not be ultimately developed or produced.

Approximately 80.7% of our estimated net proved reserves volumes were classified as proved undeveloped as of September 30, 2022. Development of these reserves may take longer and require higher levels of capital expenditures than we currently anticipate. Delays in the development of our reserves or increases in costs to drill and develop such reserves will reduce the PV-10 value of our estimated proved undeveloped reserves and future net revenues estimated for such reserves and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could cause us to have to reclassify our proved reserves as unproved reserves.

Weather conditions, which could become more frequent or severe due to climate change, could adversely affect our ability to conduct drilling, completion and production activities in the areas where we operate.

Our exploration and development activities and equipment can be adversely affected by severe weather such as well freeze-offs, which may cause a loss of production from temporary cessation of activity or lost or damaged equipment. Our planning for normal climatic variation, insurance programs, and emergency recovery plans may inadequately mitigate the effects of such weather conditions, and not all such effects can be predicted, eliminated, or insured against. In addition, demand for oil and gas are, to a degree, dependent on weather and climate, which impact the price we receive for the commodities we produce. These constraints could delay or temporarily halt our operations and materially increase our operation and capital costs, which could have a material adverse effect on our business, financial condition and results of operations.

We may incur losses as a result of title defects in the properties in which we invest.

The existence of a material title deficiency can render a lease worthless. In the course of acquiring the rights to develop natural gas, we typically execute a lease agreement with payment to the lessor subject to title verification. In many cases, we incur the expense of retaining lawyers to verify the rightful owners of the gas interests prior to payment of such lease bonus to the lessor. There is no certainty, however, that a lessor has valid title to their lease's gas interests. In those cases, such leases are generally voided and payment is not remitted to the lessor. As such, title failures may result in fewer net acres to us. Prior to the drilling of a natural gas well, however, it is the normal practice in our industry for the person or company acting as the operator of the well to obtain a preliminary title review to ensure there are no obvious defects in title to the well. Frequently, as a result of such examinations, certain curative work must be done to correct defects in the marketability of the title, and such curative work entails expense. Our failure to cure any title defects may delay or prevent us from utilizing the associated mineral interest, which may adversely impact our ability in the future to increase production and

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reserves. Accordingly, undeveloped acreage has greater risk of title defects than developed acreage. If there are any title defects or defects in assignment of leasehold rights in properties in which we hold an interest, we will suffer a financial loss. Additionally, hydrocarbons or other fluids in one reservoir may migrate to another stratum or reservoir, resulting in disputes regarding ownership, the entitlement to produce, and responsibility for consequences of such migration of the fluids.

We conduct business in a highly competitive industry.

The oil and natural gas industry is highly competitive. The key areas in respect of which we face competition include: acquisition of assets offered for sale by other companies; access to capital (debt and equity) for financing and operational purposes; purchasing, leasing, hiring, chartering or other procuring of equipment and contractors that may be scarce; and employment of qualified and experienced skilled management and oil and natural gas professionals. Competition in our markets is intense and depends, among other things, on the number of competitors in the market, their financial resources, their degree of geological, geophysical, engineering and management expertise and capabilities, their pricing policies, their ability to develop properties on time and on budget, their ability to select, acquire and develop reserves and their ability to foster and maintain relationships with the relevant authorities. Our competitors also include those entities with greater technical, physical and financial resources. In some markets, our products compete with other sources of energy, or other fuels (e.g., hydroelectricity) that may from time to time become more abundant or experience decreased prices. Finally, companies and certain private equity firms not previously investing in oil and natural gas may choose to acquire reserves to establish a firm supply or simply as an investment. Any such companies will also increase market competition which may directly affect us. If we are unsuccessful in competing against other companies, our business, results of operations, financial condition or prospects could be materially adversely affected.

Decommissioning costs are unknown and may be substantial. Unplanned costs could divert resources from other projects.

We may become responsible for costs associated with plugging, repairing, abandoning and reclaiming wells, pipelines and other facilities that we use for production of oil and natural gas reserves. Abandonment and reclamation of these facilities and the costs associated therewith is often referred to as “decommissioning.” We accrue a liability for decommissioning costs associated with our wells, but have not established any cash reserve account for these potential costs in respect of any of our properties. If decommissioning is required before economic depletion of our properties or if our estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time to cover such decommissioning costs, we may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could impair our ability to focus capital investment in other areas of our business. Decommissioning costs’ predictability is challenging as more focus and demand is placed on decommissioning activities in the future than was previously the case, and because we do not have lengthy operating experience with our wells.

Fuel conservation measures, technological advances and negative shift in market perception towards the oil and natural gas industry could reduce demand for oil and natural gas.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices, and the increased competitiveness of alternative energy sources could reduce demand for oil and natural gas. Additionally, the increased competitiveness of alternative energy sources (such as electric vehicles, wind, solar, geothermal, tidal, fuel cells and biofuels) could reduce demand for oil and natural gas and, therefore, our revenues.

Additionally, certain segments of the investor community have recently expressed negative sentiment towards investing in the oil and natural gas industry. Recent equity returns in the sector versus other industry sectors have led to lower oil and natural gas representation in certain key equity market indices. Some investors, including certain pension funds, university endowments and family foundations, have stated policies to reduce or eliminate their investments in the oil and natural gas sector based on social and environmental considerations. Furthermore, certain other stakeholders have pressured commercial and investment banks to stop funding oil and gas projects. With the continued volatility in oil and natural gas prices, and the possibility that interest rates will rise in the near term, increasing the cost of borrowing, certain investors have emphasized capital efficiency and free cash flow from earnings as key drivers for energy companies, especially shale producers. This may also result in a reduction of available capital funding for potential development projects, further impacting our future financial results. Some states attorneys general have accused large legacy E&P companies of purposefully obscuring consequences of combusting hydrocarbons.

The impact of the changing demand for oil and natural gas services and products, together with a change in investor sentiment, may have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, if we are unable

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to achieve the desired level of capital efficiency or free cash flow within the timeframe expected by the market, our share price may be adversely affected.

Major utilities, sometimes at the instigation of states or investors, have announced plans to radically reduce emissions, or goals to achieve "net-zero" carbon emissions by deadlines as early as 2035.

Diminution of available markets (for instance by bans on the consumption of natural gas as a fuel for power plants) or prohibitions on use of natural gas in new construction as early as 2027 also may affect our markets, profitability and cash flow.

Our operations are concentrated in the Permian and Delaware Basins, making us vulnerable to risks associated with operating in a limited geographic area.

All of our producing properties are geographically concentrated in the Permian and Delaware Basins. As a result, we may be disproportionately exposed to various factors, including, among others: (i) the impact of regional supply and demand factors, (ii) delays or interruptions of production from wells in such areas caused by governmental regulation, (iii) processing, gathering or transportation capacity constraints, (iv) market limitations, (v) availability of equipment and personnel, (vi) fluid shortages or other drought related conditions or (vii) interruption of the processing, gathering or transportation of natural gas. This concentration in a limited geographic area also increases our exposure to changes in local laws and regulations, certain lease stipulations designed to protect wildlife and unexpected events that may occur in the regions such as natural disasters, seismic events, industrial accidents or labor difficulties. Any one of these factors has the potential to cause producing wells to be shut-in, delay operations, decrease cash flows, increase operating and capital costs and prevent development of lease inventory before expirations. Any of the risks described above could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Increased attention to environmental, social and governance ("ESG") matters may impact our business.

Increasing attention to climate change, increasing societal expectations on companies to address climate change, increasing investor and societal expectations regarding voluntary ESG disclosures, and potential increasing consumer demand for alternative forms of energy may result in increased costs, reduced demand for our products, reduced profits, increased investigations and litigation, and negative impacts on our access to capital markets. Increasing attention to climate change, for example, may result in demand shifts for natural gas and oil products and additional governmental investigations and private litigation against us. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings and recent activism directed at shifting funding away from companies with energy-related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our share price and our access to and costs of capital, or negative tax or other cost consequences.

Under some analyses, the world already produces more fossil fuel from existing sources than can be consumed over remaining resources service lives, if incremental global warming is to be kept under 1.5 degrees Celsius. Financing may be increasingly challenging, as pension funds (*e.g.*, for major municipalities such as Boston, MA) and financial institutions divest fossil fuel investments.

The loss of any member of our management team, upon whose knowledge, relationships with industry participants, leadership and technical expertise we rely could diminish our ability to conduct our operations and harm our ability to execute our business plan.

Our success depends heavily upon the continued contributions of those members of our management team whose knowledge, relationships with industry participants, leadership and technical expertise would be difficult to replace. In particular, our ability to successfully acquire additional properties, to increase our reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements depends on developing and maintaining close working relationships with industry participants. In addition, our ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment is dependent on our management team's knowledge and expertise in the industry. To continue to develop our business, we rely on our management team's knowledge and expertise in the industry. The members of our management team may terminate their employment with our Company at any time. If we were to lose members of our management team, we may not be able to replace the knowledge or relationships that they possess and our ability to execute our business plan could be materially harmed.

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We are substantially dependent on a limited number of customers.

For the years ended September 30, 2022 and 2021, we had three and one significant purchaser(s) that accounted for approximately 83% and 90%, respectively, of our total oil, natural gas and NGL revenues. If we lost one or more of these significant purchasers and were unable to sell our production to other purchasers on terms we consider acceptable, it could materially and adversely affect our business, financial condition, results of operations and cash flows. Additionally, there are no assurances that we will be able to expand our customer base. If we are unable to attract and maintain an adequate customer base to generate revenues, we will have to suspend or cease operations.

Our business could be negatively affected by security threats, including cybersecurity threats and other disruptions.

As an oil and gas producer, we face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable; threats to the security of our facilities and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines; and threats from terrorist acts. The potential for such security threats has subjected our operations to increased risks that could have a material adverse effect on our business. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information facilities and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations or cash flows. Cybersecurity attacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could lead to financial losses from remedial actions, loss of business or potential liability.

The unavailability, high cost or shortages of rigs, equipment, raw materials, supplies or personnel may restrict or result in increased costs for operators related to developing and operating our properties.

The oil and natural gas industry is cyclical, which can result in shortages of drilling rigs, equipment, raw materials (particularly water and sand and other proppants), supplies and personnel. When shortages occur, the costs and delivery times of rigs, equipment and supplies increase and demand for, and wage rates of, qualified drilling rig crews also rise with increases in demand. We cannot predict whether these conditions will exist in the future and, if so, what their timing and duration will be. In accordance with customary industry practice, our operators rely on independent third-party service providers to provide many of the services and equipment necessary to drill new wells. If our operators are unable to secure a sufficient number of drilling rigs at reasonable costs, our financial condition and results of operations could suffer. Shortages of drilling rigs, equipment, raw materials, supplies, personnel, trucking services, tubulars, fracking and completion services and production equipment could delay or restrict our operators' exploration and development operations, which in turn could have a material adverse effect on our financial condition, results of operations and free cash flow.

If we are unable to acquire adequate supplies of water for our future drilling and operations or are unable to dispose of the water we use at a reasonable cost and pursuant to applicable environmental rules, our ability to produce oil and natural gas commercially and in commercial quantities could be impaired.

We will be using a substantial amount of water in future drilling programs and hydraulic fracturing operations. Our inability to obtain sufficient amounts of water at reasonable prices, or treat and dispose of water after drilling and hydraulic fracturing, could adversely impact our operations. Moreover, the imposition of new environmental initiatives and regulations could include restrictions on our ability to conduct certain operations such as (i) hydraulic fracturing, including, but not limited to, the use of fresh water in such operations, or (ii) disposal of waste, including, but not limited to, the disposal of produced water, drilling fluids and other wastes associated with the exploration, development and production of oil and natural gas. Opponents of hydraulic fracturing contend that either the drilling process or the sub-surface injection of fluids, such as water and drilling fluids, as part of accessing hydrocarbons, or disposing of used injection fluids, creates or magnifies seismic disturbances, and should such contentions be given credence with regard to our Company, our operations could experience more regulation, higher costs or greater delays in accessing hydrocarbon resources, or claims of parties asserting damage arising from seismic activity. Furthermore, future environmental regulations and permitting requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells could increase operating costs and cause delays, interruptions or termination of operations, the extent of which cannot be predicted, and all of which could have an adverse effect on our business, financial condition, results of operations and cash flows. While we intend to conduct our operations with the level of care necessary to avoid such claims, if the structural integrity of non-producing subsurface strata are impaired by hydraulic fracturing, we could face claims for damages (e.g., claims that we are producing from other geologic strata to which we do not have production rights).

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Risks Related to Legal and Regulatory Matters

Our business is highly regulated and governmental authorities can delay or deny permits and approvals or change legal requirements governing our operations, including well stimulation, enhanced production techniques and fluid injection or disposal, that could increase costs, restrict operations and delay our implementation of, or cause us to change, our business strategy.

Our operations are subject to complex and stringent federal, state, local and other laws and regulations relating to environmental protection and the exploration and development of our properties, as well as the production, transportation, marketing and sale of our products. See "Business—Governmental Regulation and Environmental Matters" for a further discussion of the laws and regulations related to our operations. Federal, state and local agencies may assert overlapping authority to regulate in these areas. In addition, certain of these laws and regulations may apply retroactively and may impose strict or joint and several liability on us for events or conditions over which we and our predecessors had no control, without regard to fault, legality of the original activities, or ownership or control by third parties.

To operate in compliance with these laws and regulations, we must obtain and maintain permits, approvals and certificates from federal, state and local government authorities for a variety of activities including siting, drilling, completion, stimulation, operation, maintenance, transportation, marketing, site remediation, decommissioning, abandonment, fluid injection and disposal and water recycling and reuse. These permits are generally subject to protest, appeal or litigation, which could in certain cases delay or halt projects, production of wells and other operations. Additionally, failure to comply may result in the assessment of administrative, civil and criminal fines and penalties and liability for noncompliance, costs of corrective action, cleanup or restoration, compensation for personal injury, property damage or other losses, and the imposition of injunctive or declaratory relief restricting or limiting our operations. Under certain environmental laws and regulations, we could be subject to strict or joint and several liability for the removal or remediation of contamination, including on properties over which we and our predecessors had no control, without regard to fault, legality of the original activities, or ownership or control by third parties.

Our operations may also be adversely affected by seasonal or permanent restrictions on drilling activities designed to protect various wildlife. Such restrictions may limit our ability to operate in protected areas and can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages when drilling is allowed. Permanent restrictions imposed to protect threatened or endangered species or their habitat could prohibit drilling in certain areas or require the implementation of expensive mitigation measures.

Costs of compliance may increase, and operational delays or restrictions may occur as existing laws and regulations are revised or reinterpreted, or as new laws and regulations become applicable to our operations. Government authorities and other organizations continue to study health, safety and environmental aspects of oil and natural gas operations, including those related to air, soil and water quality, ground movement or seismicity and natural resources. Government authorities have also adopted or proposed new or more stringent requirements for permitting, well construction and public disclosure or environmental review of, or restrictions on, oil and natural gas operations. Such requirements or associated litigation could result in potentially significant added costs to comply, delay or curtail our exploration, development, fluid injection and disposal or production activities, and preclude us from drilling, completing or stimulating wells, or venting excess production of methane which could have an adverse effect on our expected production, other operations and financial condition.

Failure to comply with environmental laws and regulations could result in substantial penalties and adversely affect our business.

As an owner or lessee and operator of oil and gas properties, we are subject to various federal, state, local, and foreign country laws and regulations relating to discharge of materials into, and protection of, the environment. See "Business—Governmental Regulation and Environmental Matters". Changing law or regulations may impact market demand for our product. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution clean-up and other remediation activities resulting from operations, subject the lessee to liability for pollution and other damages, limit or constrain operations in affected areas, and require suspension or cessation of operations in affected areas. Our efforts to limit our exposure to such liability and cost may prove inadequate and result in significant adverse effects to our results of operations. In addition, it is possible that the increasingly strict requirements imposed by environmental laws and enforcement policies could require us to make significant capital expenditures. Such capital expenditures could adversely impact our free cash flows and our financial condition.

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Certain U.S. federal income tax deductions currently available with respect to natural gas and oil exploration and development may be eliminated as a result of future legislation.

From time to time, legislation has been proposed that would, if enacted into law, make significant changes to U.S. tax laws, including certain key U.S. federal income tax provisions currently available to oil and gas companies. Such legislative changes have included, but not been limited to, (i) the repeal of the percentage depletion allowance for natural gas and oil properties, (ii) the elimination of current deductions for intangible drilling and development costs, and (iii) an extension of the amortization period for certain geological and geophysical expenditures. Although these provisions were largely unchanged in the most recent federal tax legislation, certain of these changes were considered for inclusion in the proposed "Build Back Better Act" and Congress could consider, and could include, some or all of these proposals as part of future tax reform legislation. Moreover, other more general features of any additional tax reform legislation, including changes to cost recovery rules, may be developed that also would change the taxation of oil and gas companies. It is unclear whether these or similar changes will be enacted in future legislation and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals or any similar changes in U.S. federal income tax laws could eliminate or postpone certain tax deductions that currently are available with respect to oil and gas development or increase costs, and any such changes could have an adverse effect on our financial position, results of operations and cash flows.

Our business involves the selling and shipping by rail of crude oil, which involves risks of derailment, accidents and liabilities associated with cleanup and damages, as well as potential regulatory changes that may adversely impact our business, financial condition or results of operations.

A portion of our crude oil production is transported to market centers by rail. Derailments in North America of trains transporting crude oil have caused various regulatory agencies and industry organizations, as well as federal, state and municipal governments, to focus attention on transportation by rail of flammable liquids. Any changes to existing laws and regulations, or promulgation of new laws and regulations, including any voluntary measures by the rail industry, that result in new requirements for the design, construction or operation of tank cars used to transport crude oil could increase our costs of doing business and limit our ability to transport and sell our crude oil at favorable prices at market centers throughout the United States, the consequences of which could have a material adverse effect on our financial condition, results of operations and cash flows. In addition, any derailment of crude oil involving crude oil that we have sold or are shipping may result in claims being brought against us that may involve significant liabilities. Furthermore, some rail lines are not subject to material competitive pressure which would act as a brake on rates for rail transportation service.

Federal and state legislative and regulatory initiatives could result in increased costs and additional operating restrictions or delays.

Hydraulic fracturing involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production. The hydraulic fracturing process is typically regulated by state oil and natural gas commissions. Any federal or state legislative or regulatory changes with respect to hydraulic fracturing could cause us to incur substantial compliance costs or result in operational delays, and the consequences of any failure to comply could have a material adverse effect on our financial condition and results of operations.

In addition, in response to concerns relating to recent seismic events near underground disposal wells used for the disposal by injection of flowback and produced water or certain other oilfield fluids resulting from oil and natural gas activities (so-called "induced seismicity"), regulators in some states have imposed, or are considering imposing, additional requirements in the permitting of produced water disposal wells or otherwise to assess any relationship between seismicity and the use of such wells. States may, from time to time, develop and implement plans directing certain wells where seismic incidents have occurred to restrict or suspend disposal well operations. These developments could result in additional regulation and restrictions on the use of injection wells by our operators to dispose of flowback and produced water and certain other oilfield fluids. Increased regulation and attention given to induced seismicity also could lead to greater opposition to, and litigation concerning, oil and natural gas activities utilizing injection wells for waste disposal. Until such pending or threatened legislation or regulations are finalized and implemented, it is not possible to estimate their impact on our business.

Any of the above risks could impair our ability to manage our business and have a material adverse effect on our operations, cash flows and financial position.

The adoption of climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs and reduced demand for the oil and natural gas we produce.

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Shortly after taking office in January 2021, President Biden issued a series of executive orders designed to address climate change and requiring agencies to review environmental actions taken by the Trump administration, as well as a memorandum to departments and agencies to refrain from proposing or issuing rules until a departmental or agency head appointed or designated by the Biden administration has reviewed and approved the rule. In November 2021, the Biden Administration released "The Long-Term Strategy of the United States: Pathways to Net-Zero Greenhouse Gas Emissions by 2050," which establishes a roadmap to net zero emissions in the United States by 2050 through, among other things, improving energy efficiency; decarbonizing energy sources via electricity, hydrogen, and sustainable biofuels; and reducing non-carbon dioxide greenhouse gas ("GHG") emissions, such as methane and nitrous oxide. These executive orders and policy priorities may result in the development of additional regulations or changes to existing regulations, certain of which could negatively impact our financial position, results of operations and cash flows. In addition, the United States is one of almost 200 nations that, in December 2015, agreed to the Paris Agreement, an international climate change agreement in Paris, France that calls for countries to set their own GHG emissions targets and be transparent about the measures each country will take to achieve its GHG emissions targets. President Biden has recommitted the United States to the Paris Agreement and, in April 2021, announced a goal of reducing the United States' emissions by 50-52% below 2005 levels by 2030. In November 2021, the international community gathered again in Glasgow at the 26th Conference to the Parties on the UN Framework Convention on Climate Change during which multiple announcements were made, including a call for parties to eliminate certain fossil fuel subsidies and pursue further action on non-carbon dioxide GHGs. Relatedly, the United States and European Union jointly announced the launch of the "Global Methane Pledge," which aims to cut global methane pollution at least 30% by 2030 relative to 2020 levels, including "all feasible reductions" in the energy sector. In addition, several states and geographic regions in the United States have also adopted legislation and regulations regarding climate change-related matters, and additional legislation or regulation by these states and regions, U.S. federal agencies, including the Environmental Protection Agency ("EPA"), and/or international agreements to which the United States may become a party could result in increased compliance costs for us and our customers. Failure to comply with these laws and regulations can lead to the imposition of remedial liabilities, administrative, civil or criminal fines or penalties or injunctions limiting our operations in affected areas. Moreover, multiple environmental laws provide for citizen suits which allow environmental organizations to act in the place of the government and sue operators for alleged violations of environmental law. We consider the responsibility and costs of environmental protection and safety and health compliance fundamental, manageable parts of our business. We cannot predict with any reasonable degree of certainty our future exposure concerning such matters.

Several states have adopted or are considering adopting regulations that could impose more stringent permitting, public disclosure and/or well construction requirements on hydraulic fracturing operations. We cannot predict whether additional federal, state or local laws or regulations applicable to hydraulic fracturing will be enacted in the future and, if so, what actions any such laws or regulations would require or prohibit. If additional levels of regulation or permitting requirements were imposed on hydraulic fracturing operations, our business and operations could be subject to delays, increased operating and compliance costs and potential bans. Additional regulation could also lead to greater opposition to hydraulic fracturing, including litigation.

Restrictions on GHG emissions that may be imposed could adversely affect the oil and gas industry. The adoption of legislation or regulatory programs to reduce GHG emissions could require us to incur increased operating costs, such as costs to purchase and operate emissions control systems, to acquire emissions allowances or to comply with new regulatory requirements. Any GHG emissions legislation or regulatory programs applicable to power plants or refineries could also increase the cost of consuming, and potentially reduce demand for, the oil and natural gas we produce. Consequently, legislation and regulatory programs to reduce GHG emissions could have an adverse effect on our business, financial condition and results of operations. See "Business—Governmental Regulation and Environmental Matters" and "—Climate Change" for a further discussion of the laws and regulations related to GHGs and of climate change.

We may be involved in legal proceedings that could result in substantial liabilities.

Similar to many oil and natural gas companies, we may be involved in various legal and other proceedings from time to time, such as title, royalty or contractual disputes, regulatory compliance matters and personal injury or property damage matters, in the ordinary course of our business. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such proceedings could have a material adverse impact on us because of legal costs, diversion of management and other personnel and other factors. In addition, resolution of one or more such proceedings could result in liability, loss of contractual or other rights, penalties or sanctions, as well as judgments, consent decrees or orders requiring a change in our business practices. Accruals for such liability, penalties or sanctions may be insufficient, and judgments and estimates to determine accruals or range of losses related to legal and other proceedings could change from one period to the next, and such changes could be material.

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Legislation or regulatory initiatives intended to address seismic activity could restrict our operators' drilling and production activities, which could have a material adverse effect on our business.

State and federal regulatory agencies have recently focused on a possible connection between hydraulic fracturing related activities, particularly the underground injection of wastewater into disposal wells, and the increased occurrence of seismic activity, and regulatory agencies at all levels are continuing to study the possible linkage between oil and gas activity and induced seismicity. For example, in 2015, the United States Geological Study identified eight states, including Texas, with areas of increased rates of induced seismicity that could be attributed to fluid injection or oil and gas extraction.

In addition, a number of lawsuits have been filed alleging that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. In response to these concerns, regulators in some states are seeking to impose additional requirements, including requirements in the permitting of produced water disposal wells or otherwise to assess the relationship between seismicity and the use of such wells. For example, in October 2014, the Texas Railroad Commission published a new rule governing permitting or re-permitting of disposal wells that would require, among other things, the submission of information on seismic events occurring within a specified radius of the disposal well location, as well as logs, geologic cross sections and structure maps relating to the disposal area in question. If the permittee or an applicant of a disposal well permit fails to demonstrate that the produced water or other fluids are confined to the disposal zone or if scientific data indicates such a disposal well is likely to be or determined to be contributing to seismic activity, then the agency may deny, modify, suspend or terminate the permit application or existing operating permit for that well. The Texas Railroad Commission has used this authority to deny permits for waste disposal wells. In some instances, regulators may also order that disposal wells be shut in.

The adoption and implementation of any new laws or regulations that restrict our operators' ability to use hydraulic fracturing or dispose of produced water gathered from drilling and production activities by limiting volumes, disposal rates, disposal well locations or otherwise, or requiring them to shut down disposal wells, could have a material adverse effect on our business, financial condition and results of operations.

Continuing political and social discussion of the issue of climate change has resulted in legislative, regulatory and other initiatives to reduce greenhouse gas emissions, such as carbon dioxide and methane. Policy makers at both the U.S. federal and state levels have introduced legislation and proposed new regulations designed to quantify and limit the emission of greenhouse gases through inventories, limitations and/or taxes on GHG emissions. The EPA has issued regulations for the control of methane emissions, which also include leak detection and repair requirements, for the oil and gas industry and are likely to create additional regulations regarding such matters. In November 15, 2021, the EPA proposed new regulations to establish comprehensive standards of performance and emission guidelines for methane and volatile organic compound emissions from new and existing operations in the oil and gas sector, including the exploration and production, transmission, processing, and storage segments. EPA hopes to finalize the proposed regulations by the end of 2022. Once finalized, the regulations are likely to be subject to legal challenge, and will also need to be incorporated into the states' implementation plans, which will need to be approved by the EPA in individual rulemakings that could also be subject to legal challenge. As a result, we cannot predict the scope of any final methane regulatory requirements or the cost to our operations.

The Inflation Reduction Act of 2022 (the "IRA"), which was signed into law in August 2022, imposes an escalating charge on methane emissions from inter alia onshore petroleum and natural gas production, and natural gas processing, gathering, transmission, underground storage, and LNG storage/ import/export equipment. The charges apply only to facilities emitting 25,000 metric tons of CO2 annually The IRA also funds grants to facilities subject to the methane charge and "marginal conventional wells" to improve equipment and processes. The IRA also creates generous tax credits, benefitting even non-profit entities, that likely will create more supply and demand for alternative non-hydrocarbon energy which may diminish demand, or prices obtained, for natural gas and oil. These statutory provisions will also be subject to legal challenge. The cumulative effect upon our business' results of the IRA's grants, charges, and incentives to non-hydrocarbon energy assets and fuels, is uncertain.

Future additional federal GHG regulations of the oil and gas industry remain a significant possibility. Some states have imposed limitations designed to reduce methane emissions from oil and gas exploration and production activities. Legislative and state initiatives to date have generally focused on the development of renewable energy standards and/or cap-and-trade and/or carbon tax programs. Renewable energy standards (also referred to as renewable portfolio standards) require electric utilities to provide a specified minimum percentage of electricity from eligible renewable resources, with potential increases to the required percentage over time. The development of a federal renewable energy standard, or the development of additional or more stringent renewable energy standards at the state level, or continuing implementation of increasingly disadvantageous (from our industry's perspective) renewable energy requirements embedded in existing legislation could reduce the demand for oil and gas, thereby adversely impacting our earnings, cash flows and financial position. A cap-and-trade program generally would cap overall greenhouse gas emissions on an economy-wide basis and require major sources of greenhouse gas emissions or major fuel producers to acquire and surrender emission allowances. A federal cap and trade program or expanded use of cap and trade programs at the state level could impose direct costs on us through the purchase

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of allowances and could impose indirect costs by incentivizing consumers to shift away from fossil fuels. In addition, federal or state carbon taxes could directly increase our costs of operation and similarly incentivize consumers to shift away from fossil fuels.

In addition, opponents of fossil fuels claiming concern about the potential effects of climate change have directed their attention at sources of funding for fossil-fuel energy companies, which has resulted in an increasing number of financial institutions, funds and other sources of capital restricting or eliminating their investment in oil and natural gas activities. Ultimately, this would make it more difficult and expensive to secure funding for exploration and production activities. Members of the investment community have also begun to screen companies such as ours for sustainability performance, including practices related to GHGs and climate change, before investing in our securities. Any efforts to improve our sustainability practices in response to these pressures may increase our costs, and we may be forced to implement technologies that are not economically viable in order to improve our sustainability performance and to meet the specific requirements to perform services for certain customers.

These various legislative, regulatory and other activities addressing greenhouse gas emissions could adversely affect our business, including by imposing reporting obligations on, or limiting emissions of greenhouse gases from, our equipment and operations, which could require us to incur costs to reduce emissions of GHGs associated with our operations. Limitations on GHG emissions could also adversely affect demand for oil and gas, which could lower the value of our reserves and have a material adverse effect on our profitability, financial condition and liquidity.

Some of our properties are in areas that may have been partially depleted or drained by offset wells and certain of our wells may be adversely affected by actions we or other operators may take when drilling, completing, or operating wells that we or they own.

Some of our properties are in reservoirs that may have already been partially depleted or drained by earlier offset drilling. The owners of leasehold interests adjoining any of our properties could take actions, such as drilling and completing additional wells, which could adversely affect our operations. When a new well is completed and produced, the pressure differential in the vicinity of the well causes the migration of reservoir fluids toward the new wellbore (and potentially away from existing wellbores). As a result, the drilling and production of these potential locations by us or other operators could cause depletion of our proved reserves and may inhibit our ability to further develop our proved reserves. In addition, completion operations and other activities conducted on adjacent or nearby wells by us or other operators could cause production from our wells to be shut in for indefinite periods of time, could result in increased lease operating expenses and could adversely affect the production and reserves from our wells after they re-commence production. We have no control over the operations or activities of offsetting operators.

Risks Related to this Offering and our Securities

The market price of our securities is volatile and may not accurately reflect the long term value of our Company.

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of our securities to sell their securities at an advantageous price. Market price fluctuations in our securities may be due to our operating results, failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions, or other material public announcements by us or our competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of our securities.

In addition, financial markets have historically, at times, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values, or prospects of such companies. If there is extreme market volatility and trading patterns in our securities, it may create several risks for investors, including the following:

- the market price of our securities may experience rapid and substantial increases or decreases unrelated to our actual or expected operating performance, financial condition or prospects, which may make it more difficult for prospective investors to assess the rapidly changing value of our securities;

- if our future market capitalization reflects trading dynamics unrelated to our actual or expected operating performance, financial performance or prospects, purchasers of our securities stock could incur substantial losses as prices decline once the level of market volatility has abated; and

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- if the future market price of securities declines, investors may be unable to resell their securities at or above the price at which they acquired them. We cannot assure you that the market of our securities will not fluctuate or decline significantly in the future, in which case you could incur substantial losses.

Accordingly, the market price of our securities may decline even if our operating results, underlying asset values, or prospects have not changed. Additionally, these factors as well as other related factors may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in the price and volume of our securities will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely impacted and the trading price of our securities may be materially adversely affected. In addition, our securities may be more thinly traded than securities of larger, more established energy companies and, as a result of this lack of liquidity, sales of relatively small quantities of our securities by our shareholders may disproportionately influence the price of our securities. The market price of our securities may decline below the initial public offering price, and you may lose some or all of your investment.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds to us from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our securities. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our securities to decline.

There is no assurance that an investment in our securities will earn any positive return.

There is no assurance that an investment in our securities will earn any positive return. An investment in our securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in our securities is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Even if we meet the initial listing requirements of The Nasdaq Capital Market, there can be no assurance that we will be able to comply with The Nasdaq Capital Market's continued listing standards, a failure of which could result in a de-listing of our securities.

Our Common Shares are currently quoted on the OTCQB. We have applied to list our Common Shares and Warrants on The Nasdaq Capital Market. There is no assurance that our Common Shares and Warrants will ever be listed on The Nasdaq Capital Market or that we will be able to comply with such applicable listing standards. Should our Common Shares and Warrants become listed on The Nasdaq Capital Market, in order to maintain that listing, The Nasdaq Capital Market requires that we satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, and certain corporate governance requirements. If we are unable to satisfy these requirements or standards, we could be subject to delisting, which would have a negative effect on the price of our Common Shares and Warrants and would impair your ability to sell or purchase our Common Shares and Warrants when you wish to do so. In the event of a delisting, we would expect to take actions to restore our compliance with the listing requirements, but we can provide no assurance that any such action taken by us would allow our Common Shares and Warrants to become listed again, stabilize the market price or improve the liquidity of our Common Shares and Warrants or prevent future non-compliance with the listing requirements.

If, for any reason, we should fail to maintain compliance with these listing standards and Nasdaq should delist our securities from trading on its exchange and we are unable to obtain listing on another national securities exchange, a reduction in some or all of the following may occur, each of which could have a material adverse effect on our shareholders:

- the liquidity of our Common Shares and Warrants;
- the market price of our Common Shares and Warrants;
- our ability to obtain financing for the continuation of our operations;
- the number of investors that will consider investing in our Common Shares and Warrants;
- the number of market makers in our Common Shares and Warrants;

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- the availability of information concerning the trading prices and volume of our Common Shares and Warrants; and
- the number of broker-dealers willing to execute trades in shares of our Common Shares and Warrants.

We have never paid cash dividends and have no plans to pay cash dividends in the future.

Holders of our Common Shares are entitled to receive such dividends as may be declared by our board of directors. To date, we have paid no cash dividends on our capital stock and we do not expect to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, to provide funds for operations of our business. Therefore, any return investors in our capital stock may have will be in the form of appreciation, if any, in the market value of their Common Shares.

Sales of a substantial number of our Common Shares following this offering may adversely affect the market price of our Common Shares and the issuance of additional shares will dilute all other shareholders.

Sales of a substantial number of our Common Shares in the public market or otherwise following this offering, or the perception that such sales could occur, could adversely affect the market price of our Common Shares. After completion of this offering and the issuance of the Common Shares in this offering there will be 2,451,500 Common Shares outstanding (without giving effect to the exercise by the underwriters of the over-allotment option). In addition, our Articles permit the issuance of an unlimited number of Common Shares. Thus, we could issue substantial amounts of Common Shares in the future, which would dilute the percentage ownership held by the investors who purchase Common Shares in this offering.

We may need to raise additional funds to support our business operations or to finance future acquisitions, including through the issuance of equity or debt securities, which could have a material adverse effect on our ability to grow our business, and may dilute your ownership in us.

If we do not generate sufficient cash from operations or do not otherwise have sufficient cash and cash equivalents to support our business operations or to finance future acquisitions, we may need raise addition capital through the issuance of debt or equity securities. We do not have any arrangements for any credit facility, or any other sources of capital. We may not be able to raise cash in future financing on terms acceptable to us, or at all.

Financings, if available, may be on terms that are dilutive to our shareholders, and the prices at which new investors would be willing to purchase our securities may be lower than the current price of our Common Shares. The holders of new securities may also receive rights, preferences or privileges that are senior to those of existing holders of our Common Shares. If new sources of financing are required but are insufficient or unavailable, we would be required to modify our plans to the extent of available funding, which could harm our ability to grow our business.

We have issued options and warrants and may continue to issue additional securities in the future. The exercise of these securities and the sale of the Common Shares issuable thereunder may dilute your percentage ownership interest and may also result in downward pressure on the price of our Common Shares.

As of October 16, 2023, we have issued and outstanding options to purchase 20,313 Common Shares with a weighted average exercise price of $54.96 per share and warrants to purchase 279,745 Common Shares with a weighted average exercise price of $39.90 per share. In addition, we have 34,837 Common Shares available for future issuance under our 2017 and 2022 Stock Option Plans. Because the market for our Common Shares may be thinly traded, the sales and/or the perception that those sales may occur, could adversely affect the market price of our Common Shares. Furthermore, the mere existence of a significant number of Common Shares issuable upon exercise of our outstanding securities may be perceived by the market as having a potential dilutive effect, which could lead to a decrease in the price of our Common Shares.

If you purchase our securities in this offering, you may in the future incur dilution in the book value of your shares.

Although you will not incur immediate dilution as a result of this offering, to the extent outstanding options or warrants are exercised, you may experience future dilution of your equity interests in the Company. As a result of possible future dilution, investors purchasing Common Units in this offering may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation.

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There is no public market for either the Warrants or the Pre-funded Warrants being sold in this offering.

There is no established public trading market for either the Warrants or the Pre-funded Warrants being sold in this offering. We intend to list the Warrants on The Nasdaq Capital Market, however there is no assurance that any market will develop. We will not list the Pre-funded Warrants on any securities exchange or nationally recognized trading system, including The Nasdaq Capital Market. Therefore, we do not expect a market to ever develop for the Pre-funded Warrants. Without an active market, the liquidity of the Pre-funded Warrants will be limited.

The Warrants and Pre-funded Warrants are speculative in nature.

Neither the Warrants nor the Pre-funded Warrants confer any rights of Common Share ownership on their respective holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price. Commencing on the date of issuance, holders of the Warrants may exercise their right to acquire the Common Shares and pay the stated exercise price per share prior to five years from the date of issuance, after which date any unexercised Warrants will expire and have no further value. Commencing on the date of issuance, holders of the Pre-funded Warrants may exercise their right to acquire the Common Shares and pay the stated exercise price per share until exercised in full. There can be no assurance that the market price of our Common Shares will ever equal or exceed the exercise price of the Warrants offered by this prospectus, and if so, the Warrants would expire without value.

The Warrants included in the Common Units and Pre-Funded Units are expected to be listed on The Nasdaq Capital Market separately upon the pricing of this offering, and may provide investors with an arbitrage opportunity that could adversely affect the trading price of our Common Shares.

Because the Common Units and Pre-Funded Units will never trade as a unit, and the Warrants are expected to be traded on The Nasdaq Capital Market, investors may be provided with an arbitrage opportunity that could depress the price of our Common Shares.

In the event that our Common Share price does not exceed the exercise price of the Warrants or the Pre-funded Warrants during the period when the Warrants or the Pre-funded Warrants are exercisable, as applicable, such warrants may not have any value.

Until holders of the Warrants and the Pre-funded Warrants acquire Common Shares upon exercise thereof, holders of the Warrants and Pre-funded Warrants will have no rights with respect to our Common Shares. Upon exercise of the Pre-funded Warrants, such holders will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

There is no assurance that any of the Warrants will be exercised and we will receive the exercise proceeds therefrom.

The Warrants have an exercise price above the price of a Common Share. If the price of our Common Shares does not exceed the Warrant exercise price, then it is unlikely that the Warrants will be exercised. The Warrants will expire on the fifth anniversary of their issuance, which if they expire without being exercised the Company will not receive any proceeds therefrom.

Additionally, for the Warrants to be exercised for cash, we must keep an effective registration statement available for issuance of the Common Shares issuable on exercise of the Warrants. If we fail to maintain an effective registration statement, then the Warrants may be exercised on a cashless basis, and we will not receive any cash amount from their exercise.

Our principal shareholders and management own a significant percentage of our shares and may be able to exert significant control over matters subject to shareholder approval.

Immediately following the completion of this offering, our executive officers, directors and principal shareholders and their affiliates will beneficially hold, in the aggregate, approximately 11.91% of our outstanding Common Shares. These shareholders, acting together, would be able to significantly influence all matters requiring shareholder approval. For example, these shareholders would be able to significantly influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our Common Shares that you may feel are in your best interest as one of our shareholders.

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We are a British Columbia company and it may be difficult for you to enforce judgments against us or certain of our directors or officers.

As a corporation organized under the provincial laws of British Columbia, Canada, it may be difficult to bring actions under U.S. federal securities law against us. Some of our directors and officers reside principally in Canada or outside of the United States. Because a portion of our assets and the assets of these persons are located outside of the United States, it may not be possible for investors to effect service of process within the United States upon us or those persons. Furthermore, it may not be possible for investors to enforce against us, or those persons not in the United States, judgments obtained in U.S. courts based upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States. There is doubt as to the enforceability, in original actions in Canadian courts, of liabilities based upon U.S. federal securities laws and as to the enforceability in Canadian courts of judgments of U.S. courts obtained in actions based upon the civil liability provisions of the U.S. federal securities laws. Therefore, it may not be possible to enforce those actions against us or certain of our directors and officers.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline.

The trading market for our Common Shares and Warrants will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts may never publish research on our Company. If no securities or industry analysts cover our Company, the trading price for our Common Shares and Warrants would likely be negatively impacted. In the event securities or industry analysts cover our Company, if one or more of the analysts who covers us downgrades our shares or publishes inaccurate or unfavorable research about our business, our share price may decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our shares could decrease, which might cause our share price and trading volume to decline.

Substantial amounts of our outstanding shares may be sold into the market when lock-up periods end. If there are substantial sales of shares of our Common Shares, the price of our Common Shares could decline.

All of our outstanding Common Shares held by our directors and executive officers are subject to contractual lock-up restrictions on resale as more fully described in the section titled “Underwriting” in this prospectus. If these shareholders sell, or indicate an intent to sell, substantial amounts of our Common Shares in the public market after the expiration of the applicable lock-up period, the trading price of our Common Shares could decline significantly and could decline below the public offering price.

Unstable market and economic conditions and adverse developments with respect to financial institutions and associated liquidity risk may have serious adverse consequences on our business, financial condition and stock price.

The global credit and financial markets have recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, inflationary pressure and interest rate changes, increases in unemployment rates and uncertainty about economic stability. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict, terrorism or other geopolitical events. Sanctions imposed by the United States and other countries in response to such conflicts may also adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. More recently, the closures of Silicon Valley Bank and Signature Bank and their placement into receivership with the Federal Deposit Insurance Corporation (“FDIC”) created bank-specific and broader financial institution liquidity risk and concerns. Although the Department of the Treasury, the Federal Reserve, and the FDIC jointly confirmed that depositors at SVB and Signature Bank would continue to have access to their funds, even those in excess of the standard FDIC insurance limits, under a systemic risk exception, future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages, impair the ability of companies to access near-term working capital needs, and create additional market and economic uncertainty. There can be no assurance that future credit and financial market instability and a deterioration in confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment or continued unpredictable and unstable market conditions. If the equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short-term liquidity risk and also make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon our business plans.

An investment in our Common Shares, and certain subsequent transactions with respect to our Common Shares, may result in uncertain or adverse U.S. federal income tax consequences for an investor.

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An investment in our Common Shares, and certain subsequent transactions with respect to our Common Shares, may result in uncertain or adverse U.S. federal income tax consequences for an investor. See "Tax Considerations—Material United States Federal Income Tax Considerations" below for a summary of the principal U.S. federal income tax consequences of an investment in our Common Shares. Each prospective investor is urged to consult with and rely solely upon its own tax advisors with respect to these and other tax consequences when purchasing, holding or disposing of our Common Shares.

We may be treated as a passive foreign investment company ("PFIC"), which could result in adverse U.S. federal income tax consequences to U.S. investors.

If we are treated as a PFIC for any taxable year in which a U.S. Holder (as defined in the section of this prospectus captioned "Tax Considerations—Material United States Federal Income Tax Considerations") holds our Common Shares or warrants (regardless of whether we remain a PFIC for subsequent taxable years), such U.S. Holder may be subject to certain adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. Our PFIC status for our current and subsequent taxable years may depend on, among other things, the amount of our passive income and assets. Our actual PFIC status for our current taxable year or any subsequent taxable year will not be determinable until after the end of such taxable year. We cannot assure you that we will not be a PFIC in our current taxable year or in any future taxable year.

We do not intend to provide the information that would otherwise enable U.S. Holders to make a "qualified electing fund" ("QEF") election, which would have resulted in alternate treatment if we were a PFIC for any taxable year. The rules dealing with PFICs and with the QEF election are very complex and are affected by various factors in addition to those described in this prospectus. Accordingly, U.S. Holders are strongly urged to consult with and rely solely upon their own tax advisors regarding the application of the PFIC rules to them in their particular circumstances. For a more detailed discussion of the PFIC rules and the related tax considerations for U.S. Holders, see the section of this prospectus captioned "Tax Considerations—Material United States Federal Income Tax Considerations."

General Risk Factors

We are an "emerging growth company" and a "smaller reporting company" and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies and/or smaller reporting companies, which could make our securities less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company." We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

In addition, even if we no longer qualify as an "emerging growth company," we may still take advantage of certain reduced reporting requirements as a "smaller reporting company." If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and have reduced disclosure obligations regarding executive compensation, and, similar to emerging growth companies, if we are a smaller reporting company, we may not be required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

We cannot predict if investors will find our securities attractive because we may rely on these exemptions. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities and our share price may be more volatile.

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Failure to maintain effective internal control over our financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could cause our financial reports to be inaccurate.

We are required pursuant to Section 404 of the Sarbanes-Oxley Act to maintain internal control over financial reporting and to assess and report on the effectiveness of those controls. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Although we prepare our financial statements in accordance with accounting principles generally accepted in the United States ("US GAAP"), our internal accounting controls may not meet all standards applicable to companies with publicly traded securities. If we fail to implement any required improvements to our disclosure controls and procedures, we may be obligated to report control deficiencies in which case, we could become subject to regulatory sanction or investigation. Further, these outcomes could damage investor confidence in the accuracy and reliability of our financial statements.

As of June 30, 2023, management assessed the effectiveness of our internal control over financial reporting and concluded that such internal controls and procedures were not effective. Management determined that this was due to the following deficiencies:

- insufficient resources resulting in inadequate segregation of duties in certain accounting functions, the processing and approval of transactions, due to the size of the accounting department;
- lack of knowledge of US GAAP and ineffective controls associated with the conversion from International Financial Reporting Standards to US GAAP;
- ineffective controls over inputs used in the valuation of the asset retirement obligation;
- ineffective controls on the accounting and the valuation of complex financial instruments;
- ineffective review of the financial statements due to the limited financial and reporting resources; and
- ineffective information technology general controls in the areas of user access and program change-management over certain information technology systems that support our financial reporting processes.

Although management has taken steps to address the deficiencies in our internal controls, we currently do not have sufficient internal controls over financial reporting which could limit investment in our securities and expose the us to SEC fines or administrative sanctions. Additionally, if we fail to implement required improvements to our disclosure controls and procedures, we may be obligated to continue to report control deficiencies in which case, we could become subject to regulatory sanction or investigation. Further, these outcomes could damage investor confidence in the accuracy and reliability of our financial statements.

Financial reporting obligations of being a public company in the U.S. are expensive and time-consuming, and our management will be required to devote substantial time to compliance matters.

As a publicly traded company we incur significant legal, accounting and other expenses. The obligations of being a public company in the U.S. requires significant expenditures and may place significant demands on our management and other personnel, including costs resulting from public company reporting obligations under the Exchange Act and the rules and regulations regarding corporate governance practices, including those under the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the listing requirements of the stock exchange on which our securities are listed. These rules require the establishment and maintenance of effective disclosure and financial controls and procedures, internal control over financial reporting and changes in corporate governance practices, among many other complex rules that are often difficult to implement, monitor and maintain compliance with. Moreover, despite recent reforms made possible by the JOBS Act, the reporting requirements, rules, and regulations will make some activities more time-consuming and costly, particularly after we are no longer an "emerging growth company" or a "smaller reporting company." In addition, these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance. Our management and other personnel will need to devote a substantial amount of time to ensure that we comply with all of these requirements and to keep pace with new regulations, otherwise we may fall out of compliance and risk becoming subject to litigation or being delisted, among other potential problems.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes "forward-looking statements." All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenue and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements,

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although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under "Risk Factors." These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about:

- our business strategy;
- our reserves;
- our financial strategy, liquidity and capital requirements;
- our realized or expected natural gas prices;
- our timing and amount of future production of natural gas;
- our future drilling plans and cost estimates;
- our competition and government regulations;
- our ability to make acquisitions;
- general economic conditions;
- the potential tax consequences of investing in our securities;
- our future operating results;
- our expectations regarding having our securities listed on The Nasdaq Capital Market; and
- our future plans, objectives, expectations and intentions.

We caution you that these forward-looking statements are subject to risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production and sale of natural gas. These risks include, but are not limited to, commodity price volatility, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating natural gas reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under "Risk Factors."

Reserve engineering is a method of estimating underground accumulations of natural gas and oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of previous estimates. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of natural gas and oil that are ultimately recovered.

Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, express or implied, included in this prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus.

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MARKET FOR OUR COMMON SHARES AND RELATED STOCKHOLDER MATTERS

Market Information

Our Common Shares currently trades on the OTCQB Marketplace in the United States under the symbol "OILCF" on the Canadian Securities Exchange in Canada under the symbol "OIL" and under the Frankfurt Stock Exchange under the symbol "75P". On October 16, 2023, the closing price of our common shares as reported on the OTCQB was $7.64 after giving effect to the proposed Reverse Stock Split. This closing price reflects an inter-dealer price, without retail mark-up, mark-down or commission, and may not represent an actual transaction.

We have applied to list our Common Shares and Warrants on The Nasdaq Capital Market under the symbol "OILS" and "OILSW," respectively. The approval of our listing of our Common Shares and Warrants is a condition of closing this offering. No assurance can be given that our application will be accepted.

Shareholders

As of October 16, 2023, there were 551,504 Common Shares issued and outstanding, held by approximately 49 holders of record, although there are a much larger number of beneficial owners.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes information about our equity compensation plans as of September 30, 2022.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	21,146[(1)]	$ 53.05[(2)]	27,169
Equity compensation plans not approved by securityholders	—	—	—
Total	21,146	$ 53.05	27,169

(1) Represents the number of Common Shares available for issuance upon exercise of outstanding options as at September 30, 2022, as adjusted for the proposed Reverse Stock Split.

(2) C$72.66 converted into USD, as adjusted for the proposed Reverse Stock Split.

USE OF PROCEEDS

Assuming the sale of all of the Common Units in this offering at an assumed offering price of $7.64 per Common Unit (assuming no sale of any Pre-funded Units), the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split, the Company estimates that the Net Proceeds from the sale of Common Units in this offering will be approximately $12.58 million. If the underwriters fully exercise the over-allotment option, the Net Proceeds will be approximately $14.59 million. "Net Proceeds" is what the Company expects to receive after deducting the underwriting discount and commission and estimated offering expenses payable by the Company. Each $1.00 increase (decrease) in the assumed public offering price of $7.64 per Common Unit would increase (decrease) our Net Proceeds by approximately $1.74 million, assuming that the number of Common Units offered by us, as set forth on the cover page of this prospectus, remains the same. Similarly, each increase (decrease) of 100,000 Common Units in the number of Common Units offered by us at the assumed public offering price of $7.64 per Common Unit, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split, would increase (decrease) the Net Proceeds by approximately $0.70 million.

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We intend to use the Net Proceeds of this offering to fund our budgeted capital expenditures to continue to develop our proved undeveloped reserves during for the 2024 fiscal year, as well as for continuing operating expenses and working capital. We believe opportunities may exist from time to time to expand our current business through acquisitions or investments. While we have no current agreements, commitments or understandings for any specific acquisitions or investments, we may also use a portion of the Net Proceeds for these purposes.

We believe that the Net Proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements through at least the next twelve months from the date of this offering.

DIVIDEND POLICY

Our board of directors ("Board of Directors" or "Board") has discretion as to whether we will pay dividends in the future, subject to restrictions under the *Business Corporations Act* (British Columbia) (the "BCBCA") and our charter documents. Under the BCBCA, we may not declare or pay dividends if our Company is insolvent or where the payment of the dividend would render our Company insolvent. See "Description of Share Capital."

We have never paid or declared any cash dividends on our Common Shares, and we do not anticipate paying any cash dividends on our Common Shares in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend upon a number of factors, including our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant.

CAPITALIZATION

The following table sets forth our capitalization:

- on an actual basis as of June 30, 2023; and
- on as adjusted basis to give effect to the issuance and sale by us of Common Units (assuming no sale of any Pre-funded Units) at an assumed offering price of $7.64 per Common Unit (assuming no exercise of the underwriters' over-allotment option), the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split, after deducting the underwriting discounts and commissions and estimated offering costs payable by us.

You should read this table in conjunction with the sections titled and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2023 (unaudited)	
	Actual	As Adjusted
Cash and cash equivalents	$ 764,386	$ 13,343,270
Total debt	-	-
Shareholders' equity (deficit):		
Share capital	$ 14,989,912	27,568,796
Additional paid-in capital	5,092,665	5,092,665
Deficit	(12,133,756)	(12,133,756)
Accumulated other comprehensive loss	(127,413)	(127,413)
Total shareholders' equity	$ 7,821,408	$ 20,400,292
Total capitalization	$ 7,821,408	$ 20,400,292

Each $1.00 increase (decrease) in the assumed public offering price of $7.64 per Common Unit, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split, would increase (decrease) the as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity (deficit) by approximately $1.74 million, assuming that the number of Common Units offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 100,000 shares in the number of Common Units offered by us at the assumed public offering price of $7.64 per Common Unit, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the

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proposed Reverse Stock Split, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity (deficit) by approximately $0.70 million.

The number of Common Shares outstanding is based on 551,504 Common Shares issued and outstanding as of June 30, 2023, and excludes the following as of such date:

- 20,313 Common Shares issuable upon the exercise of outstanding options, with a weighted average exercise price of $54.96 per share;
- 279,745 Common Shares issuable upon the exercise of outstanding warrants, with a weighted average exercise price of $39.90 per share;
- 34,837 Common Shares available for future issuance under our 2017 and 2022 Stock Option Plans;
- up to 1,900,000 Common Shares issuable upon the exercise of the Warrants; and
- up to 95,000 (or 109,250 if the underwriters exercise their over-allotment option to purchase additional securities in full) Common Shares issuable upon exercise of the representative's warrants.

DILUTION

All share-related information presented in this section gives effect to the proposed Reverse Stock Split.

If you invest in our Common Units in this offering, your interest will be diluted to the extent of the difference between the public offering price per Common Unit (assuming no value is attributed to the Warrants and no Pre-Funded Warrants are sold in the offering) and the as adjusted net tangible book value per share of our Common Shares immediately after this offering (assuming no value is attributed to the Warrants and no Pre-Funded Warrants are sold in the offering). We calculate net tangible book value per share by dividing our net tangible book value, which is tangible assets less total liabilities, by the number of our outstanding Common Shares as of June 30, 2023. Our net tangible book value as of June 30, 2023, was $7,821,408 or approximately $14.18 per Common Share.

After giving effect to our issuance and sale of Common Units in this offering at an assumed public offering price of $7.64 per Common Share, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split, excluding Common Shares that may be issued upon exercise of the underwriter's over-allotment option and after deducting estimated underwriting discounts and commissions and estimated offering expenses, our as adjusted net tangible book value as of June 30, 2023 would have been $20,400,292, or $8.32 per Common Share. This represents an immediate decrease in net tangible book value of $5.86 per share to existing shareholders and an increase in net tangible book value of $0.68 to purchasers of Common Units in this offering, based on an assumed public offering price of $7.64 per Common Share, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split. The following table illustrates this per share:

Assumed public offering price per share			$	7.64
Net tangible book value per share as of June 30, 2023	$	14.18		
Decrease in net tangible book value per share attributable to new investors		(5.86)		
Less: as adjusted net tangible book value per share after giving effect to the offering			$	8.32
Increase in net tangible book value per share to new investors			$	0.68

The information discussed above is illustrative only, and the dilution information following this offering will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. Each $1.00 increase (decrease) in the assumed public offering price, would increase (decrease) as adjusted net tangible book value per share to new investors by $0.71, and would increase (decrease) dilution per share to new investors in this offering by $0.29, assuming that the number of Common Units offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 100,000 in the number of Common Units by us

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would increase (decrease) our as adjusted net tangible book value by approximately $0.05 per share and increase (decrease) the dilution to new investors by $0.05 per share, assuming the assumed public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' over-allotment option to purchase additional Common Shares from the Company is exercised in full, and based on the assumed public offering price of $7.64 per Common Unit, the closing price of our common shares as quoted on the OTCQB on October 16, 2023 after giving effect to the proposed Reverse Stock Split, the as adjusted net tangible book value per share after this offering would be $8.19 per share, the decrease in as adjusted net tangible book value per share to existing shareholders would be $5.99 per share and increase to new investors purchasing shares in this offering of $0.05.

The number of Common Shares outstanding is based on 551,504 Common Shares issued and outstanding as of June 30, 2023, and excludes the following as of such date:

- 20,313 Common Shares issuable upon the exercise of outstanding options, with a weighted average exercise price of $54.96 per share;
- 279,745 Common Shares issuable upon the exercise of outstanding warrants, with a weighted average exercise price of $39.90 per share;
- 34,837 Common Shares available for future issuance under our 2017 and 2022 Stock Option Plans;
- up to 1,900,000 Common Shares issuable upon the exercise of the Warrants; and
- up to 95,000 (or 109,250 if the underwriters exercise their over-allotment option to purchase additional securities in full) Common Shares issuable upon exercise of the representative's warrants.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the Company's consolidated financial statements and the related notes thereto and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. All amounts in this discussion and analysis of our financial condition and results of operations are in U.S. dollars, unless otherwise noted.

Reserve engineering is a method of estimating underground accumulations of natural gas and oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of previous estimates. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of natural gas and oil that are ultimately recovered.

Overview

The Company was incorporated on April 24, 2017 under the laws of British Columbia, Canada. The Company is an independent energy company engaged in the acquisition, exploration, development and production of oil and gas properties on private, state and federal land in the United States, primarily in the Permian Basin which includes the Midland Basin and Delaware Basin. The Company focuses on acquiring producing assets at a discount to market, increasing production and cash-flow through recompletion and re-entries, secondary recovery and reducing risk by infill drilling and development. Currently, the Company owns and operates various oil and gas properties located in Texas and New Mexico. In addition, the Company holds various royalty interests in 73 wells and 5 permitted wells across 3,800 acres within the Permian Basin of West Texas and southeast New Mexico. Moreover, the Company has more than 11,700 net acres of producing oil and gas assets, 62 shut-in opportunities, and 17 salt water disposal wells allowing for waterflood secondary recovery.

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Key activities:

- On October 26, 2022, the Company announced the appointment of Melissa Folz P.E. to the Company's Board of Directors.
- On November 2, 2022, the Company effected a 1-for-60 reverse split of the Company's outstanding common shares.
- On November 2, 2022, the Company announced an update on the drilling of its PPC Eoff #3 well. The target depth of 8,100 ft (2468 meters) was achieved, and the casing was run to total depth.
- On June 30, 2023, the Company announced the close of its warrant exercise incentive program, whereby the Company agreed to reduce the exercise price of the eligible warrants and also issue incentive bonus warrants in order to induce warrant holders to exercise their warrants for cash. The Company issued 68,353 common shares at a price of $11.44 per share from the exercise of warrants pursuant to the program for gross proceeds of $781,952 (net proceeds of $688,092).

Oil And Gas Properties

Breedlove "B" Clearfork Leases - Texas

In September 2021, the Company, through its wholly-owned subsidiary, Permex Petroleum US Corporation, acquired a 100% Working Interest and an 81.75% Net Revenue Interest in the Breedlove "B" Clearfork leases located in Martin County, Texas. The Breedlove "B" Clearfork properties situated in Martin County, Texas are over 12 contiguous sections for a total of 7,870.23 gross and 7,741.67 net acres, of which 98% is held by production in the core of the Permian Basin. It is bounded on the north by Dawson County, on the east by Howard County, on the south by Glasscock and Midland Counties, and on the west by Andrews County. There is a total of 25 vertical wells of which 12 are producers, 4 are saltwater disposal wells and 9 that are shut-in opportunities. In January 2022, the Company began the pilot re-entry on the Carter Clearfork well #5, which is one of 67 shut-in wells that it currently owns. The re-entry involved targeting the Clearfork formation at a depth of 7,200 feet. Due to the high water concentrating in the fluid entry, management plans to install appropriate flow-lines from this well to the injections wells on the property prior to putting the well back on pump. By doing so management plans to reduce operating expenses from water disposal in third party disposal facilities.

Pittcock Leases - Texas

The Pittcock Leases are situated in Stonewall County. Stonewall County is in Northwest Texas, in the central part of the North Central Plains and consists of the Pittcock North property, the Pittcock South property and the Windy Jones Property. It is bounded on the north by King County, on the east by Haskell County, on the south by Fisher and Jones Counties, and on the west by Kent County. The Pittcock North property covers 320 acres held by production. There is currently one producing well, ten shut-in wells, two saltwater disposal wells, and a water supply well. The Company holds a 100% working interest in the Pittcock North Property and an 81.25% net revenue interest. The Pittcock South property covers 498 acres in four tracts. There are currently 19 shut-in wells and two saltwater disposal wells. The Company holds a 100% working interest in the lease and a 71.90% net revenue interest. The Windy Jones Property consists of 40 acres and includes two injection wells and two suspended oil wells. The sole purpose of the Windy Jones property is to provide waterflood to the offset wells being the Pittcock wells located east boundary of the Windy Jones Property. The Company holds a 100% working interest in the Windy Jones Property and a 78.9% net revenue interest.

Mary Bullard Property - Texas

The Company acquired the Mary Bullard Property in August 2017 for a cash consideration of approximately $50,000. The Mary Bullard Property is located in Stonewall County, about 5 ½ miles south west of Aspermont, Texas. It is bounded on the north by King County, on the east by Haskell County, on the south by Fisher and Jones Counties, and on the west by Kent County. The asset is situated on the Eastern Shelf of the Midland Basin in the central part of the North Central Plains. The Mary Bullard Property covers 241 acres held by production and is productive in the Clearfork formation at a depth of approximately 3,200 feet. There is currently one producing well, four shut-in wells, and two water injection wells. The Company holds a 100% working interest in the Mary Bullard Property and a 78.625% net revenue interest.

West Henshaw Property - New Mexico

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The West Henshaw Property is located in Eddy County, New Mexico, 12 miles northeast of Loco Hills in the Delaware Basin. Eddy County is in Southeast New Mexico. It is bounded by Chaves County to the north, Otero County to the east, Loving County, Texas to the south, and Lea County to the west. The West Henshaw Property covers 1,880 acres held by production. There are two producing wells, seven shut-in wells and four saltwater disposal wells. The Company holds a 100% working interest in the West Henshaw Property and a 72% net revenue interest.

In January 2022, the Company began the pilot re-entry on the West Henshaw well #15-3, one out of the 67 shut-in wells it currently owns. The re-entry and re-stimulation involved the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet. The recompletion was successful and came online at an initial rate of 30 bopd and has stabilized at 15 bopd.

In April 2022, the Company began the re-entry on the West Henshaw well #6-10. The re-entry and re-stimulation involved the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet. The recompletion was successful and came online at an initial rate of 15 bopd and has stabilized at 10 bopd.

The remaining 67 shut-in wells that the Company plans to re-enter have potential to yield similar results increasing our total daily production solely by re-entering shut-in wells.

Oxy Yates Property - New Mexico

The Oxy Yates Property is located in Eddy County, approximately eight miles north of Carlsbad, New Mexico in the Delaware Basin. It is bounded by Chaves County to the north, Otero County to the east, Loving County, Texas to the south, and Lea County to the west. The Oxy Yates Property covers 680 acres held by production. There is one producing well and nine shut-in wells. The Yates formation is located at an average depth of 1,200 feet and overlies the Seven River formation and underlies the Tansill formation. The Company holds a 100% working interest in the Oxy Yates Property and a 77% net revenue interest.

Royalty Interest Properties

During the year ended September 30, 2021, the Company acquired royalty interests in 73 producing oil and gas wells located in Texas and New Mexico for $179,095.

Conversion of Undeveloped Acreage

The Company's process for converting undeveloped acreage to developed acreage is tied to whether there is any drilling being conducted on the acreage in question. The Company has started development and conversion of its undeveloped acreage located in Martin County, Texas. The PPC Eoff #3 well, operated by Permex Petroleum, is the first of two permitted wells to be drilled by Permex on the 7,780 gross acre Breedlove oilfield. Drilling of the first well commenced on September 14, 2022. Management furthermore expects to commence lateral drilling and completion of the well by January 2024, subject to the Company acquiring the necessary financing.

An aggregate of 5,083 MBO and 2,136 MMCF, of the Company's proved undeveloped reserves as of September 30, 2022, are part of a development plan that has been adopted by management that calls for these undeveloped reserves to be drilled within the next five years, thus resulting in the conversion of such proved undeveloped reserves to developed status within five years of initial disclosure at September 30, 2022. Management currently anticipates spending approximately $10 million in capital expenditures towards developing the Company's proved undeveloped reserves during the 2023 fiscal year, subject to the Company acquiring the necessary financing.

Financing of Proved and Probable Undeveloped Reserves

The Company currently estimates that the total cost to develop the Company's proved undeveloped reserves of 5,083.2 MBbl of oil and 2,136.4 Mcf of natural gas as of September 30, 2022 is $68,818,530. The Company expects to finance these capital costs through a combination of current cash on hand, debt financing through a line of credit or similar debt instrument, one or more offerings of debt or equity, and from cash generated from estimated revenues from sales of oil and natural gas produced at the Company's wells.

The Company currently estimates that the total cost to develop the Company's probable undeveloped reserves of 7,334.3 MBbl of oil and 10,307.1 Mcf of natural gas as of September 30, 2022 is $107,884,900. The Company expects to finance these capital costs through a combination of joint ventures, farm-in agreements, direct participation programs, one or more offerings of equity, a debt offering

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or entering into a line of credit, and from cash generated from estimated revenues from sales of oil and natural gas produced at the Company's wells.

Drilling Activities

The Company drilled one well during the last three fiscal years. As at June 30, 2023, the Company held leases for 78 gross wells and had leases and royalty interests in an aggregate of 102 gross productive wells (including 73 wells that we acquired royalty interests in 2021). The Company's gross developed acreage totaled 5,177 and net developed acreage totaled 3,942 with the following property breakdown:

Property	Gross Developed Acreage	Net Developed Acreage	Gross Productive Wells	Net Productive Wells
Pittcock	818	664.63	1	0.81
Henshaw	1,880	1,353.60	6	4.32
Oxy Yates	680	489.60	5	3.60
Bullard	241	187.98	1	0.78
Breedlove	1,558	1,246.40	16	12.80
Royalty Interest Properties	—	—	73	0.01

The Company has 6,000 gross undeveloped acres and 4,800 net undeveloped acres. All of the Company's undeveloped acreage is on the Company's Breedlove property.

The Company's leases are held by production in perpetuity. If a field/lease is undeveloped it typically has a 2, 3 or 5 year term of expiry. The Company has over 340 leases covering undeveloped acreage and less than 5% of these leases have an expiry date that is less than two years from the date of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.

Selected Annual Information

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended September 30, 2022 and 2021.

	Fiscal 2022 ($)	Fiscal 2021 ($)
Revenues	878,459	84,625
Net income (loss)	(2,714,616)	(1,253,242)
Net income (loss) per share - basic and diluted	(1.76)	(1.84)
Total assets	12,567,558	6,941,302
Total non-current liabilities	400,594	610,980
Dividends	—	—

Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

Net losses for the years ended September 30, 2022 and 2021 were mainly attributable to operating expenses (2022 - $3,778,693, 2021 - $1,324,361) and other income/expense (2022 - income of $185,618, 2021 - expense of $13,506), partially offset by revenue from oil and gas sales and royalty income (2022 - $878,459, 2021 - $84,625). The increase in total assets in fiscal 2022 is due to net proceeds of $7,044,472 raised from private placement financings. The change in non-current liabilities in fiscal 2022 is mainly due to the changes in estimates on asset retirement obligations.

Results of Operations

Selected Operating Data

Annual Sales and Production Results

The average sales prices of the Company's oil and gas products sold in the fiscal years ended September 30, 2022, 2021, and 2020 was $89.14, $54.19, and $38.51, respectively.

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The Company's net production quantities by final product sold in the fiscal years ended September 30, 2022, 2021, and 2020, was 12,597.45 Boe, 1,182.70 Boe, and 17,772.14 Boe, respectively.

The Company's average production costs per unit for the fiscal years ended September 30, 2022, 2021, and 2020, was $65.82, $40.94, and $32.59, respectively.

The breakdown of production and prices between oil/condensate and natural gas was as follows:

Net Production Volumes	**Fiscal Year Ended September 30, 2022**	**Fiscal Year Ended September 30, 2021**	**Fiscal Year Ended September 30, 2020**
Oil/Condensate (Bbl)	10,670	948	16,240
Natural Gas (Mcf)	11,567	1,410	9,196

Average Sales Price	**Fiscal Year Ended September 30, 2022**	**Fiscal Year Ended September 30, 2021**	**Fiscal Year Ended September 30, 2020**
Oil/Condensate ($/Bbl)	96.18	62.37	41.09
Natural Gas ($/Mcf)	8.36	3.54	1.44

The breakdown of the Company's production quantities by individual product type for each of the Company's fields that contain 15% or more of the Company's total proved reserves expressed on an oil-equivalent-barrels basis was as follows:

Breedlove

Net Production Volumes	**Fiscal Year Ended September 30, 2022**	**Fiscal Year Ended September 30, 2021**	**Fiscal Year Ended September 30, 2020**
Oil/Condensate (Bbl)	6,998	—	—
Natural Gas (Mcf)	11,567	419	—

Henshaw

Net Production Volumes	**Fiscal Year Ended September 30, 2022**	**Fiscal Year Ended September 30, 2021**	**Fiscal Year Ended September 30, 2020**
Oil/Condensate (Bbl)	2,189	—	—
Natural Gas (Mcf)	—	—	—

Pittcock & Mary Bullard

Net Production Volumes	**Fiscal Year Ended September 30, 2022**	**Fiscal Year Ended September 30, 2021**	**Fiscal Year Ended September 30, 2020**
Oil/Condensate (Bbl)	1,483	847	291
Natural Gas (Mcf)	—	—	—

ODC San Andres

Net Production Volumes	**Fiscal Year Ended September 30, 2022**	**Fiscal Year Ended September 30, 2021**	**Fiscal Year Ended September 30, 2020**
Oil/Condensate (Bbl)	—	—	15,948

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Natural Gas (Mcf)	—	—	2,605

During the year ended September 30, 2022, the Company reported a net loss of $2,714,616 as compared to a net loss of $1,253,242 for the year ended September 30, 2021. The net loss for fiscal 2022 was mainly attributable to operating expenses of $3,778,693 compared to operating expenses of $1,324,361 in fiscal 2021, being partially offset by revenue from oil and gas sales and royalty income of $878,459 in fiscal 2022 compared to $84,625 in fiscal 2021.

The Company reported oil and gas sales revenue of $815,391 in fiscal 2022 compared with revenue of $46,703 in 2021. The increase was mainly due to revenue generated from sales of oil and gas extracted from our Breedlove "B" Clearfork properties that were acquired at the end of fiscal 2021, which accounted for 70% of the Company's oil and gas sales in the current year. The Company also brought Pittcock North, Mary Bullard, and West Henshaw wells back online during the second quarter of fiscal 2022. Net oil-equivalent production by final product sold in fiscal 2022 average 34.51 barrels per day, compared with 3.24 barrels per day in fiscal 2021.

The production expenses for fiscal 2022 were $829,194 compared with $59,671 in fiscal 2021. The increase was mostly due to the increase in production in 2022 compared to 2021 combined with increased maintenance expenses related to bringing the West Henshaw wells back online in 2022.

The general and administrative expenses excluding share-based payment expenses for fiscal 2022 were $2,250,060, compared with $493,511 in fiscal 2021. This increase in 2022 from 2021 was mainly due to the increase in capital raising and marketing activities during 2022. Specifically, the variance in 2022 from 2021 was mainly attributable to:

- Accounting and audit fees of $240,286 (2021 - $78,090), which increased in 2022 from 2021 mostly due to increased production activities and the increased regulatory compliance work in the United States related to the filing of the Form S-1 (the "Registration Statement") with the SEC.
- Consulting fees of $241,421 (2021 - $18,394), which related to fees to contract consultants for geological, project management, and general regulatory and corporate consulting work. The increase in 2022 from 2021 was mostly due to the increase in field and corporate activities in fiscal 2022.
- Legal fees of $351,975 (2021 - $14,803), which increased in 2022 from 2021 mostly due to the work related to the preparation of the Registration Statement and the increased regulatory compliance requirements in the United States in connection with the Company becoming required to file periodic and current reports under Exchange Act in 2022
- Management fees of $229,901 (2021 - $149,806), which related to fees paid to the Company's Chief Executive Officer ("CEO"). The Company had an employment contract with the Company's Chief Executive Officer for an annual base salary of $150,000 in fiscal 2021. Effective October 1, 2021, the annual base salary increased to $200,000. Effective May 1, 2022, the annual base salary increased to $250,000.
- Marketing and promotion expenses of $607,207 (2021 - $27,251), which mainly included costs of marketing firms for investor awareness programs and promotion campaigns.
- Office and general of $175,043 (2021 - $32,203), which have increased in 2022 from 2021 mostly due to the increase in corporate activities in general.

Depreciation and depletion expenses (2022 - $105,503, 2021 - $60,479) increased in fiscal 2022 from 2021 primarily due to Breedlove acquisition at the end of fiscal 2021 and increased production.

The Company also incurred share-based compensation expenses of $546,335 in fiscal 2022 compared to $2,870 in fiscal 2021, mostly as a result of the Company granting 3,300,000 stock options to the Company's directors and consultants in October 2021. Share-based compensation expenses are a non-cash charge that are the estimated fair value of the stock options granted and vested during the period. The Company used the Black-Scholes option pricing model for the fair value calculation.

Results of Operations

Sales and Production

The average sales prices of the Company's oil and gas products sold in the nine months ended June 30, 2023 and 2022, and the fiscal year ended September 30, 2022 was $72.59/Boe, $88.39/Boe, and $89.14/Boe, respectively. The average sales prices of the Company's oil and gas products sold in the three months ended June 30, 2023 and 2022 was $66.91/Boe and $102.05/Boe, respectively.

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The Company's net production quantities by final product sold in the nine months ended June 30, 2023 and 2022, and the fiscal year ended September 30, 2022 was 10,260.71 Boe, 8,903.60 Boe, and 12,597.45 Boe, respectively. The Company's net production quantities by final product sold in the three months ended June 30, 2023 and 2022 was 3,258.07 Boe and 3,404.75 Boe, respectively.

The Company's average production costs per unit for the nine months ended June 30, 2023 and 2022, and the fiscal year ended September 30, 2022, was $74.33/Boe, $37.33/Boe, and $65.82/Boe, respectively. The Company's average production costs per unit for the three months ended June 30, 2023 and 2022 was $72.29/Boe and $39.79/Boe, respectively.

The breakdown of production and prices between oil/condensate and natural gas was as follows:

Net Production Volumes	**Three Months Ended June 30, 2023**	**Three Months Ended June 30, 2022**	**Nine Months Ended June 30, 2023**	**Nine Months Ended June 30, 2022**
Oil/Condensate (Bbl)	3,022	2,945	9,589	7,325
Natural Gas (Mcf)	1,418	2,757	4,030	9,474

Average Sales Price	**Three Months Ended June 30, 2023**	**Three Months Ended June 30, 2022**	**Nine Months Ended June 30, 2023**	**Nine Months Ended June 30, 2022**
Oil/Condensate ($/Bbl)	70.29	110.08	75.49	97.17
Natural Gas ($/Mcf)	3.95	8.44	5.20	7.94

The breakdown of the Company's production quantities by individual product type for each of the Company's fields that contain 15% or more of the Company's total proved reserves expressed on an oil-equivalent-barrels basis was as follows:

Breedlove

Net Production Volumes	**Three Months Ended June 30, 2023**	**Three Months Ended June 30, 2022**	**Nine Months Ended June 30, 2023**	**Nine Months Ended June 30, 2022**
Oil/Condensate (Bbl)	1,961	2,109	6,534	4,897
Natural Gas (Mcf)	1,418	2,757	4,030	9,474

Henshaw

Net Production Volumes	**Three Months Ended June 30, 2023**	**Three Months Ended June 30, 2022**	**Nine Months Ended June 30, 2023**	**Nine Months Ended June 30, 2022**
Oil/Condensate (Bbl)	898	505	2,385	1,266
Natural Gas (Mcf)	-	-	-	-

Pittcock & Mary Bullard

Net Production Volumes	**Three Months Ended June 30, 2023**	**Three Months Ended June 30, 2022**	**Nine Months Ended June 30, 2023**	**Nine Months Ended June 30, 2022**
Oil/Condensate (Bbl)	163	332	670	1,161
Natural Gas (Mcf)	-	-	-	-

Operating Results for the Three and Nine Months Ended June 30, 2023 Compared to June 30, 2022

Three Months Ended June 30, 2023 and 2022

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During the three months ended June 30, 2023, the Company reported a net loss of $909,593 as compared to a net loss of $888,669 for the three months ended June 30, 2022 mostly as a result of decreased revenue during the third quarter of 2023 compared to the same quarter in 2022.

The Company reported oil and gas sales revenue of $156,716 in the third quarter of the current fiscal year compared with revenue of $258,757 in the same quarter during the last fiscal year. The decrease was mainly due to the decrease in oil and gas prices in the current quarter to $66.91/Boe from $102.05/Boe in the comparative quarter. Net oil-equivalent production by final product sold in the current quarter averaged 35.80 barrels per day, compared with 25.87 barrels per day in the same quarter of the previous fiscal year.

The Company's total operating expenses for the three months ended June 30, 2023 was $1,072,760 compared to $1,247,531 for the same period in 2022. The decrease in total operating expenses in the third quarter of 2023 compared to the third quarter of 2022 was mainly attributable to decreased general and administrative expenses in the current quarter to $788,659 compared to $1,053,070 for the comparative quarter. The most significant decrease was marketing and promotion expenses, which decreased by $380,453 from $469,096 in the third quarter of 2022 to $88,643 in the third quarter of 2023.

Nine Months Ended June 30, 2023 and 2022

During the nine months ended June 30, 2023, the Company reported a net loss of $3,330,107 as compared to a net loss of $1,797,785 for the nine months ended June 30, 2022. The increase in net loss for the first three quarters of the current fiscal year compared to the same period in 2022 was mainly attributable to operating expenses increasing to $3,929,106 in the first nine months of the current fiscal year compared to operating expenses of $2,572,367 in the same period in the previous fiscal year, combined with revenue from oil and gas sales and royalty income of $559,599 in the first nine months of the current fiscal years compared to $625,057 in the same period during our 2022 fiscal year.

The Company reported oil and gas sales revenue of $541,459 in the first three quarters of the current fiscal year compared with revenue of $577,244 in the same period during the last fiscal year. The decrease was mainly due to the decrease in oil and gas prices in the current period to $72.59/Boe from $88.39/Boe in the comparative period, being partially offset by increased production during first nine months of the Company's current fiscal year. The production from Breedlove "B" Clearfork properties and Henshaw property increased 10% and 88%, respectively, from the comparative period. Net oil-equivalent production by final product sold in the current period averaged 37.59 barrels per day, compared with 32.49 barrels per day in the same period of the previous fiscal year.

The production expenses for the nine months ended June 30, 2023 were $762,668 compared with $332,346 in the nine months ended June 30, 2022. The increase was mostly due to the increase in production in the current fiscal period compared to the same period in the previous fiscal year combined with increased maintenance expenses on the Breedlove and West Henshaw wells.

The general and administrative expenses excluding share-based payment expenses for the nine months ended June 30, 2023 were $3,013,987, compared with $1,462,183 in the nine months ended June 30, 2022. The increase was mainly due to the increase in property development and corporate activities in general during in the current fiscal period. Specifically, the variance in the first nine months of the current fiscal year from the same period in the previous fiscal year was mainly attributable to:

- Accounting and audit fees of $697,109, which increased from $143,153 in the first nine months of the previous fiscal year mostly due to increased property development activities and the increased regulatory compliance work in the United States since the Company became a reporting company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in connection with the effectiveness of a Form S-1 Registration Statement in August 2022.

- Consulting fees of $172,698 in the current period compared to $64,209 in the same period of the previous fiscal year, which related to fees to contract consultants for geological, project management, and general regulatory and corporate consulting work. The increase in the current period from the same period in the previous fiscal year was mostly due to the increase in property development and corporate activities.

- Insurance expense of $190,556 in the current period compared to $38,753 in the same period of the previous fiscal year. The increase in the current period from the same period in the previous fiscal year was due to the increase in property development and corporate activities in the current period.

- Legal fees of $545,911 in the current period compared to $203,016 in the same period of the previous fiscal year, which increased in the current period mostly due to the work related to the Company's planned uplisting to a national securities exchange and corresponding

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public offering of securities in November 2022 as well as compliance with the disclosure requirements under the Exchange Act in the United States.

- Salaries expenses of $329,940 in the current period compared to $184,489 in the same period of the previous fiscal year, which mainly included salaries to the Company's CEO, CFO and administrative employees.

Liquidity and Capital Resources

As at September 30, 2022, the Company had a cash balance of $3,300,495, an increase of $3,274,689 from the cash balance of $25,806 on September 30, 2021. During the year ended September 30, 2022, cash used in operating activities was $2,024,023. The Company invested $1,685,999 in capital expenditures on its oil and gas assets in fiscal 2022, compared to $265,717 invested in fiscal 2021. Financing activities provided the Company with cash of $6,984,711 mostly as a result of the Company receiving net proceeds of $7,044,472 from private placement financings, being partially offset by the repayment of a loan using $23,600 of cash. The Company had a working capital of $2,051,127 as at September 30, 2022 compared to a working capital deficiency of $465,129 as at September 30, 2021.

As at June 30, 2023, the Company had a cash balance of $764,386, a decrease of $2,536,109 from the cash balance of $3,300,495 on September 30, 2022. During the nine months ended June 30, 2023, cash used in operating activities was $1,936,206. The Company invested $1,249,704 in capital expenditures on its oil and gas assets in the first nine months of the current fiscal year, compared to $201,698 invested in the comparative nine months of the previous fiscal year. The Company raised net proceeds of $688,092 from the exercise of warrants and repaid $38,291 of a debenture loan.

The Company had a working capital deficiency of $2,501,571 as at June 30, 2023 compared to a working capital of $2,051,127 as at September 30, 2022.

Management has currently budgeted approximately $10 million in capital expenditures for the 2024 fiscal year, which the Company plans to finance principally from one or more equity financings and/or a line or credit. The amount and timing of capital expenditures will depend on several factors including, but not limited to, the speed with which we are able to drill and complete our wells, our ability to complete an equity financing or to secure a suitable line of credit, commodity prices, supply/demand considerations and attractive rates of return. There are no guarantees that we will be able to acquire the necessary funds to meet our budgeted capital expenditures, and any postponement of our planned development of our proved undeveloped reserves could materially affect our business, financial condition and results of operations.

Although the Company has budgeted investments of additional capital in the continued development of our oil and gas operations, the Company currently does not have any material commitments for capital expenditures. However, the Company does not have sufficient working capital to meet its anticipated operating and capital requirements over the next 12 months from the filing of its Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 and, consequently, the Company is currently evaluating options to support its funding requirements over this time period, including but not limited to, completing a financing transaction. The Company will also continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Critical Accounting Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) the fair value of assets when determining the existence of impairment factors and the amount of impairment, if any; (ii) the costs of site restoration when determining decommissioning liabilities; (iii) the useful lives of assets for the purposes of depletion and depreciation; (iv) petroleum and natural gas reserves; and (v) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

JOBS Act

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On April 5, 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including, without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of our initial public offering; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

BUSINESS

Overview

We are an independent energy company engaged in the acquisition, exploration, development and production of oil and natural gas properties on private, state and federal land in the United States, primarily in the Permian Basin region of West Texas and Southeast New Mexico which includes the Midland – Central Basin and Delaware Basin. We focus on acquiring producing assets at a discount to market, increasing production and cash-flow through recompletion and re-entries, secondary recovery and reducing risk by infill drilling and development. Currently, we own and operate various oil and gas properties as well as royalty interests in 73 wells and five permitted wells across 3,800 acres within the Permian Basin. Overall, we own and operate more than 78 oil and gas wells, have more than 11,700 net acres of production oil and gas assets, 62 shut-in opportunities, 17 salt water disposal wells and two water supply wells allowing for waterflood secondary recovery.

Business Strategy

Oil and Gas Properties

The Company hired MKM Engineering, who prepared for the Company the Appraisal Reports. MKM Engineering is independent with respect to Permex Petroleum Corporation as provided in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. MKM Engineering's estimates of the Company's proved and probable reserves in each of the Appraisal Reports were prepared according to generally accepted petroleum engineering and evaluation principles, and each of the Appraisal Reports conform to SEC Pricing. The Appraisal Reports are each filed as an exhibit to the registration statement for which this prospectus is a part of.

The Appraisal Reports were each specifically prepared by Michele Mudrone, an employee of MKM Engineering, a registered Professional Engineer in the State of Texas, and a member of the Society of Petroleum Engineers. Ms. Mudrone graduated from the Colorado School of Mines with a Bachelor of Science degree in Petroleum Engineering in 1976 and has been employed in the petroleum industry and directly involved in reservoir engineering, petrophysical analysis, reservoir simulation and property evaluation since that time. Ms. Mudrone certified in each Appraisal Report that she did not receive, nor expects to receive, any direct or indirect interest in the holdings discussed in the report or in the securities of the Company. Because the Company's current size, the Company does not have any technical person at the Company responsible for overseeing the preparation of the reserve estimates presented herein (or have any internal control policies pertaining to estimates of oil and gas reserves), and consequently, the Company relies exclusively on the Appraisal Reports in the preparation of the reserve estimates present in this prospectus.

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Since all of the Company's reserves are from conventional reservoirs, MKM Engineering assumed for the purposes of its appraisal reports that the technology to be used to develop the Company's reserves would include horizontally drilled wells, fracturing, and acidizing.

The following tables show a summary of our reserves as of September 30, 2022 and September 30, 2021 which have been derived from the Appraisal Reports and conform to SEC Pricing.

Composite Proved Reserve Estimates and Economic Forecasts for the year ended September 30, 2022

		Proved	Proved Developed Producing	Proved Non-Producing	Proved Undeveloped
Net Reserves					
Oil/Condensate	MBbl	6,237.1	444.6	709.3	5,083.2
Gas	Mcf	3,001.2	286.2	578.6	2,136.4
Revenue					
Oil/Condensate	M$	572,090.2	40,485.1	65,032.6	466,572.5
Gas	M$	17,390.7	1,736.5	3,287.4	12,366.8
Severance and Ad Valorem Taxes	M$	43,493.7	3,633.2	4,955.7	34,904.8
Operating Expenses	M$	48,136.3	11,893.8	5,610.1	30,632.4
Investments	M$	71,700.0	806.9	2,074.6	68,818.5
Operating Income (BFIT)	M$	426,150.9	25,887.7	55,679.6	344,583.6
Discounted @ 10%	M$	198,619.1	12,057.6	34,831.6	151,729.9

Composite Proved Reserve Estimates and Economic Forecasts for the year ended September 30, 2021

		Proved	Proved Developed Producing	Proved Non-Producing	Proved Undeveloped
Net Reserves					
Oil/Condensate	MBbl	6,199.4	399.3	188.1	5,612.0
Natural Gas	Mcf	3,018.3	314.4	97.5	2,606.4
Revenue					
Oil/Condensate	M$	347,051.0	21,920.1	10,468.6	314,662.3
Natural Gas	M$	8,906.8	949.0	286.9	7,670.9
Severance and Ad Valorem Taxes	M$	26,171.1	1,927.3	774.5	23,469.3
Operating Expenses	M$	43,511.4	8,048.8	3,057.0	32,405.6
Investments	M$	71,700.0	791.9	689.6	70,218.5
Operating Income (BFIT)	M$	214,575.4	12,101.2	6,234.4	196,239.8
Discounted @ 10%	M$	100,772.6	6,356.0	3,644.6	90,772.0

Composite Probable Reserve Estimates and Economic Forecasts for the year ended September 30, 2022

		Probable	Probable Developed Producing	Probable Non-Producing	Probable Undeveloped
Net Reserves					
Oil/Condensate	MBbl	7,452.1	1.9	115.9	7,334.3
Gas	Mcf	10,323.8	10.5	6.2	10,307.1
Revenue					
Oil/Condensate	M$	680,179.1	164.4	10,469.2	669,545.5
Gas	M$	62,309.3	64.5	38.3	62,206.5
Severance and Ad Valorem Taxes	M$	41,500.1	28.4	750.3	40,721.4
Operating Expenses	M$	50,223.2	73.9	1,112.6	49,036.7
Investments	M$	107,884.9	—	—	107,884.9
Operating Income (BFIT)	M$	542,880.1	126.6	8,644.5	534,109.0

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Discounted @ 10%	M$	229,567.4	53.4	3,247.1	226,266.9

Composite Probable Reserve Estimates and Economic Forecasts for the year ended September 30, 2021

		Probable	Probable Non-Producing	Probable Undeveloped
Net Reserves				
Oil/Condensate	MBbl	7,466.5	119.8	7,346.7
Natural Gas	Mcf	10,252.1	6.3	10,245.8
Revenue				
Oil/Condensate	M$	411,745.8	6,686.4	405,059.4
Natural Gas	M$	30,171.8	18.4	30,153.4
Severance and Ad Valorem Taxes	M$	23,511.2	478.1	23,033.1
Operating Expenses	M$	50,336.3	1,061.2	49,275.1
Investments	M$	102,884.9	—	102,884.9
Operating Income (BFIT)	M$	265,185.3	5,165.5	260,019.8
Discounted @ 10%	M$	123,329.8	1,957.5	121,372.3

Probable reserves are unproven reserves that geologic and engineering analyses suggest are more likely than not to be recoverable. They are not comparable to proved reserves and estimates of oil, condensate, and gas reserves and future net revenue should be regarded only as estimates that may change as further production history and additional information become available. Such reserve and revenue estimates are based on the information currently available, the interpretation of which is subject to uncertainties inherent in applying judgmental factors.

Conversion of Undeveloped Acreage

The Company's process for converting undeveloped acreage to developed acreage is tied to whether there is any drilling being conducted on the acreage in question. The Company has started development and conversion of its undeveloped acreage located in Martin County, Texas. The PPC Eoff #3 well, operated by Permex Petroleum, is the first of two permitted wells to be drilled by the Company on the 7,780 gross acre Breedlove oilfield. Drilling of the first well commenced on September 14, 2022. Management furthermore expects to commence lateral drilling and completion of the well by January 2024, subject to receipt of additional funding.

An aggregate of 5,083 MBO and 2,136 MMCF, of the Company's proved undeveloped reserves as of September 30, 2022, are part of a development plan that has been adopted by management that calls for these undeveloped reserves to be drilled within the next five years, thus resulting in the conversion of such proved undeveloped reserves to developed status within five years of initial disclosure at September 30, 2022. Management currently anticipates spending approximately $10 million in capital expenditures towards developing the Company's proved undeveloped reserves during the 2023 fiscal year, subject to the Company acquiring the necessary financing.

Proved Undeveloped Reserves Additions

From September 30, 2021 to September 30, 2022, the Company had no proved undeveloped reserve additions. The specific changes to the Company's proved undeveloped reserves from September 30, 2021 to September 30, 2022 were as follows:

	Breedlove	Gaines County	Henshaw	Royalty Wells	Total
Beginning balance at September 30, 2021 (MBoe)(1)	5,584.14	336.09	—	0.22	5,920.45
Production (MBoe)(1)	—	—	—	—	—
Revisions or reclassifications of previous estimates (MBoe)(1)	(589.17)	—	—	—	(589.17)
Improved Recovery (MBoe)(1)	—	—	—	—	—
Extensions and Discoveries (MBoe)(1)	—	—	—	—	—
Acquisitions/Purchases (MBoe)(1)	—	—	—	—	—
Sales (MBoe)(1)	—	—	—	—	—
Price Change (MBoe)	(28.54)	6.02	—	—	(22.52)

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Ending balance as of September 30, 2022 (MBoe)(1)	4,946.43	342.11	—	0.22	5,308.76

(1) Natural gas volumes have been converted to Boe based on energy content of six Mcf of gas to one Bbl of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis is currently substantially lower than the corresponding price for oil and has been similarly lower for a number of years. For example, in the year ended September 30, 2022, the average prices of WTI (Cushing) oil and NYMEX Henry Hub natural gas were $91.71 per Bbl and $6.126 per Mcf, respectively, resulting in an oil-to-gas ratio of just under 14 to 1.

Financing of Proved and Probable Undeveloped Reserves

The Company currently estimates that the total cost to develop the Company's proved undeveloped reserves of 5,083.2 MBbl of oil and 2,136.4 Mcf of natural gas as of September 30, 2022 is $68,818,530. The Company expects to finance these capital costs through a combination of current cash on hand, debt financing through a line of credit or similar debt instrument, one or more offerings of debt or equity, and from cash generated from estimated revenues from sales of oil and natural gas produced at the Company's wells.

The Company currently estimates that the total cost to develop the Company's probable undeveloped reserves of 7,334.3 MBbl of oil and 10,307.1 Mcf of natural gas as of September 30, 2022 is $107,884,900. The Company expects to finance these capital costs through a combination of joint ventures, farm-in agreements, direct participation programs, one or more offerings of equity, a debt offering or entering into a line of credit, and from cash generated from estimated revenues from sales of oil and natural gas produced at the Company's wells.

Drilling Activities

The Company drilled one well during the last three fiscal years. As at September 30, 2022, the Company had 78 gross wells and 14 net productive wells. The Company's gross developed acreage totaled 5,177 and net developed acreage totaled 3,942 with the following property breakdown:

Property	**Gross Developed Acreage**	**Net Developed Acreage**	**Gross Productive Wells**	**Net Productive Wells**
Pittcock	818	664.63	1	0.81
Henshaw	1,880	1,353.60	6	4.32
Oxy Yates	680	489.60	5	3.60
Bullard	241	187.98	1	0.78
Breedlove	1,558	1,246.40	16	12.80
Royalty Interest Properties	—	—	73	0.01

The Company has 6,000 gross undeveloped acres and 4,800 net undeveloped acres. All of the Company's undeveloped acreage is on the Company's Breedlove property.

The Company's leases are held by production in perpetuity. If a field/lease is undeveloped it typically has a 2, 3 or 5 year term of expiry. The Company has over 340 leases covering undeveloped acreage and less than 5% of these leases have an expiry date that is less than two years from the date of this prospectus.

Sales and Production

The average sales prices of the Company's oil and gas products sold in the fiscal years ended September 30, 2022, 2021, and 2020 was $89.14/Boe, $54.19/Boe, and $38.51/Boe, respectively.

The Company's net production quantities by final product sold in the fiscal years ended September 30, 2022, 2021, and 2020, was 12,597.45 Boe, 1,182.70 Boe, and 17,772.14 Boe, respectively.

The Company's average production costs per unit for the fiscal years ended September 30, 2022, 2021, and 2020, was $65.82/Boe, and $40.94/Boe, and $32.59/Boe, respectively.

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The breakdown of production and prices between oil/condensate and natural gas was as follows:

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	10,670	948	16,240
Natural Gas (Mcf)	11,567	1,410	9,196

Average Sales Price	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate ($/Bbl)	96.18	62.37	41.09
Natural Gas ($/Mcf)	8.36	3.54	1.44

The breakdown of the Company's production quantities by individual product type for each of the Company's fields that contain 15% or more of the Company's total proved reserves expressed on an oil-equivalent-barrels basis was as follows:

Breedlove

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	6,998	—	—
Natural Gas (Mcf)	11,567	419	—

Henshaw

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	2,189	—	—
Natural Gas (Mcf)	—	—	—

Pittcock - Mary Bullard

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	1,483	847	291
Natural Gas (Mcf)	—	—	—

ODC San Andres

Net Production Volumes	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Oil/Condensate (Bbl)	—	—	15,948

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Natural Gas (Mcf)	—	—	2,605

Texas Properties

Breedlove "B" Clearfork Leases

In September 2021, we, through our wholly-owned subsidiary, Permex Petroleum US Corporation, acquired a 100% Working Interest and an 81.75% Net Revenue Interest in the Breedlove "B" Clearfork leases located in Martin County, Texas. We issued 104,164 Common Shares and 52,082 share purchase warrants as consideration for this acquisition. The Breedlove "B" Clearfork properties situated in Martin County, Texas are over 12 contiguous sections for a total of 7,870.23 gross and 7,741.67 net acres, of which 98% is held by production in the core of the Permian Basin. It is bounded on the north by Dawson County, on the east by Howard County, on the south by Glasscock and Midland Counties, and on the west by Andrews County. There is a total of 25 vertical wells of which 12 are producers, 4 are saltwater disposal wells and 9 that are shut-in opportunities. In January 2022, we began the pilot re-entry on the Carter Clearfork well #5, which is one of 67 shut-in wells that we currently own. The re-entry involved targeting the Clearfork formation at a depth of 7,200 feet. Due to the high water concentrating in the fluid entry, management plans to install appropriate flow-lines from this well to the injections wells on the property prior to putting the well back on pump. By doing so management plans to reduce operating expenses from water disposal in third party disposal facilities.

Pittcock Leases

The Pittcock Leases are situated in Stonewall County. Stonewall County is in Northwest Texas, in the central part of the North Central Plains and consists of the Pittcock North property, the Pittcock South property and the Windy Jones Property. It is bounded on the north by King County, on the east by Haskell County, on the south by Fisher and Jones Counties, and on the west by Kent County. The Pittcock North property covers 320 acres held by production. There is currently one producing well, ten shut-in wells, two saltwater disposal wells, and a water supply well. We hold a 100% working interest in the Pittcock North Property and an 81.25% net revenue interest. The Pittcock South property covers 498 acres in four tracts. There are currently 19 shut-in wells and two saltwater disposal wells. We hold a 100% working interest in the lease and a 71.90% net revenue interest. The Windy Jones Property consists of 40 acres and includes two injection wells and two suspended oil wells. The sole purpose of the Windy Jones property is to provide waterflood to the offset wells being the Pittcock wells located east boundary of the Windy Jones Property. We hold a 100% working interest in the Windy Jones Property and a 78.9% net revenue interest.

Mary Bullard Property

We acquired the Mary Bullard Property in August 2017 for a cash consideration of approximately $50,000. The Mary Bullard Property is located in Stonewall County, about 5 ½ miles south west of Aspermont, Texas. It is bounded on the north by King County, on the east by Haskell County, on the south by Fisher and Jones Counties, and on the west by Kent County. The asset is situated on the Eastern Shelf of the Midland Basin in the central part of the North Central Plains. The Mary Bullard Property covers 241 acres held by production and is productive in the Clearfork formation at a depth of approximately 3,200 feet. There is currently one producing well, four shut-in wells, and two water injection wells. We hold a 100% working interest in the Mary Bullard Property and a 78.625% net revenue interest.

New Mexico Properties

In December 2017, Permex Petroleum US Corporation, our wholly-owned subsidiary, acquired the West Henshaw Property and the Oxy Yates Property for $170,000 from PPC. An additional $95,000 was transferred by us to PPC to purchase reclamation bonds in connection with the future operation of the properties.

West Henshaw Property

The West Henshaw Property is located in Eddy County, New Mexico, 12 miles northeast of Loco Hills in the Delaware Basin. Eddy County is in Southeast New Mexico. It is bounded by Chaves County to the north, Otero County to the east, Loving County, Texas to the south, and Lea County to the west. The West Henshaw Property covers 1,880 acres held by production. There are two producing wells, seven shut-in wells and four saltwater disposal wells. We hold a 100% working interest in the West Henshaw Property and a 72% net revenue interest.

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In January 2022, we began the pilot re-entry on the West Henshaw well #15-3, one out of the 67 shut-in wells we currently owns. The re-entry and re-stimulation involved the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet. The recompletion was successful and came online at an initial rate of 30 bopd and has stabilized at 15 bopd.

In April 2022, we began the re-entry on the West Henshaw well #6-10. The re-entry and re-stimulation involved the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet. The recompletion was successful and came online at an initial rate of 15 bopd and has stabilized at 10 bopd.

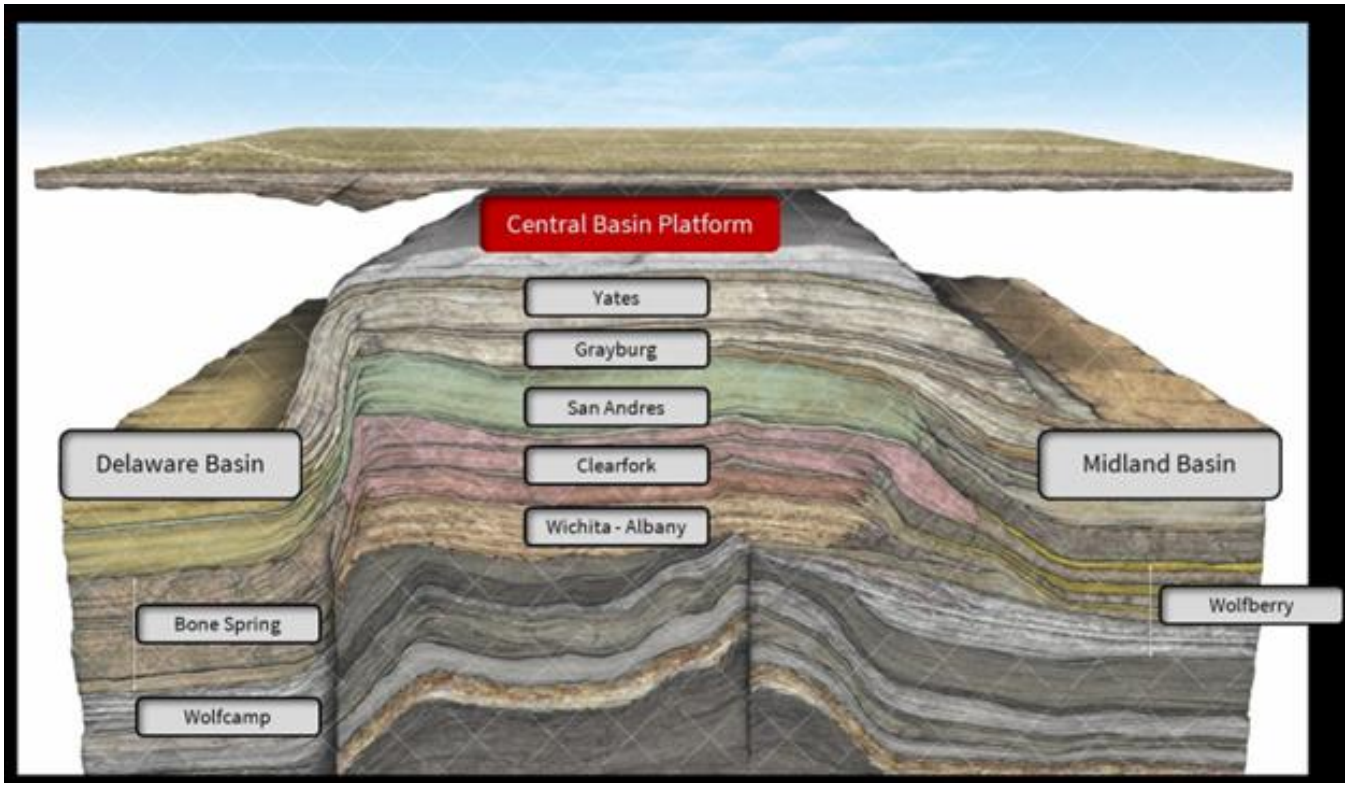
The remaining 67 shut-in wells that we plan to re-enter have potential to yield similar results increasing our total daily production solely by re-entering shut-in wells.

Oxy Yates Property

The Oxy Yates Property is located in Eddy County, approximately eight miles north of Carlsbad, New Mexico in the Delaware Basin. It is bounded by Chaves County to the north, Otero County to the east, Loving County, Texas to the south, and Lea County to the west. The Oxy Yates Property covers 680 acres held by production. There is one producing well and nine shut-in wells. The Yates formation is located at an average depth of 1,200 feet and overlies the Seven River formation and underlies the Tansill formation. We hold a 100% working interest in the Oxy Yates Property and a 77% net revenue interest.

Royalty Interest Properties

During the year ended September 30, 2021,we acquired royalty interests in 73 producing oil and gas wells located in Texas and New Mexico for $179,095.



Business Strategy

The principal elements of our business strategy include the following:

- Grow production and reserves in a capital efficient manner using internally generated levered free cash flow. We intend to allocate capital in a disciplined manner to projects that we anticipate will produce predictable and attractive rates of return. We

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plan to direct capital to our oil-oriented and reduced-risk development opportunities while focusing on driving cost efficiencies across our asset base with the primary objective of internally funding our capital budget and growth plan. We may also use our capital flexibility to pursue value-enhancing, bolt-on acquisitions to opportunistically improve our positions in existing basins.

- Maximize ultimate hydrocarbon recovery from our assets by optimizing drilling, completion and production techniques and investigating deeper reservoirs and areas beyond our known productive areas. While we intend to utilize proven techniques and technologies, we will also continuously seek efficiencies in our drilling, completion and production techniques in order to optimize ultimate resource recoveries, rates of return and cash flows. We will explore innovative EOR techniques to unlock additional value and have allocated capital towards next generation technologies. For example, we have already completed extensive waterflood EOR studies in Pittcock North and Pittcock South. Through these studies, we will seek to expand our development beyond our known productive areas in order to add probable and possible reserves to our inventory at attractive all-in costs as of the time of our studies.

- Pursue operational excellence with a sense of urgency. We plan to deliver low cost, consistent, timely and efficient execution of our drilling campaigns, work programs and operations. We intend to execute our operations in a safe and environmentally responsible manner, focus on reducing our emissions, apply advanced technologies, and continuously seek ways to reduce our operating cash costs on a per barrel basis.

- Pursue strategic acquisitions that maintain or reduce our break-even costs. We intend to actively pursue accretive acquisitions, mergers and dispositions that are intended to improve our margins, returns, and break-even costs of our investment portfolio. Financial strategies associated with these efforts will focus on delivering competitive adjusted per share returns.

Industry Operating Environment

The oil and natural gas industry is a global market impacted by many factors, such as government regulations, particularly in the areas of taxation, energy, climate change and the environment, political and social developments in the Middle East, demand in Asian and European markets, and the extent to which members of The Organization of Petroleum Exporting Countries and other oil exporting nations manage oil supply through export quotas. Natural gas prices are generally determined by North American supply and demand and are also affected by imports and exports of liquefied natural gas. Weather also has a significant impact on demand for natural gas since it is a primary heating source, and a major fuel for electric generation to power air conditioning.

Oil and natural gas prices have been, and we expect may continue to be, volatile. Lower oil and gas prices not only decrease our revenues, but an extended decline in oil or gas prices may affect planned capital expenditures and the oil and natural gas reserves that we can economically produce. While lower commodity prices may reduce our future net cash flow from operations, we expect to have sufficient liquidity to continue development of our oil and gas properties.

Development

We believe that there is significant value to be created by drilling the identified undeveloped opportunities on our properties in conjunction with the stimulation and rework of our shut-in wells. While our near-term plans are focused towards drilling wells on our existing acreage to develop the potential contained therein, our long-term plans also include continuing to evaluate acquisition and leasing opportunities that can earn attractive rates of return on capital employed.

Competition

The oil and natural gas industry is intensely competitive and we compete with numerous other oil and natural gas exploration and production companies, many of which have substantially larger technical teams and greater financial and operational resources than we do and may be able to pay more for exploratory prospects and productive oil and natural gas properties. Many of these companies not only engage in the acquisition, exploration, development, and production of oil and gas reserves, but also have gathering, processing or refining operations, market refined products, provide, dispose of and transport fresh and produced water, own drilling rigs or production equipment, or generate electricity, all of which, individually or in the aggregate, could provide such companies with a competitive advantage. We also compete with other oil and gas companies in securing drilling rigs and other equipment and services necessary for the drilling, completion, and maintenance of wells, as well as for the gathering, transporting, and processing of oil, gas, natural gas liquids, and water. Consequently, we may face shortages, delays, or increased costs in securing these services from time to time. The oil and gas industry also faces competition from alternative fuel sources, including renewable energy sources such as solar and wind-generated

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energy, and other fossil fuels such as coal. Competitive conditions may also be affected by future energy, environmental, climate-related, financial, or other policies, legislation, and regulations. Our larger or integrated competitors may be better able to absorb the burden of existing, and any changes to federal, state, and local laws and regulations than we can, which would adversely affect our competitive position. Our ability to discover reserves and acquire additional properties in the future is dependent upon our ability and resources to evaluate and select suitable properties and to consummate transactions in this highly competitive environment.

Marketing and Customers

The market for oil and natural gas that will be produced from our properties depends on many factors, including the extent of domestic production and imports of oil and natural gas, the proximity and availability of capacity and rates and terms of service of pipelines and other transportation and storage facilities, demand for oil and natural gas, the marketing of competitive fuels and the effects of state and federal regulation. The oil and natural gas industry also competes with other industries in supplying the energy and fuel requirements of industrial, commercial and individual consumers.

Our oil production is being sold to Energy Transfer Partners and HollyFrontier at prices tied to Argus. Our natural gas production is being sold to DCP Operating Company LP under Henry Hub gas spot prices.

For the years ended September 30, 2022 and 2021, we had three and one significant purchaser(s) that accounted for approximately 83% and 90%, respectively, of our total oil, and natural gas revenues. If we lost one or more of these significant purchasers and were unable to sell our production to other purchasers on terms we consider acceptable, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

Title to Properties

Our oil and natural gas properties are subject to customary royalty and other interests, liens under indebtedness, liens incident to operating agreements, liens for current taxes and other burdens, including other mineral encumbrances and restrictions. We do not believe that any of these burdens materially interfere with the use of our properties or the operation of our business. We believe that we have satisfactory title to or rights in our producing properties. As is customary in the oil and gas industry, minimal investigation of title is made at the time of acquisition of undeveloped properties. In most cases, we investigate title only when we acquire producing properties or before commencement of drilling operations.

Seasonality

Winter weather conditions and lease stipulations can limit or temporarily halt the drilling and producing activities of our operating partners and other oil and natural gas operations. These constraints and the resulting shortages or high costs could delay or temporarily halt the operations of our operating partners and materially increase our operating and capital costs. Such seasonal anomalies can also pose challenges for meeting well drilling objectives and may increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay or temporarily halt our operating partners' operations.

The demand and price for gas frequently increases during winter months and decreases during summer months. To lessen the impact of seasonal gas demand and price fluctuations, pipelines, utilities, local distribution companies, and industrial users regularly utilize gas storage facilities and forward purchase some of their anticipated winter requirements during the summer. However, increased summertime demand for electricity can divert gas that is traditionally placed into storage which, in turn, may increase the typical winter seasonal price. Seasonal anomalies, such as mild winters, or other unexpected impacts, such as the COVID-19 pandemic, sometimes lessen or exacerbate these fluctuations.

Principal Agreements Affecting Our Ordinary Business

We generally do not own physical real estate, but, instead, our acreage is primarily comprised of leasehold interests subject to the terms and provisions of lease agreements that provide us the right to participate in drilling and maintenance of wells in specific geographic areas. Lease arrangements that comprise our acreage positions are generally established using industry-standard terms that have been established and used in the oil and natural gas industry for many years. Many of our leases are or were acquired from other parties that obtained the original leasehold interest prior to our acquisition of the leasehold interest.

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In general, our lease agreements stipulate three-to-five year terms. Bonuses and royalty rates are negotiated on a case-by-case basis consistent with industry standard pricing. Once a well is drilled and production established, the leased acreage in the applicable spacing unit is considered developed acreage and is held by production. Other locations within the drilling unit created for a well may also be drilled at any time with no time limit as long as the lease is held by production. Given the current pace of drilling in the areas of our operations, we do not believe lease expiration issues will materially affect our acreage position.

Governmental Regulation and Environmental Matters

Our operations are subject to various rules, regulations and limitations impacting the oil and natural gas exploration and production industry as whole.

Regulation of Oil and Natural Gas Production

Our oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state, tribal and local authorities and agencies. For example, certain states require permits for drilling operations, drilling bonds and reports concerning operations and impose other requirements relating to the exploration and production of oil and natural gas. Texas and New Mexico also have statutes or regulations addressing conservation matters, including provisions for the unitization or pooling of oil and natural gas properties, and several states regulate the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled, the sourcing and disposal of water used in the process of drilling, completion and abandonment, the establishment of maximum rates of production from wells, and the regulation of spacing, plugging and abandonment of such wells. Moreover, the current U.S. federal Administration has indicated that it expects to impose additional federal regulations limiting access to and production from federal lands. The effect of these regulations is to limit the amount of oil and natural gas that registrant can produce from wells and to limit the number of wells or the locations at which drilling can occur. Moreover, many states impose a production or severance tax with respect to the production and sale of oil, natural gas and natural gas liquids within their jurisdictions, and the current federal Administration has proposed increasing royalties payable for production on Federal land. Failure to comply with any such rules and regulations can result in substantial penalties. The regulatory burden on the oil and natural gas industry may increase our cost of doing business and may affect our profitability. Because such rules and regulations are frequently amended or reinterpreted, we are unable to predict the future cost or impact of complying with such laws. Significant expenditures may be required to comply with governmental laws and regulations and may have a material adverse effect on our financial condition and results of operations. Additionally, currently unforeseen environmental incidents may occur or past non-compliance with environmental laws or regulations may be discovered. Therefore, we are unable to predict the future costs or impact of compliance. Additional proposals and proceedings that affect the oil and natural gas industry are regularly considered by Congress, the states, the Federal Energy Regulatory Commission ("FERC"), Pipeline and Hazardous Materials Safety Administration ("PHMSA"), and the courts. We cannot predict when or whether any such proposals may become effective.

Regulation of Transportation of Oil

Sales of crude oil, condensate and natural gas liquids are not currently regulated and are made at negotiated prices. Nevertheless, Congress could reenact price controls in the future. Our sales of crude oil are affected by the availability, terms and cost of transportation. The transportation of oil by common carrier pipelines is also subject to rate and access regulation. The FERC regulates interstate oil pipeline transportation rates under the Interstate Commerce Act. Interstate oil pipeline rates may be cost-based, although settlement rates agreed to by all shippers are permitted and market-based rates may be permitted in certain circumstances. Effective January 1, 1995, the FERC implemented regulations establishing an indexing system (based on inflation) for transportation rates for oil pipelines that allows a pipeline to increase its rates annually up to a prescribed ceiling, without making a cost of service filing. Every five years, the FERC reviews the appropriateness of the index level in relation to changes in industry costs. On January 20, 2022, the FERC established a new price index for the five-year period which commenced on July 1, 2021. Oil pipelines may also seek market-based rates.

Intrastate oil pipeline transportation rates are subject to regulation by state regulatory commissions. The basis for intrastate oil pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate oil pipeline rates varies from state to state. Insofar as effective interstate and intrastate rates are equally applicable to all comparable shippers, we believe that the regulation of oil transportation rates will not affect our operations in any way that is of material difference from those of our competitors in the same state who are similarly situated.

Further, interstate and intrastate common carrier oil pipelines must provide service on a non-discriminatory basis. Under this open access standard, common carriers must offer service to all similarly situated shippers requesting service on the same terms and under the same

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rates. When oil pipelines operate at full capacity, access is generally governed by pro-rationing provisions set forth in the pipelines' published tariffs. Accordingly, we believe that access to oil pipeline transportation services generally will be available to us to the same extent as to our similarly situated competitors.

Regulation of Transportation and Sales of Natural Gas

Historically, the transportation and sale for resale of natural gas in interstate commerce has been regulated by the FERC under the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978 and regulations issued under those statutes. In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at market prices, Congress could reenact price controls in the future.

Onshore gathering services, which occur upstream of FERC jurisdictional transmission services, are regulated by the states. Although the FERC has set forth a general test for determining whether facilities perform a non-jurisdictional gathering function or a jurisdictional transmission function, the FERC's determinations as to the classification of facilities is done on a case-by-case basis. State regulation of natural gas gathering facilities generally includes various safety, environmental and, in some circumstances, nondiscriminatory take requirements. Although such regulation has not generally been affirmatively applied by state agencies, natural gas gathering may receive greater regulatory scrutiny in the future.

Intrastate natural gas transportation and facilities are also subject to regulation by state regulatory agencies, and certain transportation services provided by intrastate pipelines are also regulated by FERC. The basis for intrastate regulation of natural gas transportation and the degree of state regulatory oversight and scrutiny given to intrastate natural gas pipeline rates and services varies from state to state. Insofar as such regulation within a particular state will generally affect all intrastate natural gas shippers within the state on a comparable basis, we believe that the regulation of similarly situated intrastate natural gas transportation in any state in which we operate and ship natural gas on an intrastate basis will not affect our operations in any way that is of material difference from those of our competitors in that state. Like the regulation of interstate transportation rates, the regulation of intrastate transportation rates affects the marketing of natural gas that we produce, as well as the revenues we receive for sales of our natural gas.

Environmental Matters

Our operations and properties are subject to extensive and changing federal, state and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The recent trend in environmental legislation and regulation generally is toward stricter standards, and this trend will likely continue. These laws and regulations may:

- require the acquisition of a permit or other authorization before construction or drilling commences and for certain other activities;
- limit or prohibit construction, drilling and other activities on certain lands lying within wilderness and other protected areas; and
- impose substantial liabilities for pollution resulting from operations.

The permits required for our operations may be subject to revocation, modification and renewal by issuing authorities. Governmental authorities have the power to enforce their regulations, and violations are subject to fines or injunctions, or both. In the opinion of management, we are in compliance with current applicable environmental laws and regulations, and have no material commitments for capital expenditures to comply with existing environmental requirements. Nevertheless, changes in existing environmental laws and regulations or in interpretations thereof could have a significant impact on us, as well as the oil and natural gas industry in general.

The Comprehensive Environmental, Response, Compensation, and Liability Act ("CERCLA") and comparable state statutes impose strict, joint and several liability on owners and operators of sites and on persons who disposed of or arranged for the disposal of "hazardous substances" found at such sites. It is not uncommon for the neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act ("RCRA") and comparable state statutes govern the disposal of "solid waste" and "hazardous waste" and authorize the imposition of substantial fines and penalties for noncompliance. Although CERCLA currently excludes petroleum from its definition of "hazardous substance," state laws affecting our operations may impose clean-up liability relating to petroleum and petroleum related products. In addition, although RCRA classifies certain oil field wastes as "non-hazardous," such exploration and production wastes could be reclassified as hazardous wastes thereby making such wastes subject to more stringent handling and disposal

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requirements. Recent regulation and litigation that has been brought against others in the industry under RCRA concern liability for earthquakes that were allegedly caused by injection of oil field wastes.

The Endangered Species Act ("ESA") seeks to ensure that activities do not jeopardize endangered or threatened animal, fish and plant species, nor destroy or modify the critical habitat of such species. Under ESA, exploration and production operations, as well as actions by federal agencies, may not significantly impair or jeopardize the species or its habitat. ESA provides for criminal penalties for willful violations of ESA. Other statutes that provide protection to animal and plant species and that may apply to our operations include, but are not necessarily limited to, the Fish and Wildlife Coordination Act, the Fishery Conservation and Management Act, the Migratory Bird Treaty Act and the National Historic Preservation Act. Although we believe that our operations are in compliance with such statutes, any change in these statutes or any reclassification of a species as endangered could subject us (directly or indirectly through our operating partners) to significant expenses to modify our operations or could force discontinuation of certain operations altogether.

The Clean Air Act ("CAA") controls air emissions from oil and natural gas production and natural gas processing operations, among other sources. CAA regulations include New Source Performance Standards ("NSPS") for the oil and natural gas source category to address emissions of sulfur dioxide and volatile organic compounds ("VOCs") and a separate set of emission standards to address hazardous air pollutants frequently associated with oil and natural gas production and processing activities.

On November 2, 2021, the EPA proposed to revise and add to the NSPS program rules. These rules, if adopted, could have a significant impact on the upstream and midstream oil and gas sectors. The proposed rule would formally reinstate methane emission limitations for existing and modified facilities in the oil and gas sector. Methane is a greenhouse gas. The proposed rules also would regulate, for the first time under the NSPS program, existing oil and gas facilities. Specifically, EPA's proposed new rule would require states to implement plans that meet or exceed federally established emission reduction guidelines for oil and natural gas facilities. About a year after that proposal, the EPA proposed rules that strengthened and expanded the November, 2021 proposal. The November 2022 EPA statement would require more monitoring of small, high-polluting wells, tracking of "super-emitters", inspection of abandoned wells until their closure, further reduction in flaring, and use of zero-emissions control equipment on hydrocarbon equipment. Comments regarding the November, 2022 proposal will be presented to the EPA in January, 2023, after which the EPA may act.

On August 16, 2022, the IRA was signed into law. The IRA imposes an escalating charge on methane emissions from inter alia onshore petroleum and natural gas production, and natural gas processing, gathering, transmission, underground storage, and LNG storage/ import/export equipment. The charges apply only to facilities emitting 25,000 metric tons of CO2 annually The IRA also funds grants to facilities subject to the methane charge and "marginal conventional wells" to improve equipment and processes. The IRA also creates generous tax credits, benefitting even non-profit entities, that likely will create more supply and demand for alternative non-hydrocarbon energy which may diminish demand, or prices obtained, for natural gas and oil. These statutory provisions will also be subject to legal challenge. The cumulative effect upon our business' results of the IRA's grants, charges, and incentives to non-hydrocarbon energy assets and fuels, is uncertain.

Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as greenhouse gas cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. At the international level, there exists the United Nations-sponsored Paris Agreement, which is a non-binding agreement for nations to limit their greenhouse gas emissions through individually-determined reduction goals every five years after 2020. While the United States withdrew from the Paris Agreement effective November 4, 2020, President Biden recommitted the United States to the Paris Agreement on January 20, 2021.

These regulations and proposals and any other new regulations requiring the installation of more sophisticated pollution control equipment could have a material adverse impact on our business, results of operations and financial condition.

The Federal Water Pollution Control Act of 1972, or the Clean Water Act (the "CWA"), imposes restrictions and controls on the discharge of produced waters and other pollutants into waters of the United States ("WOTUS"). Permits must be obtained to discharge pollutants into state and federal waters and to conduct construction activities in waters and wetlands.

The CWA and certain state regulations prohibit the discharge of produced water, sand, drilling fluids, drill cuttings, sediment and certain other substances related to the oil and gas industry into certain coastal and offshore waters without an individual or general National Pollutant Discharge Elimination System discharge permit. In addition, the CWA and analogous state laws require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. CWA jurisdiction depends on the definition of WOTUS. On December 7, 2021, EPA and the Corps of Engineers proposed a rule to revise the definition of WOTUS, that

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would potentially expand CWA jurisdiction to include more features in areas where oil and gas operations are conducted. Some states also maintain groundwater protection programs that require permits for discharges or operations that may impact groundwater conditions. In 2021, the United States Supreme Court held that the CWA requires a discharge permit if the addition of pollutants through groundwater is the functional equivalent of a direct discharge from the point source into navigable waters. Costs may be associated with the treatment of wastewater and/or developing and implementing storm water pollution prevention plans.

The CAA, CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of oil and other pollutants and impose liability on parties responsible for those discharges, for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

New Mexico implemented in 2021 new standards mandating 98% of natural gas emissions be captured, and a prohibition on natural gas flaring to take effect in 2026. In addition, New Mexico in 2022 implemented restrictions, that are more stringent than federal rules, on emissions of volatile organic compounds and oxides of nitrogen, commonly occurring in connection with production of hydrocarbons. The State of New Mexico characterized the new rules as addressing outsized emissions from smaller, leak-prone wells.

The underground injection of oil and natural gas wastes are regulated by the Underground Injection Control program authorized by the Safe Drinking Water Act. The primary objective of injection well operating requirements is to ensure the mechanical integrity of the injection apparatus and to prevent migration of fluids from the injection zone into underground sources of drinking water. Substantially all of the oil and natural gas production in which we have interest is developed from unconventional sources that require hydraulic fracturing as part of the completion process. Hydraulic fracturing involves the injection of water, sand and chemicals under pressure into the formation to stimulate gas production. Legislation to amend the Safe Drinking Water Act to repeal the exemption for hydraulic fracturing from the definition of "underground injection" and require federal permitting and regulatory control of hydraulic fracturing, as well as legislative proposals to require disclosure of the chemical constituents of the fluids used in the fracturing process, were proposed in recent sessions of Congress. The U.S. Congress continues to consider legislation to amend the Safe Drinking Water Act to address hydraulic fracturing operations.

Scrutiny of hydraulic fracturing activities continues in other ways. The federal government is currently undertaking several studies of hydraulic fracturing's potential impacts. Several states have also proposed or adopted legislative or regulatory restrictions on hydraulic fracturing. A number of municipalities in other states have enacted bans on hydraulic fracturing. We cannot predict whether any other legislation will ever be enacted and if so, what its provisions would be. If additional levels of regulation and permits were required through the adoption of new laws and regulations at the federal or state level, it could lead to delays, increased operating costs and process prohibitions that would materially adversely affect our revenue and results of operations.

The National Environmental Policy Act ("NEPA") establishes a national environmental policy and goals for the protection, maintenance and enhancement of the environment and provides a process for implementing these goals within federal agencies. A major federal agency action having the potential to significantly impact the environment requires review under NEPA. In 2021, the Biden Administration proposed a rule to undue changes to NEPA enacted under the Trump Administration that had streamlined NEPA review. The proposed changes would emphasize the need to review federal actions for climate change and environmental justice impacts, among other factors. These proposed changes, if enacted, would affect the assessment of projects ranging from oil and gas leasing to development on public and Indian lands.

Climate Change

Significant studies and research have been devoted to climate change, and climate change has developed into a major political issue in the United States and globally. Opponents of hydrocarbon production and consumption contend that greenhouse gas emissions contribute to climate change and pose a threat to the environment. Recent scientific research and political debate has focused in part on carbon dioxide and methane incidental to oil and natural gas exploration and production.

In the United States, no comprehensive federal climate change legislation has been implemented to date but the current administration has indicated willingness to pursue new climate change legislation, executive actions, rulemakings or other regulatory initiatives to limit GHG emissions. Interpretation/implementation of existing statutes and common law is evolving. These include rejoining the Paris Agreement treaty on climate change, several executive orders to address climate change, the U.S. Methane Emissions Reduction Action Plan, and a commitment to cut greenhouse gas emissions 50-52 percent of 2005 levels by 2030. Further, legislative and regulatory initiatives are underway to that purpose. The U.S. Congress has considered legislation that would control GHG emissions through a "cap and trade" program and several states have already implemented programs to reduce GHG emissions. The U.S. Supreme Court determined that

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GHG emissions fall within the CAA definition of an "air pollutant." Recent litigation has held that if a source was subject to Prevention of Significant Deterioration or Title V based on emissions of conventional pollutants like sulfur dioxide, particulates, nitrogen dioxide, carbon monoxide, ozone or lead, then the EPA could also require the source to control GHG emissions and the source would have to install Best Available Control Technology to do so. As a result, a source may still have to control GHG emissions if it is an otherwise regulated source.

The SEC in 2022 proposed rules requiring disclosure of how climate-related risks are likely to materially impact publicly-traded enterprises' finances, strategies and outlook and the impact of climate-related events upon a company's consolidated financial statements' line items. Final action on this proposed rule is pending. Companies must also identify "transition" strategies. Compliance with the proposed rule would increase our costs.

In 2014, Colorado was the first state in the nation to adopt rules to control methane emissions from oil and gas facilities. In 2016, the EPA revised and expanded NSPS to include final rules to curb emissions of methane, a greenhouse gas, from new, reconstructed and modified oil and gas sources. Previously, already existing NSPS regulated VOCs, and controlling VOCs also had the effect of controlling methane, because natural gas leaks emit both compounds. However, by explicitly regulating methane as a separate air pollutant, the 2016 regulations were a statutory predicate to propose regulating emissions from existing oil and gas facilities. In September 2020, EPA made technical and policy changes to the methane rules that limited the scope of the rules. In 2021, President Biden issued Executive Order 13990, Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis. In furtherance of this Executive Order, the EPA, on November 2, 2021, proposed rules to regulate methane emissions from the oil and natural gas industry, including, for the first time, reductions from certain upstream and midstream existing oil and gas sources. These regulations also expanded controls to reduce methane emissions, such as enhancement of leak detection and repair provisions. The PHMSA and the Department of Interior continue to focus on regulatory initiatives to control methane emissions from upstream and midstream equipment. To the extent that these regulations or initiatives remain in place and to the extent that our third-party operating partners are required to further control methane emissions, such controls could impact our business.

In addition, some of our third-party operating partners are required to report their GHG emissions under CAA rules. Because regulation of GHG emissions continues to evolve, further regulatory, legislative and judicial developments are likely to occur. Such developments may affect how these GHG initiatives will impact us. Moreover, while the U.S. Supreme Court held in its 2011 decision *American Electric Power Co. v. Connecticut* that, with respect to claims concerning GHG emissions, the federal common law of nuisance was displaced by the CAA, the Court left open the question of whether tort claims against sources of GHG emissions alleging property damage may proceed under state common law. There thus remains litigation risk for such claims. Due to the uncertainties surrounding the regulation of and other risks associated with GHG emissions, we cannot predict the financial impact of related developments on us.

The FERC has issued policy statements articulating how it will quantify natural GHG emissions, departing from past practices.

Legislation or regulations that may be adopted to address climate change could also affect the markets for our products by making our products more or less desirable than competing sources of energy. To the extent that our products are competing with higher GHG emitting energy sources, our products would become more desirable in the market with more stringent limitations on GHG emissions. To the extent that our products are competing with lower GHG emitting energy sources such as solar and wind, our products would become less desirable in the market with more stringent limitations on GHG emissions. We cannot predict with any certainty at this time how these possibilities may affect our operations.

Depending on the outcome of future carbon emission rulemakings under the CAA targeting new and existing power plants, and demand for hydrocarbons may be reduced. In addition, we anticipate that such regulations will be challenged in federal court prior to their implementation. Depending on the outcome of such judicial review, the hydrocarbon production industry may face alternative efforts from private parties seeking to establish alternative GHG emission limitations from power plants. Alternative GHG emission limitations may arise from litigation under either federal or state common laws or citizen suit provisions of federal environmental statutes that attempt to force federal agency rulemaking or imposing emission limitations. Such lawsuits may also see damages from harm alleged to have resulted from GHG emissions.

Physical and Operational Risks. Weather extremes such as drought and high temperature variations are common occurrences in the southwest United States. Large increases in ambient temperatures could require evaluation of certain materials used within its system and may represent a greater challenge. As part of conducting our business, we recognize that the southwestern United States is particularly susceptible to the risks posed by climate change, which over time is projected to exacerbate high temperature extremes and prolong drought in the area. Texas has recently experienced extended droughts. Prolonged and extreme drought conditions can also affect our

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long-term ability to access water resources. Reductions in the availability of water for injections could negatively impact our financial condition, results of operations or cash flows.

Effects of Energy Conservation Measures and Distributed Energy Resources. Some state legislatures and agencies have established rules regarding energy efficiency that mandate energy savings requirements which in turn will impact the demand for electricity.

In addition to these rules and requirements, energy efficiency technologies and distributed energy resources continue to evolve, which may have similar impacts on demand for electricity. Reduced demand due to these energy efficiency requirements, distributed energy requirements and other emerging technologies, could have a material adverse impact on the financial condition results of operations and cash flow of our indirect customers.

Operational Hazards and Insurance

The oil and natural gas business involves a variety of operating risks, including the risk of fire, explosions, well blow-outs, pipe failures, industrial accidents, and, in some cases, abnormally high pressure formations which could lead to environmental hazards such as oil releases, chemical releases, natural gas leaks and the discharge of toxic gases. Any of these risks could adversely affect our ability to conduct operations or result in substantial losses to us, for example, as a result of damage to our property or equipment or injury to our personnel. These operational risks could also result in the spill or release of hazardous materials such as drilling fluids or other chemicals, which may result in pollution, natural resource damages, or other environmental damage and necessitate investigation and remediation costs. As a result, we could be subject to liability under environmental law or common law theories. In addition, these operational risks could result in the suspension or delay of our operations, which could have significant adverse consequences on our business.

In accordance with customary industry practices, we maintain insurance against some, but not all, of the operating risks to which our business is exposed. We cannot provide assurance that any insurance we obtain will be adequate to cover our losses or liabilities. Pollution and environmental risks generally are not fully insurable. Under certain circumstances, we may be liable for environmental damage caused by previous owners or operators of properties or repairs/decommissioning of assets that we own, lease or operate. As a result, we may incur substantial liabilities to third parties or governmental entities for environmental matters for which we do not have insurance coverage, which could reduce or eliminate funds available for exploration, development or acquisitions or cause us to incur losses.

The occurrence of an event not fully covered by insurance could have a material adverse effect on our financial position, results of operations and cash flows.

Employees

As of October 16, 2023, we had two full time and no part time employees. We may hire additional personnel as appropriate. We also use the services of independent consultants and contractors to perform various professional services.

Facilities

Our executive offices are located at 2911 Turtle Creek Blvd, Suite 925, Dallas, Texas 75219 and consists of 2,765 square feet of leased space. We believe our current office space is sufficient to meet our needs and that additional office space can be obtained if necessary.

Corporate History

We were incorporated on April 24, 2017 under the laws of British Columbia, Canada. At June 30, 2023, we have one wholly-owned subsidiary, Permex Petroleum US Corporation, a corporation incorporated under the laws of New Mexico. We own and operate oil and gas properties in Texas (Breedlove “B” Property, Pittcock North Property, Pittcock South Property and Mary Bullard Property), and Permex Petroleum US Corporation owns and operates oil and gas properties in New Mexico (Henshaw Property and the Oxy Yates Property).

Corporate Information

Our principal executive offices are located at 2911 Turtle Creek Blvd, Suite 925, Dallas, Texas 75219 and our website is *www.permexpetroleum.com*. We do not incorporate the information on our website into this prospectus and you should not consider any such information that can be accessed through our website as part of this prospectus.

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MANAGEMENT

Directors and Executive Officers

Set forth below is the name and position and a brief account of the business experience of each of our directors and executive officers as of September 13, 2023. Each of the directors listed below was elected to our Board of Directors to serve until our next annual meeting of shareholders or until such director's successor is elected and qualified.

Name	Age	Position
Mehran Ehsan	42	Chief Executive Officer, President and Director
Gregory Montgomery	54	Chief Financial Officer
Barry Whelan	83	Chief Operating Officer and Director
Douglas Charles Urch	64	Director
James Perry Bryan	83	Director
John James Lendrum	72	Director
Melissa Folz	39	Director

Biographical Information

Mehran Ehsan

Mehran Ehsan has served as the Chief Executive Officer and President and a member of the Board of Directors of the Company since April 2017. In addition, from July 2010 to June 2019, Mr. Ehsan served as President and Chief Executive Officer of N.A. Energy Resources Corporation, a privately held oil and gas operator. Mr. Ehsan also previously served as the Director of Business Development for West Texas Investment Corp. and a Financial Specialist (Oil and Gas) for Sterling Wealth. Mr. Ehsan received diploma in marketing management, commercial real estate option from the British Columbia Institute of Technology.

We believe Mr. Ehsan is qualified to serve on our Board of Directors because he brings first-hand knowledge of the Company's day-to-day operations as well as an understanding of the operational, financial and strategic issues facing our Company.

Gregory Montgomery

Gregory Montgomery has served as Chief Financial Officer of the Company since May 2022 and served as a member of the Company's Board of Directors from March 2020 until April 2023. Since June 2021, Mr. Montgomery has served as Vice President, Project Management Office – Private Equity Energy Management of Priority Power Management, LLC. In addition from October 2018 until June 2021, he served as Partner of Vine Advisors, from October 2017 until October 2018, he served as Chief Financial Officer of Oiltanking North America and from March 2013 until October 2017, he served as Chief Financial Officer of Semarus Energy, LLC. Mr. Montgomery also served as Chief Financial Officer for Lion Copolymer, Coast Energy and Laser Midstream, and was a Director of Strategic Planning for Enbridge Energy Partners (EEP: NYSE) and Compliance Officer for Pennzoil Company (PZL: NYSE). Mr. Montgomery is a CPA and member of the Texas Society of CPA's and American Institute of Certified Public Accountants. Mr. Montgomery holds a Bachelor of Business Administration from the University of Houston – Bauer College of Business.

Barry Whelan

Barry Whelan has served as the Chief Operating Officer and a member of the Board of Directors of the Company since April 2017. Since May 2017, Mr. Whelan has served as the Chief Operating Officer and a member of the board of directors of N.A. Energy Resources Corporation, a privately held oil and gas operator. Mr. Whelan received his degrees in geology from Western University (London) and McMaster University (Hamilton). He is a past member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Association of Professional Engineers and Geoscientists of British Columbia, the Institute of Geology (London, U.K.) and a Fellow of the Geological Institute of Canada.

We believe Mr. Whelan is qualified to serve on our Board of Directors because he brings first-hand knowledge of the Company's day-to-day operations.

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Douglas Charles Urch

Douglas Urch has served as a member of the Company's Board of Directors since November 2018. Since November 2019, Mr. Urch has served as the Executive Vice President and Chief Financial Officer of PetroTal Corp. (OTCQX: PTALF; TSXV: TAL; AIM PTAL), and from December 2017 until October 2019, he served as chair of the board of directors. In addition, from February 2008 until September 2018, Mr. Urch served as Executive Vice President, Finance and Chief Financial Officer of Bankers Petroleum Ltd. Moreover, since April 2017, Mr. Urch has served as a member of the board of directors of Blue Moon Metals Corp. (TSXV: MOON). Mr. Urch is a Chartered Professional Accountant (CPA) and a member of the Institute of Corporate Directors (ICD). He received a Bachelor of Commerce degree (with a major in accounting) from the University of Calgary in 1980.

We believe Mr. Urch is qualified to serve on our Board of Directors because he brings extensive financial and accounting experience in the oil and gas industry.

James Perry Bryan

James Bryan has served as a member of the Company's Board of Directors since September 2021. From October 2020 to August 2021, Mr. Lendrum served on the board of directors of Good Work Acquisition Corp., a special purpose acquisition company. Mr. Bryan has been involved in the energy and investment industries for more than five decades, serving as Chief Executive Officer and President of Gulf Canada Resources Limited (1995 - 1998), Chairman (1990 - 1997) and Chief Executive Officer of Nuevo Energy Company (1990 - 1995), Chief Executive Officer of Bellwether Exploration (1987 - 1997), First Vice President of E.F. Hutton & Company and Director of Investment Banking-Southwest Region (1978 - 1981), Chairman and Chief Executive Officer of Torch Energy Advisors, Inc. (1981 - 2012), President and Chief Executive Officer of The Mortgage Banque (1974 - 1978), Executive Vice President and Director of Dominick & Dominick, Inc. (1969 - 1974), and Vice President of Morgan Guaranty Trust Company (1966 - 1969). He received his B.A. from The University of Texas at Austin, his L.L.B. from The University of Texas Law School at Austin and his B.F.T. from the American Institute of Foreign Trade at Phoenix, Arizona. Among his numerous business awards are Texas Entrepreneur of the Year (1994) and Canadian Oil Producer of the Year (1995).

We believe Mr. Bryan is qualified to serve on our Board of Directors because he brings extensive experience in the oil and gas industry.

John James Lendrum

John Lendrum has served as a member of the Company's Board of Directors since September 2021. Since 2015, Mr. Lendrum has served as the Non-Executive Chairman of Nuevo Midstream Dos, LLC. From 2012 to 2014, he served as the President, Chief Executive Officer and member of the board of directors of Nuevo Midstream Company ("Nuevo"). Nuevo owned and operated gas gathering, processing and treating assets in the Delaware and Permian Basins of West Texas and New Mexico and was sold to an affiliate of Anadarko Petroleum Company in 2014. Since February 2019, Mr. Lendrum serves on the board of Blue Rock Energy Partners. In 2018, he participated along with several other family offices, in the acquisition of Blue Rock from the private equity unit of TudorPickeringHolt. Mr. Lendrum has a B.B.A. in Finance and completed his graduate studies in Accounting Theory at The University of Texas at Austin.

We believe Mr. Lendrum is qualified to serve on our Board of Directors because he brings extensive experience in the oil and gas industry.

Melissa Folz

Melissa Folz has served as a director of the Company's Board of Directors since October 2022. Ms. Folz is currently the Director of Production Engineering and Optimization at Chord Energy, which is a result of the merger of Oasis Petroleum and Whiting Petroleum effective July 2022. Ms. Folz has been a leader at Oasis Petroleum since 2014 in various production, reservoir, and subsurface assessment management positions. Prior to joining Oasis she worked at Sabine Oil and Gas as a production engineer and Southwestern Energy as a completions engineer. Ms. Folz has over 15 years of experience in oil and gas, graduated as a petroleum engineer from Louisiana State University, and is a licensed professional engineer in the state of Texas.

We believe Ms. Folz is qualified to serve on our Board of Directors because she brings extensive experience in the oil and gas industry.

Family Relationships

There are no family relationships among any of our executive officers or directors.

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Involvement in Certain Legal Proceedings

We are not aware of any of our directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses), or being subject to any of the items set forth under Item 401(f) of Regulation S-K under the Securities Act.

Arrangements between Officers and Directors

Except as set forth herein, to our knowledge, there is no arrangement or understanding between any of our officers or directors and any other person pursuant to which the officer or director was selected to serve as an officer or director.

Independence

We have determined Douglas Charles Urch, John James Lendrum, James Perry Bryan and Melissa Folz to be "independent" directors within the meaning of the listing standards of the The Nasdaq Capital Market. Mehran Ehsan is not independent since he is the current President and CEO of the Company and Barry Whelan is not independent since he is the current COO of the Company. In making our independence determinations, we have considered all relationships between any of the directors and the Company.

Committees of our Board of Directors

Our Board of Directors has a separately designated standing audit committee. Our Board serves in place of a compensation committee, determining the compensation of our officers and directors, and nominating and corporate governance committee, nominating members to our Board of Directors. The functions of a compensation committee and nominating committee are performed exclusively by the independent directors on the Board, meeting separately, and determinations are made by a majority of such independent directors. In lieu of a charter for the compensation committee or Board has adopted resolutions specifying (i) the scope of the compensation committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements; (ii) the compensation committee's responsibility for determining, or recommending to the board for determination, the compensation of the chief executive officer and all other executive officers of the Company; and (iii) that the chief executive officer may not be present during voting or deliberations on his or her compensation. In lieu of a charter for the nominating committee, our Board has adopted resolutions addressing the nominations process and certain other matters related to corporate governance.

Audit Committee

Our audit committee consists of Douglas Charles Urch (Chair), James Perry Bryan and John James Lendrum. Our Board of Directors has determined that each of Douglas Charles Urch, James Perry Bryan and John James Lendrum meet the definition as an "independent" director within the meaning of the listing standards of the The Nasdaq Capital Market. Each member of the audit committee is financially literate, and in addition, our Board of Directors has determined that Douglas Charles Urch qualifies as an "audit committee financial expert," as defined in applicable SEC regulations.

Our audit committee is responsible for overseeing our financial reporting process on behalf of the Board, including overseeing the work of the independent auditors who report directly to the audit committee. The specific responsibilities of our audit committee, among others, include:

- evaluating the performance and assessing the qualifications of the independent directors and recommending to the Board and the shareholders the appointment of our external auditor;
- determining and approving the engagement of and compensation for audit and non-audit services of our external auditor;
- reviewing our financial statements and management's discussion and analysis of financial condition and results of operations and recommending to the Board whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board;
- conferring with our external auditor and with management regarding the scope, adequacy and effectiveness of internal financial reporting controls;

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- establishing procedures for the receipt, retention and treatment of complaints received by us regarding our accounting controls, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting and auditing matters; and
- reviewing and discussing with management and the independent auditor, as appropriate, our guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure and investment and hedging policies and the steps taken by management to monitor and control our exposure to such risks.

Committee Charters and Other Corporate Governance Matters

Audit Committee Charter

Our Board of Directors has adopted a written charter for our audit committee.

Code of Business Conduct and Ethics

We have adopted a written Code of Business Conduct and Ethics which addresses issues including, but not limited to: (i) conflicts of interest; (ii) compliance with laws, rules, and regulations; (iii) protection and proper use of corporate opportunities; (iv) protection and proper use of corporate assets; (v)confidentiality of corporate information; (vi) fair dealing with securityholders, customers, competitors, and employees; and (vii) accuracy of business records. The Code of Business Conduct and Ethics applies to all of our directors, officers and employees. Any change or waivers from the provisions of the Code of Business Conduct and Ethics for our executive officers or directors will be made only after approval by the Board of Directors and will be promptly disclosed.

Director Compensation

We have no formal policy concerning director compensation; however, options may be granted to directors as compensation for services on the Board, at the discretion of our Board. To date, the we have not paid any cash compensation to our directors for service on the Board.

The following table presents the total compensation for each person who served as a member of our Board of Directors (other than Mehran Ehsan, our Chief Executive Officer, whose compensation is summarized below under “Summary Compensation Table”) and received compensation for such service on the Board during the fiscal year ended September 30, 2022.

Name	Fees earned or paid in cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified deferred compensation earnings ($)	All Other Compensation ($)	Total ($)
Scott Kelly (1)	—	—	96,154	—	—	—	96,154
Douglas Charles Urch	—	—	105,770	—	—	—	105,770
James Perry Bryan	—	—	—	—	—	—	—
John James Lendrum	—	—	—	—	—	—	—
Edward Odishaw (2)	—	—	—	—	—	—	—
Gregory Montgomery (3)	—	—	28,846	—	—	—	28,846
Barry Whelan (4)	—	—	96,154	—	—	—	96,154

(1) Scott Kelly served as Chief Financial Officer and Corporate Secretary of the Company until May 2022. In connection with his service as our Chief Financial Officer, Mr. Kelly received cash compensation of $9,360 during the fiscal year ended September 30, 2022. Mr. Kelly resigned from the Board on September 12, 2023.

(2) Edward Odishaw served as a director of the Company until May 2, 2022.

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(3) Gregory Montgomery was appointed as our Chief Financial Officer on May 1, 2022. Pursuant to his employment agreement with the Company, Mr. Montgomery will receive an annual base salary of $50,000 and be eligible to receive an annual cash bonus of up to 100% of this annual salary. Mr. Montgomery received cash compensation of $20,833 during the fiscal year ended September 30, 2022 in connection with his service as our Chief Financial Officer. On April 24, 2023, Mr. Montgomery resigned as a director of the Company.

(4) Barry Whelan also serves as our Chief Operating Officer.

EXECUTIVE COMPENSATION

For the purposes hereof, a named executive officer ("NEO") of the Company means the Company's Chief Executive Officer, Mehran Ehsan, as no other executive officer of the Company received total compensation in 2023 in excess of $100,000, and thus disclosure is not required for any other person.

Summary Compensation Table

The following table sets forth, for the years ended September 30, 2023 and 2022, all compensation paid or accrued by the Company, to or on behalf of the NEO:

Name and Principal Position	Fiscal Years Ended 09/30	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Mehran Ehsan	2023	250,000	—	—	—	—	—	—	250,000
President, CEO and Director	2022	220,834	—	—	144,231	—	—	—	365,065

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding option and restricted stock unit awards held by our that were outstanding as of September 30, 2023.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) (Exercisable)	Number of Securities Underlying Unexercised Options (#) (Unexercisable)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (#)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)
Mehran Ehsan	2,813(1)	—	—	$ 90	12/4/2027	—	—	—	—

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President, CEO and Director	3,125(2)	—	—	$ 43.20	10/6/2031	—	—	—	—

(1) Stock options granted to Mehran Ehsan in December 2017 vested immediately upon grant.

(2) Stock options granted to Mehran Ehsan in October 2021 vested immediately upon grant.

Stock Option Plans and Other Incentive Plan

Other than the Option Plan set forth below, the Company currently does not have any other stock option plan, stock option agreement made outside of a stock option plan, plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

The Company's current stock option plan (the "Option Plan") was approved by the Board on November 27, 2017 and by the Company's shareholders on April 23, 2023. The purpose of the Option Plan is to ensure that the Company is to able to provide an incentive program for directors, officers, employees and persons providing services to the Company (each, an "Optionee") that provides enough flexibility in the structuring of incentive benefits to allow the Company to remain competitive in the recruitment and maintenance of key personnel.

The Option Plan will be administered by the Board or the compensation committee of the Company, as applicable, which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Option Plan, to interpret the Option Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Option Plan, subject to any necessary shareholder or regulatory approval. The Board may delegate any or all of its authority with respect to the administration of the Option Plan. The Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Common Shares to be subject to each option.

Under the Option Plan, options will be exercisable over periods of up to ten years as determined by the Board. The exercise price of any option may not be less than the greater of the closing market price of the Common Shares on: (i) the trading day prior to the date of grant of the option; and (ii) the grant date of the option, less any applicable discount allowed by the Canadian Securities Exchange (the "CSE") or any other stock exchange on which the Common Shares are listed for trading.

The maximum number of Common Shares which may be issued pursuant to options granted under the Option Plan is 10% of the issued and outstanding Common Shares at the time of the grant, provided that the Common Shares are listed on the CSE or any other stock exchange at the time of grant. In addition, the number of Common Shares which may be issuable under the Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- to any one Optionee may not exceed (without the requisite disinterested shareholder approval) 5% of the issued Common Shares on a non-diluted basis;
- to insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares, on a non-diluted basis, at the time of the grant; and
- to all Optionees who undertake investor relation activities shall not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares at the time of the grant, on a non-diluted basis.

The Option Plan permits the Board to specify a vesting schedule in its discretion, subject to minimum vesting requirements imposed by the applicable stock exchange. Unless otherwise specified by the Board at the time of granting an option, and subject to the other limits on option grants set out in the Option Plan, all options granted under the Option Plan shall vest and become exercisable in full upon grant, except Options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one-quarter of the options vesting in any three month period.

The Option Plan provides that if a change of control (as defined in the Option Plan) occurs, or if the Company is subject to a take-over bid, all Common Shares subject to options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board may also accelerate the expiry date of outstanding options in connection with a take-over bid.

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The Option Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

The Option Plan provides that on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an Optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an Optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such Optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the Optionee was engaged in investor relations activities) after the Optionee ceases its office, employment or engagement with the Company.

The Option Plan contains a provision that if pursuant to the operation of an adjustment provision of the Option Plan, an Optionee receives options (the "New Options") to purchase securities of another company (the "New Company") in respect of the Optionee's options under the Option Plan (the "Subject Options"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the Optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Option Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "Termination Provisions"); (iii) if the Optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is one year after the Optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 – *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding options are not prejudiced by the imposition of such black-out periods, the Option Plan contains a provision to the effect that any outstanding options with an expiry date occurring during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

The options granted under the Option Plan are non-assignable and non-transferable. Subject to required shareholder approval and the approval of the CSE, or any other stock exchange on which the Common Shares are listed, if applicable, the Board may from time to time amend or revise the terms of the Option Plan or may terminate the Option Plan at any time.

The Company does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Option Plan. As at October 16, 2023 there were options outstanding under the Option Plan to acquire 20,313 Common Shares, representing approximately 4% of the Company's current issued and outstanding shares.

A copy of the Option Plan may be inspected at the head office of the Company, 2911 Turtle Creek Blvd, Suite 925, Dallas, Texas 75219, during normal business hours. In addition, a copy of the Option Plan will be mailed, free of charge, to any shareholder who requests a copy, in writing, from the Chief Financial Officer of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Chief Financial Officer.

Employment, Consulting and Management Agreements

Other than the executive employment agreement between the Company and Mehran Ehsan, the material terms of which are set forth below, the Company does not have any compensation agreements or arrangements that the Company or any of its subsidiaries have entered into with respect to services provided by a NEO, a director or any other party in the event such services provided are typically provided by a director or NEO (collectively, "Compensation Arrangements").

The Compensation Arrangements for Mehran Ehsan were initially set forth in the amended employment agreement dated September 1, 2021, as subsequently amended on May 1, 2022, between the Company and Mr. Ehsan (the "CEO Employment Agreement"). Pursuant to the CEO Employment Agreement, the Company employs Mr. Ehsan to serve as CEO of the Company and to perform such duties

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and have such authority as may from time to time be assigned by the Board. As compensation for the performance of such duties, the Company paid Mr. Ehsan a base salary of $200,000 per year (which increased to $250,000 as of May 1, 2022), which shall be reviewed by the Company annually. Mr. Ehsan is also eligible for cash bonuses and grants of Options under the Option Plan, in the sole discretion of the Board, as well as group health, medical and disability insurance benefits and any other fringe benefit programs that the Company maintains from time to time for the benefit of its employees.

The Company may immediately terminate Mr. Ehsan's employment at any time for cause, by written notice. The Company may terminate the Mr. Ehsan's employment at any time without cause by providing him with notice in writing and compensation in lieu of notice as follows:

- payment of all outstanding and accrued base salary and vacation pay, earned and owing up to the last day of the active employment, and reimbursement for all proper expenses incurred by him in connection with the Company's business prior to the last day of active employment;
- payment of an amount equal to 36 months base salary;
- payment of an amount in lieu of his performance bonus equal to 20% of base salary; and
- continuation of his benefit coverage for a period of six months, or alternatively, if it is unable to continue Mr. Ehsan's participation in one or more of the Company's benefit plans, the Company shall pay him an amount equal to the premium cost or contributions the Company would otherwise have made in respect of his participation in the relevant plan(s) for six months.

Mr. Ehsan is required to give the Company not less than two weeks' notice in the event of his resignation. Upon receipt of his notice of resignation, or at any time thereafter, the Company has the right to elect to pay, in lieu of such notice period, Mr. Ehsan's salary for the remainder of the notice period and a reasonable amount in lieu of the his benefits for that period. If the Company elects for payment in lieu of notice, the Mr. Ehsan's employment shall terminate immediately upon such payment.

If the Company determines that Mr. Ehsan has suffered a Disability (as defined below) that cannot be accommodated, the Company may terminate his employment by notice. In such case, Mr. Ehsan is entitled to receive, in lieu of all amounts otherwise payable under the CEO Employment Agreement (except for amounts earned but not yet paid to Mr. Ehsan through the date of such Disability), compensation at Mr. Ehsan's base salary rate for a period of six months following the date of Disability or such greater amount as is required by applicable law. In the CEO Employment Agreement, "Disability" means a physical or mental incapacity of Mr. Ehsan that has prevented him from performing the duties customarily assigned to him for 180 days, whether or not consecutive, out of any 12 consecutive months and that in the opinion of the Company, acting on the basis of advice from a duly qualified medical practitioner, is likely to continue to a similar degree.

In the event of death, Mr. Ehsan's employment shall be deemed to have terminated on the date thereof and the Company shall pay his estate the amounts specified above in respect of termination without cause.

Other than pursuant to the CEO Employment Agreement, the Company has not granted any termination or change of control benefits with respect to any Compensation Arrangement and there are no compensatory plans or arrangements with respect to any NEO or director resulting from the resignation, retirement or any other termination of any NEO or director or from a change of any NEO's or director's responsibilities following a change of control. In case of termination of NEOs, other than the CEO, common law and statutory law applies.

The table below sets forth information with respect to each NEO currently employed by the Company in order to assist the reader in determining the potential payment to each such NEO in the event of the termination of such NEO's employment by the Company other than for cause or in the event of a change of control. The estimated payments have been calculated on the basis of employment agreements as they exist at the date of this prospectus and assuming that they were in effect on September 30, 2022.

Name	**Estimated Payment Assuming Termination Without Cause on September 30,**	**Estimated Payment Assuming a Change of Control on September 30, 2023 ($)**

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	2023 ($)	
Mehran Ehsan	$ 900,000	—

The estimated payments assuming a change of control on September 30, 2023 are based on the assumption that the NEOs are terminated without cause or elect to terminate the agreements.

Oversight and Description of Director and Name Executive Officer Compensation

Elements of Compensation

Compensation to be awarded or paid to the Company's directors and/or executive officers, including NEOs consist primarily of management fees, stock options and bonuses. Payments may be made from time to time to executive officers, including NEOs, or companies they control for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature done by reputable arm's length services providers.

The Board will from time to time determine the stock option grants to be made pursuant to the Option Plan. It is also anticipated that the Board may award bonuses, in its sole discretion, to executive officers (including NEOs) from time to time.

The most significant components of the Company's executive compensation plan are base salary and an annual incentive bonus. These components are based upon:

- achievement of specific corporate or segment performance targets;
- a performance evaluation process, taking into consideration comparative levels of compensation with comparable entities in the Company's industry;
- alignment of the compensation level of each individual to that individual's level of responsibility;
- the individual's performance, competencies, skills and achievements;
- alignment with corporate strategy; and
- contributions to corporate or segment performance.

Base Salary

The base salary review of any NEO will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not expected to be evaluated against a formal "peer group". The base salaries for NEOs during the fiscal year ended September 30, 2023 were set at the following:

- Mehran Ehsan (CEO) –$150,000/year commencing in 2017, subject to adjustment. During the year ended September 30, 2021, Mr. Ehsan received $149,806. Mr. Mehran's annual salary was increased to $200,000 October 1, 2021 and further increased to $250,000 effective as of May 1, 2022. During the year ended September 30, 2023, Mr. Ehsan received $250,000.

Performance-Based Cash Bonuses

Cash bonuses are not a normal part of the Company's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated companies or any other factors the Company may consider appropriate at the time such performance-based bonuses are decided upon.

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Stock Options

The Company currently has the Option Plan in place for the purposes of attracting and motivating directors, officers, employees, and consultants of the Company and advancing the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan. Any grant of options under the Option Plan is within the discretion of the Board, subject to the condition that the maximum number of Common Shares which may be reserved for issuance under the Option Plan may not exceed 10% of the Company's issued and outstanding Common Shares.

Options are also an important component of aligning the objectives of the Company's employees with those of shareholders. The Company expects to provide significant option positions to senior employees and lesser amounts to lower-level employees.

Notwithstanding the above, the Company is still in the development stage and has an informal compensation program and strategy. The management team is committed to developing the operations of the Company and will establish a formal compensation program for directors and executive officers once it begins generating revenues sufficient to sustain operations. The Board is responsible for determining, by way of discussions at Board meetings, the ultimate compensation to be paid to the executive officers of the Company. The Company does not have a formal compensation program with set benchmarks; however, the performance of each executive will be considered along with the Company's ability to pay compensation and its results of operation for the period.

The Company relies solely on its Board to determine the executive compensation that is to be paid to NEOs and directors without any formal objectives, criteria, or analysis.

Pension Disclosure

The Company does not currently provide any pension plan benefits for executive officers, directors, or employees.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our capital stock outstanding as of October 16, 2023 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our Common Shares;
- each of our directors;
- each of our named executive officers; and
- all of our directors and named executive officers as a group.

The percentage ownership information prior to the offering is based on 551,504 Common Shares outstanding as of October 16, 2023 and percentage ownership information after the offering is based on 2,451,500 Common Shares outstanding after the offering assuming no sale of any Pre-Funded Units, no exercise of the underwriters option to purchase additional securities and no exercise of the Warrants. The number of shares owned are those beneficially owned, as determined under the rules of the SEC. Under these rules, beneficial ownership includes any Common Shares as to which a person has sole or shared voting power or investment power and any Common Shares that the person has the right to acquire within 60 days of October 16, 2023 through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement. These shares are deemed to be outstanding and beneficially owned by the person holding such option, warrants or other derivative securities for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all Common Shares shown as beneficially owned by them, subject to applicable community property laws.

Except as otherwise noted below, the address for each person or entity listed in the table is c/o Permex Petroleum Corporation, 2911 Turtle Creek Blvd., Suite 925, Dallas, Texas 75219.

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Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Common Shares Beneficially Owned	
	Prior to Offering	Before Offering	After Offering
Directors and Named Executive Officers:			
Mehran Ehsan	25,030(1)	4.49%	1.02%
Barry Whelan	6,731(2)	1.21%	*
Douglas Charles Urch	4,542(3)	*	*
James Perry Bryan	73,437(4)	12.75%	2.97%
John James Lendrum	82,813(5)	14.30%	3.34%
Melissa Folz	—	—	—
All Officers and Directors as a Group (7 persons)	194,428	32.46%	8.01%
5% or Greater Shareholders:			
Empery Asset Master, LTD (6)	46,298(7)	8.39%	1.89%
Ramnarain Jaigobind (8)	52,083(9)	9.44%	3.33%(10)
Petro Americas Resources, LLC (11)	29,167	5.29%	1.19%
Pratt Oil and Gas, LLC (12)	48,958	8.88%	2.00%

* less than 1%.

(1) Represents (i) 8,571 Common Shares owned by Mehran Ehsan, (ii) 10,417 Common Shares owned by N.A. Energy Resources Corporation, (iii) 104 Common Shares owned by Mehran Ehsan's spouse and (iv) 5,938 Common Shares issuable upon exercise of options owned by Mehran Ehsan. Mehran Ehsan is the President and Chief Executive Officer of N.A. Energy Resources Corporation and in such capacity has the right to vote and dispose of the securities held by such entity.

(2) Represents (i) 3,242 Common Shares owned by Barry Whelan, (ii) 156 Common Shares owned by Barry Whelan's spouse and (iii) 3,333 Common Shares issuable upon exercise of options owned by Barry Whelan.

(3) Represents (i) 1,000 Common Shares and (ii) 3,542 Common Shares issuable upon exercise of options.

(4) Represents (i) 48,958 Common Shares owned by Pratt Oil and Gas, LLC and (ii) 24,479 Common Shares issuable upon exercise of warrants owned by Pratt Oil and Gas, LLC. James Bryan has the right to vote and dispose of the securities held by Pratt Oil and Gas, LLC.

(5) Represents (i) 29,167 Common Shares owned by Petro Americas Resources, LLC, (ii) 26,042 Common Shares owned by Rockport Permian, LLC, (iii) 13,021 Common Shares issuable upon exercise of warrants owned by Rockport Permian, LLC and (iv) 14,583 Common Shares issuable upon exercise of warrants owned by Petro Americas Resources, LLC. John Lendrum has the right to vote and dispose of the securities held by each of Petro Americas Resources, LLC and Rockport Permian, LLC.

(6) Empery Asset Management LP, the authorized agent of Empery Asset Master Ltd ("EAM"), has discretionary authority to vote and dispose of the shares held by EAM and may be deemed to be the beneficial owner of these shares. Martin Hoe and Ryan Lane, in their capacity as investment managers of Empery Asset Management LP, may also be deemed to have investment discretion and voting power over the shares held by EAM. EAM, Mr. Hoe and Mr. Lane each disclaim any beneficial ownership of these shares. The address of Empery Asset Master Ltd is c/o Empery Asset Management, LP, One Rockefeller Plaza, Suite 1205, New York, NY 10020.

(7) Represents 46,298 Common Shares. EAM disclaims beneficial ownership of 52,083 Common Shares issuable upon exercise of warrants, which are not included in the table above. At such time that our Common Shares became registered pursuant to the Exchange Act, under the terms of the warrants, the holder thereof may not exercise the warrants to the extent such exercise would cause such holder, together with its affiliates and attribution parties, to beneficially own a number of Common Shares which would exceed 4.99% (or, at the election of the holder, 9.99%) of our then outstanding Common Shares following such exercise.

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(8) Ramnarain Jaigobind is a principal of ThinkEquity LLC. ThinkEquity LLC acted as the Company's placement agent for its March 2022 private placement offering, as financial advisor for the June 2023 warrant exercise program and is the representative for the several underwriters of this offering.

(9) Represents 52,083 Common Shares. Mr. Jaigobind disclaims beneficial ownership of warrants to purchase up to 30,451 Common Shares as the holder of the warrants may not exercise the warrants to the extent such exercise would cause such holder, together with its affiliates and attribution parties, to beneficially own a number of Common Shares which would exceed 4.99% (or, at the election of the holder, 9.99%) of our then outstanding Common Shares following such exercise.

(10) Represents (i) 52,083 Common Shares and (ii) 30,451 Common Shares issuable upon exercise of warrants.

(11) John Lendrum has the right to vote and dispose of the securities held by Petro Americas Resources, LLC.

(12) James Bryan has the right to vote and dispose of the securities held by Pratt Oil and Gas, LLC.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions during the Company's last two fiscal years to which we have been a party, including transactions in which the amount involved in the transaction exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements which are described elsewhere in this prospectus. We are not otherwise a party to a current related party transaction and no transaction is currently proposed, in which the amount of the transaction exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years and in which a related person had or will have a direct or indirect material interest.

Transactions with Related Parties

In October 2019, the Company issued $76,000 (CAD$100,000) in convertible debenture to a director of the Company for cash. The debenture loan was secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bore interest at a rate of 12% per annum and had a maturity date of September 30, 2021. During the year ended September 30, 2021, the Company repaid the principal loan amount of CAD$100,000 together with accrued interest of $13,090. During the year ended September 30, 2021, the Company recorded interest of $4,026.

In February 2020, the Company issued $76,000 (CAD $100,000) in convertible debenture to the CEO of the Company for cash. The debenture loan waws secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, accrued interest at a rate of 12% per annum and had an original maturity date of February 20, 2022. The debenture was convertible at the holder's option into units of the Company at $6.57 (CAD$9.00) per unit. Each unit would be comprised of one common share of the Company and one share purchase warrant, and each warrant entitled the holder to acquire one additional common share for a period of three years at an exercise price of $8.76 (CAD $12.00). During the year ended September 30, 2021, the Company extended the maturity date to December 20, 2022. As of September 30, 2022, $73,000 (CAD$100,000) of such convertible debenture was outstanding. During the years ended September 30, 2022 and September 30, 2021, the Company recorded interest of $9,360 and $9,480, respectively. During the year ended September 30, 2022, the Company repaid $34,709 of the loan (CAD$47,546). During the three months ended December 31, 2022, the Company repaid the remaining principal loan amount of $38,291 (CAD$52,454). During the three months ended December 31, 2022 the Company recorded interest of $1,182.

The Company has an employment with the CEO of the Company for an annual base salary of $250,000, with no specified term. The CEO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to three years of base salary and a bonus equal to 20% of the annual base salary. During the years ended September 30, 2022 and September 30, 2021, the Company incurred management fees of $220,834 and $149,806, respectively, to the CEO of the Company. The Company considers this a related party transaction, as it relates to key management personnel and entities over which it has control or significant influence.

On May 1, 2022, the Company entered into an employment with the CFO of the Company for an annual base salary of $50,000, with no specified term. The CFO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to two months of base salary. During the years ended September 30, 2022, the Company incurred salaries of $20,835 to the CFO of the Company. The Company considers this a related party transaction, as it relates to key management personnel and entities over which it has control or significant influence.

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DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes certain provisions of our Articles. The summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of our Articles, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part. Prospective investors are urged to read the exhibits to the registration statement of which this prospectus forms a part for a complete understanding of our Articles.

Common Units

Each Common Unit being offered in this offering consists of one Common Share and one Warrant, each Warrant exercisable for one Common Share. The Common Shares and Warrants that are part of the Common Units are immediately separable and will be issued separately in this offering, although they will have been purchased together in this offering.

Pre-funded Units

Each Pre-funded Unit being offered in this offering consists of one Pre-funded Warrant and one Warrant, each Pre-funded Warrant and Warrant is exercisable for one Common Share. The Pre-funded Warrants and Warrants that are part of the Pre-funded Units are immediately separable and will be issued separately in this offering, although they will have been purchased together in this offering.

Authorized/Issued Capital

Our authorized share capital consists of an unlimited number of Common Shares without par value. As of October 16, 2023, 551,504 Common Shares were issued and outstanding.

Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of the Company's Common Shares are entitled to dividends, if any, as and when declared by the Board and to one vote per Common Share at meetings of shareholders. In addition, upon liquidation, dissolution or winding-up of the Company, holders of Common Shares may share, on a pro rata basis, the remaining assets of the Company as are distributable to holders of Common Shares of the Company. The Company may, subject to certain exceptions, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the Board of Directors. The Company's Common Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Options

Our Option Plan provides for us to issue Common Shares or to grant incentive stock options to employees, officers, members of the Board and consultants. As of October 16, 2023, there were options to purchase up to 20,313 Common Shares outstanding at a weighted average exercise price of $54.96 per share.

Warrants

As of October 16, 2023, there were warrants to purchase up to 279,745 Common Shares of our stock outstanding at a weighted average exercise price of $39.90 per share.

Warrants to be Issued in this Offering

The following is a brief summary of certain terms and conditions of the Warrants to be issued in this offering and are subject in all respects to the provisions contained in the Warrants.

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Form. The Warrants will be issued in electronic book-entry form to the investors. You should review a copy of the form of warrant, which is filed as an exhibit to the registration statement of which this Prospectus forms a part, for a complete description of the terms and conditions applicable to the Warrants.

Exercisability. The Warrants are exercisable at any time after their original issuance, and at any time up to the date that is five years after their original issuance. The Warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the Common Shares underlying the Warrants under the Securities Act is effective and available for the issuance of such shares, by payment in full in immediately available funds for the number of Common Shares purchased upon such exercise. If a registration statement registering the issuance of the Common Shares underlying the Warrants under the Securities Act is not effective or available, the holder may, in its sole discretion, elect to exercise the Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of Common Shares determined according to the formula set forth in the Warrant. No fractional Common Shares will be issued in connection with the exercise of a Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price or round up to the next whole share.

Exercise Limitation. A holder will not have the right to exercise any portion of the Warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, at the election of the holder prior to issuance, 9.99%) of the number of Common Shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99% upon at least 61 days' prior notice from the holder to us.

Exercise Price. The exercise price per whole Common Share purchasable upon exercise of the Warrants is expected to be $ per Common Share. The exercise price is also subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our Common Shares and also upon any distributions of assets, including cash, stock or other property to our shareholders.

Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Common Shares to the holder upon exercise of the Warrants, in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of Common Shares determined according to a formula set forth in the Warrants.

Transferability. Subject to applicable laws, the Warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We have applied for the listing of the Warrants offered in this offering on The Nasdaq Capital Market under the symbol "OILSW". No assurance can be given that such listing will be approved or that a trading market will develop. It is a condition precedent to the underwriter's obligation to purchase the securities being offered in our offering that Nasdaq approve the listing of our Common Shares and Warrants. Accordingly, if Nasdaq does not approve the listing of our Common Shares and Warrants, we will not and cannot proceed with this offering.

Fundamental Transactions. In the event of a fundamental transaction, as described in the Warrants and generally including any reorganization, recapitalization or reclassification of our Common Shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding Common Shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding Common Shares, the holders of the Warrants will be entitled to receive upon exercise of the Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Warrants immediately prior to such fundamental transaction.

Rights as a Stockholder. Except as otherwise provided in the Warrants or by virtue of such holder's ownership of shares of our Common Shares, the holder of a Warrant does not have the rights or privileges of a holder of our Common Shares, including any voting rights, until the holder exercises the Warrant.

Pre-funded Warrants

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The following summary of certain terms and provisions of the Pre-funded Warrants that are being offered hereby in lieu of a Common Share is not complete and is subject to, and qualified in its entirety by, the provisions of the Pre-funded Warrant, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. Prospective investors should carefully review the terms and provisions of the form of Pre-funded Warrant for a complete description of the terms and conditions of the Pre-funded Warrants.

Duration and Exercise Price. Each Pre-funded Warrant offered hereby will have an initial exercise price per share equal to $0.01. The Pre-funded Warrants will be immediately exercisable and may be exercised at any time until the Pre-funded Warrants are exercised in full or they expire. The exercise price and number of Common Shares issuable upon exercise is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting our Common Shares and the exercise price.

Exercisability. The Pre-funded Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to us a duly executed exercise notice accompanied by payment in full for the number of Common Shares purchased upon such exercise (except in the case of a cashless exercise as discussed below). There is no expiration date for the Pre-funded Warrants. A holder (together with its affiliates) may not exercise any portion of the Pre-funded Warrant to the extent that the holder would own more than 4.99% (or at the election of the holder prior to the issuance of any Pre-funded Warrants, 9.99%) of the outstanding Common Shares immediately after exercise. Any holder may increase such percentage to any percentage not in excess of 9.99% upon at least 61 days' prior notice to us. No fractional Common Shares will be issued in connection with the exercise of a Pre-funded Warrant. In lieu of fractional Common Shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price of such Pre-funded Warrant or round up to the next whole share.

Cashless Exercise. In lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of Common Shares determined according to a formula set forth in the Pre-funded Warrants.

Fundamental Transaction. In the event of a fundamental transaction, as described in the Pre-funded Warrants and generally including any reorganization, recapitalization or reclassification of our Common Shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding Common Shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding Common Shares, the holders of the Pre-funded Warrants will be entitled to receive upon exercise of the Pre-funded Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Pre-funded Warrants immediately prior to such fundamental transaction.

Transferability. Subject to applicable laws, a Pre-funded Warrant may be transferred at the option of the holder upon surrender of the Pre-funded Warrant to us together with the appropriate instruments of transfer.

Exchange Listing. We do not intend to list the Pre-funded Warrants on any securities exchange or nationally recognized trading system.

Rights as a Shareholder. Except as otherwise provided in the Pre-funded Warrants or by virtue of such holder's ownership of Common Shares, the holders of the Pre-funded Warrants do not have the rights or privileges of holders of our Common Shares, including any voting rights, until they exercise their Pre-funded Warrants.

Transfer Agent and Registrar

Our transfer agent and registrar is TSX Trust Company whose address is 650 West Georgia Street, Suite 2700, Vancouver, British Columbia, Canada, V6B 4N9. TSX Trust Company maintains our registered list of shareholders.

Listing

Our Common Shares, no par value, are listed on the Canadian Securities Exchange and the Frankfurt Stock Exchange under the symbols "OIL" and "75P", respectively, and quoted on the OTCQB tier of the OTC Markets Group, Inc. under the symbol "OILCF."

We have applied to list our Common Shares and Warrants on The Nasdaq Capital Market under the symbol "OILS" and "OILSW," respectively; however, no assurance can be given that our Common Shares and Warrants will be approved for listing on The Nasdaq Capital Market.

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Shareholder Meetings

We must hold a general meeting of our shareholders at least once in each calendar year and not more than 15 months after the preceding annual general meeting at such time and place as may be determined by the directors. If all shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on that date of the unanimous resolution. The location for a meeting of shareholders shall be determined by the directors and may be within or outside of the Province of British Columbia, Canada.

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in the Company's Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless the Articles of the Company otherwise provide, at least 21 days before the meeting if and for so long as the Company is a public company.

Limitations on Liability and Indemnification of Directors and Officers

Subject to the BCBCA, the Company must indemnify a director, former director or alternate director of the Company against all judgment, penalty or find award or imposed in, or an amount paid in settlement of, an eligible proceeding. An eligible proceeding means: a legal proceeding or investigative action, whether current, threatened, pending or contemplated, in which a director, former director or alternate director of the Company or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company.

The failure of a director, alternate director or officer of the Company to comply with the BCBCA or the Articles of the Company, or if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled pursuant to the Articles of the Company.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Resignation of Independent Registered Public Accounting Firm

On October 31, 2022, Davidson & Company LLP ("Davidson") resigned as the Company's independent registered public accounting firm effective October 31, 2022.

Davidson audited the Company's consolidated financial statements as of and for the fiscal years ended September 30, 2021 and 2020. The report of Davidson on the financial statements of the Company for the fiscal years ended September 30, 2021 and 2020, did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's fiscal years ended September 30, 2021 and 2020, and through the interim period ended October 31, 2022, there were no disagreements between the Company and Davidson on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Davidson, would have caused Davidson to make reference to the subject matter of the disagreements in connection with its audit reports on the Company's financial statements. During the Company's two most recent fiscal years ended September 30, 2021 and 2020, and the interim period ended October 31, 2022, Davidson did not advise the Company of any reportable events specified in Item 304(a)(1)(v) of Regulation S-K with respect to the Company.

The Company provided Davidson with a copy of the Company's current report on Form 8-K in accordance with Item 304(a) of Regulation S-K prior to the filing of such report with the Securities and Exchange Commission and requested that Davidson furnish the Company with a letter addressed to the Securities and Exchange Commission stating whether it agrees with the above statements and, if it does not agree, the respects in which it does not agree. A copy of the letter from Davidson is included as Exhibit 16.1 to the registration statement of which this prospectus forms a part.

Engagement of Independent Registered Public Accounting Firm

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On October 31, 2022, through and with the approval of its Audit Committee, the Company appointed Marcum LLP ("Marcum") as its independent registered public accounting firm. During the Company's two most recently completed fiscal years and through the date of engagement of Marcum, neither the Company nor anyone on behalf of the Company consulted with Marcum regarding (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements as to which the Company received a written report or oral advice that was an important factor in reaching a decision on any accounting, auditing or financial reporting issue; or (b) any matter that was the subject of a disagreement or a reportable event as defined in Items 304(a)(1)(iv) and (v) of Regulation S-K.

TAX CONSIDERATIONS

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership and disposition of Common Units or Pre-funded Units acquired pursuant to this offering, the acquisition, ownership, and disposition of Common Shares acquired as part of the Common Units, the acquisition, ownership, and disposition of Pre-funded Warrants acquired as part of the Pre-funded Units, the exercise, disposition, and lapse of Warrants acquired as part of the Common Units or Pre-funded Units, the acquisition, ownership, and disposition of Common Shares received upon exercise of the Pre-funded Warrants, and the acquisition, ownership, and disposition of Common Shares received upon exercise of the Warrants (the "Warrant Shares").

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the acquisition of Common Units or Pre-funded Units pursuant to this offering. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular U.S. Holder. This summary does not address the U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants and Warrant Shares. This summary also does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis. In addition, except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, and Warrant Shares.

No ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax considerations applicable to U.S. Holders as discussed in this summary. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of this Summary

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations (whether final, temporary, or proposed) promulgated under the Code, published rulings of the IRS, published administrative positions of the IRS and U.S. court decisions, that are in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied retroactively. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holder

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For purposes of this summary, the term "U.S. Holder" means a beneficial owner of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants or Warrant Shares acquired pursuant to this offering that is for U.S. federal income tax purposes:

- a citizen or individual resident of the Common United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the Common United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the Common United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Transactions Not Addressed

This summary does not address the tax consequences of transactions effected prior or subsequent to, or concurrently with, any purchase of Common Units or Pre-funded Units pursuant to this Prospectus (whether or not any such transactions are undertaken in connection with the purchase of Common Units or Pre-funded Units pursuant to this Prospectus).

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are brokers or dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants or Warrant Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other integrated transaction; (f) acquired Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants or Warrant Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants or Warrant Shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) are partnerships and other pass-through entities (and investors in such partnerships and entities); (i) are S corporations (and shareholders thereof); (j) are subject to special tax accounting rules; (k) own, have owned or will own (directly, indirectly, or by attribution) 10% or more of the total combined voting power or value of our outstanding shares; (l) are U.S. expatriates or former long-term residents of the U.S.; (m) are subject to taxing jurisdictions other than, or in addition to, the Common United States; or (n) are subject to the alternative minimum tax. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants or Warrant Shares.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants or Warrant Shares, the U.S. federal income tax consequences to such entity or arrangement and the owners of such entity or arrangement generally will depend on the activities of such entity or arrangement and the status of such owners. This summary does not address the tax consequences to any such entity or arrangement or owner. Owners of entities or arrangements that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisor regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants and Warrant Shares.

U.S. Federal Income Tax Consequences of the Acquisition of Common Units or Pre-funded Units

For U.S. federal income tax purposes, the acquisition by a U.S. Holder of a Common Unit will be treated as the acquisition of one Common Share and one Warrant. The purchase price for each Common Unit will be allocated between these two components in proportion to their relative fair market values at the time the Common Unit is purchased by the U.S. Holder. This allocation of the purchase price for each Common Unit will establish a U.S. Holder's initial tax basis for U.S. federal income tax purposes in the Common Share and one Warrant that comprise each Common Unit.

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For this purpose, we will allocate $ of the purchase price for the Common Unit to the Common Share and $ of the purchase price for each Common Unit to the Warrant. However, the IRS will not be bound by such allocation of the purchase price for the Common Units, and therefore, the IRS or a U.S. court may not respect the allocation set forth above. Each U.S. Holder should consult its own tax advisor regarding the allocation of the purchase price for the Common Units.

For U.S. federal income tax purposes, the acquisition by a U.S. Holder of a Pre-funded Unit will be treated as the acquisition of one Pre-funded Warrant and one Warrant. The purchase price for each Pre-funded Unit will be allocated between these two components in proportion to their relative fair market values at the time the Pre-funded Unit is purchased by the U.S. Holder. This allocation of the purchase price for each Pre-funded Unit will establish a U.S. Holder's initial tax basis for U.S. federal income tax purposes in the Pre-funded Warrant and one Warrant that comprise each Pre-funded Unit.

For this purpose, we will allocate $ of the purchase price for the Pre-funded Unit to the Pre-funded Warrant and $ of the purchase price for each Pre-funded Unit to the Warrant. However, the IRS will not be bound by such allocation of the purchase price for the Pre-funded Units, and therefore, the IRS or a U.S. court may not respect the allocation set forth above. Each U.S. Holder should consult its own tax advisor regarding the allocation of the purchase price for the Pre-funded Units.

Treatment of Pre-funded Warrants

Although it is not entirely free from doubt, we believe that a Pre-funded Warrant should be treated as a separate class of our Common Shares for U.S. federal income tax purposes and a U.S. Holder of Pre-funded Warrants should generally be taxed in the same manner as a holder of Common Shares except as described below. Accordingly, no gain or loss should be recognized upon the exercise of a Pre-funded Warrant and, upon exercise, the holding period of a Pre-funded Warrant should carry over to the Common Shares received. Similarly, the tax basis of the Pre-funded Warrant should carry over to the Common Shares received upon exercise, increased by the exercise price of $0.01 per share. However, such characterization is not binding on the IRS, and the IRS may treat the Pre-funded Warrants as warrants to acquire Common Shares. If so, the amount and character of a U.S. Holder's gain with respect to an investment in Pre-funded Warrants could change, and a U.S. Holder may not be entitled to make the "QEF Election" or "Mark-to-Market Election" described below with respect to the Pre-funded Warrants to mitigate PFIC consequences in the event that the Company is classified as a PFIC. Accordingly, each U.S. Holder should consult its own tax advisor regarding the risks associated with the acquisition of a Pre-funded Warrant pursuant to this offering (including potential alternative characterizations). The balance of this discussion generally assumes that the characterization described above is respected for U.S. federal income tax purposes.

Passive Foreign Investment Company Rules

If the Company were to constitute a "passive foreign investment company" within the meaning of Section 1297 of the Code (a "PFIC") for any year during a U.S. Holder's holding period, then certain potentially adverse rules would affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, and Warrant Shares. Based on current business plans and financial expectations, the Company expects that it should not be a PFIC for its current tax year and expects that it should not be a PFIC for the foreseeable future. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question, and is determined annually. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurance that the Company has never been, is not, and will not become a PFIC for any tax year during which U.S. Holders hold Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares.

In addition, U.S. Holders of PFICs are required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require, which filing obligation would generally commence in the first tax year in which the Company is classified as a PFIC and in which such U.S. Holder holds Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621 annually.

In general, the Company will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company for such tax year is passive income (the "income test") or (b) 50% or more of the value of the Company's assets either produce passive income or are held for the production of passive income (the "asset test"), based on the quarterly average of the fair market value of such assets. "Gross income"

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generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. In addition, for purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will be deemed to own their proportionate share of any subsidiary of the Company which is also a PFIC (a ''Subsidiary PFIC''), and will be subject to U.S. federal income tax on (i) a distribution on the shares of a Subsidiary PFIC or (ii) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

If the Company were a PFIC in any tax year and a U.S. Holder held Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares, such holder generally would be subject to special rules under Section 1291 of the Code with respect to "excess distributions" made by the Company on the Common Shares, Pre-Funded Warrants, Warrants or Warrant Shares and with respect to gain from the disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares. An "excess distribution" generally is defined as the excess of distributions with respect to the Common Shares, Pre-Funded Warrants, Warrants or Warrant Shares received by a U.S. Holder in any tax year over 125% of the average annual distributions such U.S. Holder has received from the Company during the shorter of the three preceding tax years, or such U.S. Holder's holding period for the Common Shares, Pre-Funded Warrants, Warrants or Warrant Shares, as applicable. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares ratably over its holding period for the Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares, as applicable. Such amounts allocated to the year of the disposition or excess distribution would be taxed as ordinary income, and amounts allocated to prior tax years would be taxed as ordinary income at the highest tax rate in effect for each such year and an interest charge at a rate applicable to underpayments of tax would apply.

While there are U.S. federal income tax elections that sometimes can be made to mitigate these adverse tax consequences (including, without limitation, the "QEF Election" under Section 1295 of the Code and the "Mark-to-Market Election" under Section 1296 of the Code), such elections are available in limited circumstances and must be made in a timely manner. Under proposed Treasury Regulations, if a U.S. Holder has an option, warrant, or other right to acquire stock of a PFIC (such as the Warrants), such option, warrant or right is considered to be PFIC stock subject to the default rules of Section 1291 of the Code that apply to "excess distributions" and dispositions described above. However, under the proposed Treasury Regulations, for the purposes of the PFIC rules, the holding period for any Warrant Shares acquired upon the exercise of a Warrant will begin on the date a U.S. Holder acquires the Common Units or Pre-funded Units (and not the date the Warrants are exercised). This will impact the availability, and consequences, of the QEF Election and Mark-to-Market Election with respect to the Warrant Shares. Thus, a U.S. Holder will have to account for Warrant Shares, Pre-Funded Warrants and Common Shares under the PFIC rules and the applicable elections differently. In addition, a QEF Election may not be made with respect to the Warrants and it is unclear whether the Mark-to-Market Election may be made with respect to the Warrants.

U.S. Holders should be aware that, for each tax year, if any, that the Company is a PFIC, the Company does not intend to provide U.S. Holders the information such U.S. Holders require to make a QEF Election with respect to the Company or any Subsidiary PFIC.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether the U.S. Holder makes a QEF Election. These rules include special rules that apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to these special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. U.S. Holders should consult with their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of Common Units, Pre-funded Units, Common Shares, Pre-funded Warrants, Warrants, or Warrant Shares, and the availability of certain U.S. tax elections under the PFIC rules.

U.S. Federal Income Tax Consequences of the Exercise and Disposition of Warrants

The following discussion describes the general rules applicable to the ownership and disposition of the Warrants but is subject in its entirety to the special rules described above under the heading *Passive Foreign Investment Company Rules*.

Exercise of Warrants

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A U.S. Holder should not recognize gain or loss on the exercise of a Warrant and related receipt of a Warrant Share (unless cash is received in lieu of the issuance of a fractional Warrant Share). A U.S. Holder's initial tax basis in the Warrant Share received on the exercise of a Warrant should be equal to the sum of (a) such U.S. Holder's tax basis in such Warrant plus (b) the exercise price paid by such U.S. Holder on the exercise of such Warrant. It is unclear whether a U.S. Holder's holding period for the Warrant Share received on the exercise of a Warrant would commence on the date of exercise of the Warrant or the day following the date of exercise of the Warrant. If we are a PFIC, a U.S. Holder's holding period for the Warrant Share for PFIC purposes will begin on the date on which such U.S. Holder acquired its Common Units.

In certain limited circumstances, a U.S. Holder may be permitted to undertake a cashless exercise of Warrants into Warrant Shares. The U.S. federal income tax treatment of a cashless exercise of Warrants into Warrant Shares is unclear, and the tax consequences of a cashless exercise could differ from the consequences upon the exercise of a Warrant described in the preceding paragraph. U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax consequences of a cashless exercise of Warrants.

Disposition of Warrants

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of a Warrant in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in the Warrant sold or otherwise disposed of. Subject to the PFIC rules discussed above, any such gain or loss generally will be a capital gain or loss, which will be long-term capital gain or loss if the Warrant is held for more than one year. Deductions for capital losses are subject to complex limitations under the Code.

Expiration of Warrants Without Exercise

Upon the lapse or expiration of a Warrant, a U.S. Holder will recognize a loss in an amount equal to such U.S. Holder's tax basis in the Warrant. Any such loss generally will be a capital loss and will be long-term capital loss if the Warrants are held for more than one year. Deductions for capital losses are subject to complex limitations under the Code.

Certain Adjustments to the Warrants

Under Section 305 of the Code, an adjustment to the number of Warrant Shares that will be issued on the exercise of the Warrants, or an adjustment to the exercise price of the Warrants, may be treated as a constructive distribution to a U.S. Holder of the Warrants if, and to the extent that, such adjustment has the effect of increasing such U.S. Holder's proportionate interest in the "earnings and profits" or our assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to the shareholders). Adjustments to the exercise price of Warrants made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the holders of the Warrants should generally not be considered to result in a constructive distribution. Any such constructive distribution would be taxable whether or not there is an actual distribution of cash or other property. (See more detailed discussion of the rules applicable to distributions made by us at *Distributions on Common Shares, Pre-funded Warrants and Warrant Shares* below).

General Rules Applicable to U.S. Federal Income Tax Consequences of the Acquisition, Ownership, and Disposition of Common Shares. Pre-funded Warrants and Warrant Shares

The following discussion describes the general rules applicable to the ownership and disposition of the Common Shares, Pre-funded Warrants and Warrant Shares, but is subject in its entirety to the special rules described above under the heading *Passive Foreign Investment Company Rules*.

Distributions on Common Shares, Pre-funded Warrants and Warrant Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Common Share, Pre-funded Warrant or Warrant Share (as well as any constructive distribution on a Warrant as described above) will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of our current and accumulated "earnings and profits", as computed under U.S. federal income tax principles. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if we are a PFIC for the tax year of such distribution or the preceding tax year. To the extent that a distribution exceeds our current and accumulated "earnings and profits", such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares, Pre-funded Warrants or Warrant Shares and

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thereafter as gain from the sale or exchange of such Common Shares, Pre-funded Warrants or Warrant Shares (see "*Sale or Other Taxable Disposition of Common Shares, Pre-funded Warrants and/or Warrant Shares*" below). However, we may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may be required to assume that any distribution by us with respect to the Common Shares, Pre-funded Warrants or Warrant Shares will constitute ordinary dividend income. Dividends received on Common Shares, Pre-funded Warrants or Warrant Shares generally will not be eligible for the "dividends received deduction" generally applicable to corporations. Subject to applicable limitations and provided we are eligible for the benefits of the Tax Treaty or the Common Shares are readily tradable on a Common United States securities market, dividends paid by us to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that we not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares, Pre-funded Warrants and/or Warrant Shares

Upon the sale or other taxable disposition of Common Shares, Pre-funded Warrants or Warrant Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in such Common Shares, Pre-funded Warrants or Warrant Shares sold or otherwise disposed of. Gain or loss recognized on such sale or other taxable disposition generally will be long-term capital gain or loss if, at the time of the sale or other taxable disposition, the Common Shares, Pre-funded Warrants or Warrant Shares have been held for more than one year. Preferential tax rates may apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Tax Considerations

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency or on the sale, exchange or other taxable disposition of Common Shares, Pre-funded Warrants, Warrants or Warrant Shares generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in foreign currency and engages in a subsequent conversion or other disposition of the foreign currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares, Pre-funded Warrants or Warrant Shares (or with respect to any constructive dividend on the Warrants) generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid or accrued (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax laws certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person. U. S. Holders may be subject to these reporting requirements

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unless their Common Shares, Pre-funded Warrants, Warrants, and Warrant Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file IRS Form 8938.

Payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of the Common Shares, Pre-funded Warrants, Warrants and Warrant Shares generally may be subject to information reporting and backup withholding tax, currently at the rate of 24%, if a U.S. Holder (a) fails to furnish its correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that it has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons, such as U.S. Holders that are corporations, generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF COMMON UNITS, PRE-FUNDED UNITS, COMMON SHARES, PRE-FUNDED WARRANTS, WARRANTS, AND WARRANT SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

MATERIAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable to the holding and disposition of Common Units and Pre-Funded Units acquired pursuant to this offering by a holder who, at all relevant times, (a) for the purposes of the *Income Tax Act* (Canada) (the "Tax Act"), (i) is not resident, or deemed to be resident, in Canada, (ii) deals at arm's length with, and is not affiliated with, the Company, (iii) beneficially owns Common Shares, Warrants and Pre-Funded Warrants, (collectively, the "**Securities**"), as the case may be, as capital property, (iv) does not use or hold the Securities in the course of carrying on, or otherwise in connection with, a business or a part of a business carried on or deemed to be carried on in Canada, and (v) is not a "registered non-resident insurer" or "authorized foreign bank" within the meaning of the Tax Act, or other holder of special status, and (b) for the purposes of the Canada-United States Income Tax Convention (1980), as amended (the "Convention"), is a resident of the U.S., has never been a resident of Canada, does not have and has not had, at any time, a permanent establishment or fixed base in Canada, and is a qualifying person or otherwise qualifies for the full benefits of the Convention. Securities will generally be considered to be capital property to a holder unless such Securities are held in the course of carrying on a business of buying or selling securities or an adventure or concern in the nature of trade. Holders who meet all the criteria in clauses (a) and (b) are referred to herein as a "U.S. Holder" or "U.S. Holders."

This summary does not deal with special situations, such as the particular circumstances of traders or dealers or holders who have entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of any of the Securities. Such holders and other holders who do not meet the criteria in clauses (a) and (b) should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "Regulations") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") made publicly available prior to the date hereof. It also takes into account all proposed amendments to the Tax Act and the Regulations publicly released by the Minister of Finance (Canada) (the "Tax Proposals") prior to the date hereof, and assumes that all such Tax Proposals will be enacted as currently proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it take into account tax laws of any province or territory of Canada or of any other jurisdiction outside Canada.

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This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Holder and no representation with respect to the federal income tax consequences to any particular U.S. Holder or prospective U.S. Holder is made. The tax consequences to a U.S. Holder will depend on the holder's particular circumstances. Accordingly, U.S. Holders should consult with their own tax advisors for advice with respect to their own particular circumstances.

Currency Conversion

In general, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Securities must be converted into Canadian dollars based on the applicable exchange rate quoted by the Bank of Canada for the relevant day or such other rate of exchange that is acceptable to the CRA.

Allocation of Cost

A U.S. Holder who acquires Common Units or Pre-Funded Units, as the case may be, will be required to allocate the purchase price paid for each Common Unit or Pre-Funded Unit on a reasonable basis between the Common Share and the Warrant comprising each Common Unit, or between the Pre-Funded Warrant and the Warrant comprising each Pre-Funded Unit, as applicable, in order to determine their respective costs to such U.S. Holder for the purposes of the Tax Act.

Exercise or Expiry of Warrants

No gain or loss will be realized by a U.S. Holder in respect of a Warrant or Pre-Funded Warrant upon the exercise of such Warrant or Pre-Funded Warrant for Common Shares. When a Warrant or Pre-Funded Warrant is exercised, the U.S. Holder's cost of the Common Share acquired thereby will be equal to the adjusted cost base of the Warrant or Pre-Funded Warrant to such U.S. Holder, plus the amount paid by such U.S. Holder on the exercise of the Warrant or Pre-Funded Warrant. For the purpose of computing the adjusted cost base to a U.S. Holder of the Common Shares acquired on the exercise of a Warrant or Pre-Funded Warrant, the cost of such Common Shares must be averaged with the adjusted cost base to such U.S. Holder of all other Common Shares (if any) held by the U.S. Holder as capital property immediately prior to the exercise of such Warrant.

Generally, the expiry of an unexercised Warrant or Pre-Funded Warrant will give rise to a capital loss equal to the adjusted cost base to the U.S. Holder of such expired Warrant or Pre-Funded Warrant.

Dividends

Amounts paid or credited or deemed to be paid or credited as, on account or in lieu of payment, or in satisfaction of, dividends on the Common Shares to a U.S. Holder will be subject to Canadian withholding tax. Under the Convention, the rate of Canadian withholding tax on dividends paid or credited by the Company to a U.S. Holder that beneficially owns such dividends is generally 15% unless the beneficial owner is a company that owns at least 10% of the Company's voting stock at that time, in which case the rate of Canadian withholding tax is reduced to 5%.

Dispositions

Upon the disposition of a Security (but not upon the exercise of a Warrant or Pre-Funded Warrant), a U.S. Holder will realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the U.S. Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the U.S. Holder of the particular Security immediately before the disposition or deemed disposition.

A U.S. Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such U.S. Holder on a disposition of Securities, unless such Securities constitute "taxable Canadian property" (as defined in the Tax Act) of the U.S. Holder at the time of disposition and the U.S. Holder is not entitled to relief under the Convention.

Provided that the Common Shares are listed on a designated stock exchange for purposes of the Tax Act (which currently includes Canadian Securities Exchange) at the time of the disposition, the Securities, will generally not constitute taxable Canadian property of a U.S. Holder, unless: (a) at any time during the 60-month period immediately preceding the disposition or deemed disposition of the Security (as applicable): (i) 25% or more of the issued shares of any class or series of the share capital of the Company were owned by, or

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belonged to, one or any combination of (x) the U.S. Holder, (y) persons with whom the U.S. Holder did not deal at arm's length (within the meaning of the Tax Act) and (z) partnerships in which the U.S. Holder or a person referred to in (y) holds a membership interest directly or indirectly through one or more partnerships; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (A) real or immovable property situated in Canada, (B) Canadian resource property (as defined in the Tax Act), (C) timber resource property (as defined in the Tax Act), and (D) options in respect of, or interests in, or for civil law rights in, property described in any of (A) through (C) above, whether or not such property exists; or (b) the Security (as applicable) is deemed under the Tax Act to be taxable Canadian property.

If a Security is taxable Canadian property to a U.S. Holder, any capital gain realized on the disposition or deemed disposition of such Security may not be subject to Canadian federal income tax pursuant to the terms of the Convention. U.S. Holders whose Securities may be taxable Canadian property should consult their own tax advisors.

U.S. Holders who hold our Common Shares should consult their own tax advisers as to whether their Common Shares are taxable Canadian property.

CAUTIONARY STATEMENT ON SERVICE OF PROCESS AND THE ENFORCEMENT OF CIVIL LIABILITIES

We are a British Columbia, Canada company. As a result, the rights of holders of our Common Shares will be governed by the laws of British Columbia, Canada and our Articles. The rights of shareholders under the laws of British Columbia, Canada may differ from the rights of shareholders of companies incorporated in other jurisdictions. Some of our directors and some of the named experts referred to in this prospectus are not residents of the U.S. As a result, it may be difficult for investors to effect service of process on those persons in the U.S. or to enforce in the U.S. judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. securities laws. Uncertainty exists as to whether courts in British Columbia, Canada will enforce judgments obtained in other jurisdictions, including the U.S., against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in British Columbia, Canada against us or our directors or officers under the securities laws of other jurisdictions.

UNDERWRITING

ThinkEquity LLC is the representative for the several underwriters of this offering, or the representative. We have entered into an underwriting agreement dated , 2023, with the underwriters named below. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has agreed, severally and not jointly, to purchase, at the public offering price less the underwriting discounts set forth on the cover page of this prospectus, the number of Common Units and Pre-funded Units at the public offering price, less the underwriting discounts and commissions, as set forth on the cover page of this prospectus, the number of shares listed next to its name in the following table:

Underwriters	Number of Common Units	Number of Pre-funded Units
ThinkEquity LLC		
Total		

The underwriters are committed to purchase all Common Units and Pre-funded Units offered by us, if any are purchased. The obligations of the underwriters may be terminated upon the occurrence of certain events specified in the underwriting agreement. Furthermore, the underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the Common Units and Pre-funded Units offered by us in this prospectus are subject to various representations and warranties and other customary conditions specified in the underwriting agreement, such as receipt by the representative of officers' certificates and legal opinions.

We have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the Common Units and Pre-funded Units subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by its counsel and other conditions specified in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Discounts, Commissions and Reimbursement

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The representative has advised us that the underwriters propose to offer the shares to the public at the initial public offering price per share set forth on the cover page of this prospectus. The underwriters may offer Common Units and Pre-funded Units to securities dealers at that price less a concession of not more than $ per security. After the initial offering to the public, the public offering price and other selling terms may be changed by the representative.

The following table summarizes the underwriting discounts and commissions, non-accountable underwriters' expense allowance and proceeds, before expenses, to us assuming both no exercise and full exercise by the underwriters of their over-allotment option:

			Total	
	Per Common Unit	**Per Pre-funded Unit**	**Offering without Over-Allotment Option**	**Offering with Over-Allotment Option**
Public offering price	$	$	$	$
Underwriting discounts and commissions (7.5%)				
Non-accountable expense allowance (1%)				
Proceeds, before expenses, to us	$	$	$	$

We have agreed to reimburse the representative for its out-of-pocket accountable expenses, including for background checks, bound volumes of the public offering materials and commemorative mementos and lucite tombstones, the fees and expenses of the representative's legal counsel, the cost associated with the use of Ipreo's book building, prospectus tracking and compliance software for this offering, data services and communications expenses, road show expenses, market making and trading, and clearing firm settlement expenses for this offering, up to $222,500 in the aggregate. We have paid an expense deposit of $50,000 to the representative of the underwriters upon execution of an engagement letter relating to this offering (the "Advance"), which will be applied against the actual out-of-pocket accountable expenses that will be incurred by the underwriters in connection with this offering, and will be reimbursed to us to the extent not incurred.

We estimate that the total expenses of this offering payable by us, not including underwriting discounts and commissions, will be approximately $.

Over-Allotment Option

We have granted the representative an over-allotment option. This option, which is exercisable for up to 45 days after the date of this prospectus, permits the representative to purchase up to an aggregate of additional Common Shares, representing 15% of the Common Units sold in the offering, and/or up to Pre-funded Warrants, representing 15% of the Pre-funded Units sold in the offering and/or up to Warrants, representing 15% of the Warrants sold in the offering, in each case, solely to cover over-allotments, if any. The purchase price to be paid per additional Common Share or Pre-funded Warrant by the underwriter shall be equal to the public offering price of one Common Unit or one Pre-funded Unit, as applicable less underwriting discount, and the purchase price to be paid per additional Warrant by the underwriter shall be $0.00001.

Representative's Warrants

Upon the closing of this offering, we have agreed to issue to the representative, or its designees, warrants to purchase up to Common Shares equal in the aggregate to 5% of the total Common Shares (or in lieu thereof, the Pre-Funded Warrants) sold in this public offering (the "Representative's Warrants"). The Representative's Warrants will be exercisable at a per share exercise price equal to $, which represents 125% of the public offering price per Common Unit sold in this offering. The Representative's Warrants are exercisable at any time and from time to time, in whole or in part, during the four-and-½-year period commencing six months after the commencement of sales of this offering. The Representative's Warrants also provide for one demand registration right of the shares underlying the Representative's Warrants, and unlimited "piggyback" registration rights with respect to the registration of the Common Shares underlying the Representative's Warrants and customary antidilution provisions. The demand registration right provided will not be greater than five years from the effective date of the registration statement related to this offering in compliance with FINRA Rule 5110(g)(8)(C). The piggyback registration right provided will not be greater than seven years from the effective date of the registration statement related to this offering in compliance with FINRA Rule 5110(g)(8)(D).

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The Representative's Warrants and the Common Shares underlying the Representative's Warrants have been deemed compensation by the Financial Industry Regulatory Authority ("FINRA") and are therefore subject to a 180-day lock-up pursuant to Rule 5110(e)(1) of FINRA. The representative, or permitted assignees under such rule, may not sell, transfer, assign, pledge, or hypothecate the Representative's Warrants or the securities underlying the Representative's Warrants, nor will the representative engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the Representative's Warrants or the underlying shares for a period of 180 days from the effective date of the registration statement. Additionally, the Representative's Warrants may not be sold transferred, assigned, pledged or hypothecated for a 180-day period following the effective date of the registration statement except to any underwriter and selected dealer participating in the offering and their bona fide officers or partners. The Representative's Warrants will provide for adjustment in the number and price of the Representative's Warrants and the Common Shares underlying such Representative's Warrants in the event of recapitalization, merger, stock split or other structural transaction, or a future financing undertaken by us.

Right of First Refusal

Until 24 months from the closing of this offering, the representative shall have an irrevocable right of first refusal to act as sole investment banker, sole book-runner, sole financial advisor, sole underwriter and/or sole placement agent, at the representative's sole discretion, for each and every future public and private equity offerings for our Company, or any successor to or any subsidiary of our Company, including all equity linked financings, on terms customary to the representative. The representative shall have the sole right to determine whether or not any other broker-dealer shall have the right to participate in any such offering and the economic terms of any such participation. The representative will not have more than one opportunity to waive or terminate the right of first refusal in consideration of any such transaction.

Discretionary Accounts

The underwriters do not intend to confirm sales of the securities offered hereby to any accounts over which they have discretionary authority.

Lock-up Agreements

The Company has agreed with the representative to be subject to a lock-up period of three months following the date of this prospectus. In addition, each of our officers and directors have agreed with the representative to be subject to a lock-up period of six months following the date of this prospectus. This means that, during the applicable lock-up period, we and such persons may not offer for sale, contract to sell, sell, distribute, grant any option, right or warrant to purchase, pledge, hypothecate or otherwise dispose of, directly or indirectly, any of our Common Shares or any securities convertible into, or exercisable or exchangeable for, Common Shares, subject to customary exceptions. The representative may waive the terms of these lock-up agreements in its sole discretion and without notice. In addition, we have agreed to not issue any securities that are subject to a price reset based on the trading prices of our Common Shares or upon a specified or contingent event in the future, or enter into any agreement to issue securities at a future determined price for a period of two years following the closing date of this offering, subject to an exception. The representative may waive this prohibition in its sole discretion and without notice.

Electronic Offer, Sale and Distribution of Securities

A prospectus in electronic format may be made available on the websites maintained by the underwriters or selling group members. The underwriters may agree to allocate a number of securities to selling group members for sale to its online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of, nor incorporated by reference into, this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us, and should not be relied upon by investors.

Stabilization

In connection with this offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate-covering transactions, penalty bids and purchases to cover positions created by short sales.

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Stabilizing transactions permit bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the shares while this offering is in progress.

Over-allotment transactions involve sales by the underwriters of securities in excess of the number of securities the underwriters are obligated to purchase. This creates a syndicate short position which may be either a covered short position or a naked short position. In a covered short position, the number of securities over-allotted by the underwriters are not greater than the number of securities that they may purchase in the over-allotment option. In a naked short position, the number of securities involved is greater than the number of securities in the over-allotment option. The underwriters may close out any short position by exercising their over-allotment option and/ or purchasing securities in the open market.

Syndicate covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of securities to close out the short position, the underwriters will consider, among other things, the price of securities available for purchase in the open market as compared with the price at which it may purchase securities through exercise of the over-allotment option. If the underwriters sell more securities than could be covered by exercise of the over-allotment option and, therefore, have a naked short position, the position can be closed out only by buying securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that after pricing there could be downward pressure on the price of the securities in the open market that could adversely affect investors who purchase in this offering.

Penalty bids permit an underwriter to reclaim a selling concession from a syndicate member when the securities originally sold by that syndicate member are purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our securities or preventing or retarding a decline in the market price of our securities. As a result, the price of our securities in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our securities. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making

In connection with this offering, underwriters and selling group members may engage in passive market making transactions in our securities on The Nasdaq Capital Market in accordance with Rule 103 of Regulation M under the Exchange Act, during a period before the commencement of offers or sales of the securities and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, then that bid must then be lowered when specified purchase limits are exceeded.

Other Relationships

The underwriters and their affiliates may in the future provide various investment banking, commercial banking and other financial services for us and our affiliates for which they may in the future receive customary fees. The representative of the underwriters acted as the placement agent for our March 2022 offering and received a cash fee equal to 10% of the gross proceeds received by us in the offering and reimbursement of $125,000 for its expenses. Moreover, we issued ThinkEquity LLC and its designees warrants to purchase such number of Common Shares equal to 10% of the units sold in the offering, or warrants to purchase up to 19,628 Common Shares, at an exercise price of $50.40 per share. The representative of the underwriters also received, in connection with our warrant exchange that closed on June 30, 2023, an advisory fee of $62,556 and reimbursement of $25,964 in expenses, and we issued to its designees warrants to purchase up to 5,464 Common Shares at an exercise price of $18.00 per share. Except as disclosed in this prospectus, we have no current arrangements with the underwriters for any further services.

Offer Restrictions Outside of the United States

Other than in the United States, no action has been taken that would permit a public offering of our securities in any jurisdiction where action for the purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that country or jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or

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a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Australia

This prospectus is not a disclosure document under Chapter 6D of the Australian Corporations Act, has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act. Accordingly, (i) the offer of the securities under this prospectus is only made to persons to whom it is lawful to offer the securities without disclosure under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in section 708 of the Australian Corporations Act, (ii) this prospectus is made available in Australia only to those persons as set forth in clause (i) above, and (iii) the offeree must be sent a notice stating in substance that by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (i) above, and, unless permitted under the Australian Corporations Act, agrees not to sell or offer for sale within Australia any of the securities sold to the offeree within 12 months after its transfer to the offeree under this prospectus.

China

The information in this document does not constitute a public offer of the securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The securities may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors."

European Economic Area—Belgium, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of securities will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities. An offer to the public of securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code Monétaire et Financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the securities have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-1 to D.411-3, D.744-1, D.754-1 ;and D.764-1

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of the French Monetary and Financial Code and any implementing regulation and/or (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-4, D.744-1, D.754-1; and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The securities have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

Israel

The securities offered by this prospectus have not been approved or disapproved by the Israeli Securities Authority (the ISA), nor have such securities been registered for sale in Israel. The shares may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with the offering or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the securities being offered. Any resale in Israel, directly or indirectly, to the public of the securities offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Italy

The offering of the securities in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, or "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to the securities may be distributed in Italy and such securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998 ("Decree No. 58"), other than:

- to Italian qualified investors, as defined in Article 100 of Decree no.58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999 ("Regulation no. 1197l") as amended ("Qualified Investors"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971 as amended.
- Any offer, sale or delivery of the securities or distribution of any offer document relating to the securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:
    - made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws; and
    - in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the securities in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971 as amended, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such securities being declared null and void and in the liability of the entity transferring the securities for any damages suffered by the investors.

Japan

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The securities have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the securities may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires securities may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of securities is conditional upon the execution of an agreement to that effect.

Portugal

This document is not being distributed in the context of a public offer of financial securities (oferta pública de valores mobiliários) in Portugal, within the meaning of Article 109 of the Portuguese Securities Code (Código dos Valores Mobiliários). The securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in Portugal. This document and any other offering material relating to the securities have not been, and will not be, submitted to the Portuguese Securities Market Commission (Comissăo do Mercado de Valores Mobiliários) for approval in Portugal and, accordingly, may not be distributed or caused to distributed, directly or indirectly, to the public in Portugal, other than under circumstances that are deemed not to qualify as a public offer under the Portuguese Securities Code. Such offers, sales and distributions of securities in Portugal are limited to persons who are "qualified investors" (as defined in the Portuguese Securities Code). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the securities be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of securities in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering material relating to the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA") has been published or is intended to be published in respect of the securities. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

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Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

Sheppard, Mullin, Richter & Hampton LLP, Los Angeles, California is acting as counsel to the Company regarding United States securities law matters. The validity of the issuance of the securities offered hereby and other matters under the laws of British Columbia, Canada will be passed upon for us by DuMoulin Black LLP, Vancouver, British Columbia, Canada. The representative of the underwriters is being represented by Dentons US LLP, New York, New York.

EXPERTS

The consolidated financial statements of Permex Petroleum Corporation as of September 30, 2022 and for the year then ended, appearing in this prospectus have been audited by Marcum LLP, independent registered public accounting firm, as set forth in their report thereon (which includes an explanatory paragraph as to the Company's ability to continue as a going concern) and included in this prospectus, in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Permex Petroleum Corporation as of September 30, 2021 and for the year ended September 30, 2021, included in this prospectus and in the registration statement, have been so included in reliance on the report of Davidson & Company LLP, an independent registered public accounting firm, appearing elsewhere herein and in the registration statement, given on the authority of said firm as experts in auditing and accounting.

Davidson & Company LLP, British Columbia, Canada is registered with both the Canadian Public Accountability Board and the U.S. Public Company Accounting Oversight Board.

Certain estimates of our oil and gas reserves and related information included in this prospectus have been derived from reports prepared by the independent engineering firm, MKM Engineering. All such information has been so included on the authority of such firm as an expert regarding the matters contained in its reports.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including amendments and relevant exhibits and schedules, under the Securities Act covering the securities to be sold in this offering. This prospectus does not contain all of the information contained in the registration statement that we filed. You should read the registration statement and its exhibits and schedules for further information with respect to us and our securities. Each statement made in this prospectus concerning a document filed as an exhibit to the registration statement is qualified by reference to that exhibit for a complete statement of its provisions.

We are subject to the periodic reporting and other informational requirements of the Exchange Act, which requires us to file reports, including annual reports, and other information with the SEC.

All information filed with the SEC, including the registration statement, will be available at the SEC's web site at *www.sec.gov*. We will also make our filings available on our website at *www.permexpetroleum.com*. The information on our website, however, is not a part of this prospectus.

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ABOUT THIS PROSPECTUS

Exclusive Information

In evaluating an investment in our securities, you should rely only on the information contained in this prospectus. We have not authorized any person to provide you with information that is different from that contained in this prospectus.

Management Estimates

Management estimates are derived in part from information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets, which we believe to be reasonable. Our estimates involve risks and uncertainties, and are subject to change based on various factors, including those discussed in this prospectus under the heading "Risk Factors."

These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by our management. See "Cautionary Note Regarding Forward-Looking Statements."

References

All references to "U.S. Dollars," "USD" or "$" are to the legal currency of the United States; all references to "CAD$" and "C$" are to the legal currency of Canada. All references to "M$" are in thousands of dollars.

Trademarks, Service Marks, and Trade Names

This prospectus may contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this prospectus are listed without the TM, SM, © and ® symbols, but parties may assert, to the fullest extent under applicable law, their rights to these trademarks, service marks, trade names and copyrights.

Date of Information

The information contained in this prospectus is accurate only as of the date of this prospectus. Neither the delivery of this prospectus nor any distribution of securities pursuant to this prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated by reference into this prospectus or in our affairs since the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

PERMEX PETROLEUM
CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2022 AND 2021

(EXPRESSED IN UNITED STATES DOLLARS)

PERMEX PETROLEUM CORPORATION

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

DAVIDSON & COMPANY LLP — Chartered Professional Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Permex Petroleum Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Permex Petroleum Corporation (the "Company") as of September 30, 2021, and the related consolidated statements of loss and comprehensive loss, equity, and cash flows for the year ended September 30, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2021, and the results of its operations and its cash flows for the year ended September 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor from 2017 to 2022.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada — Chartered Professional Accountants

July 14, 2022 (February, 9, 2023 as to the effects of the reverse stock split discussed in Note 1)

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Permex Petroleum Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Permex Petroleum Corporation (the "Company") as of September 30, 2022, the related consolidated statements of loss and comprehensive loss, equity and cash flows for the year ended September 30, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022, and the results of its operations and its cash flows for the year ended September 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred significant losses and needs to raise additional funds to sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting

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Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2022.

Houston, Texas
February 10, 2023

PERMEX PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,300,495	$ 25,806
Trade and other receivables, net	137,214	12,984
Prepaid expenses and deposits	317,277	46,151
Total current assets	3,754,986	84,941
Non-current assets		
Reclamation deposits	145,000	144,847
Property and equipment, net of accumulated depreciation and depletion	8,426,776	6,638,975
Right of use asset	240,796	72,539
Total assets	$ 12,567,558	$ 6,941,302
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	$ 1,561,344	$ 402,979
Amounts due to related party	-	16,628
Convertible debenture	38,291	78,500
Lease liability – current portion	104,224	51,963
Total current liabilities	1,703,859	550,070
Non-current liabilities		

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Asset retirement obligations	236,412	552,594
Lease liability	140,682	26,986
Loan payable	-	31,400
Warrant liability	23,500	-
Total liabilities	2,104,453	1,161,050
Equity		
Common stock, no par value per share; unlimited shares authorized, 1,932,604 and 1,103,010 shares issued and outstanding as of September 30, 2022 and September 30, 2021, respectively.	14,337,739	8,976,747
Additional paid-in capital	4,513,194	2,476,717
Accumulated other comprehensive loss	(127,413)	(127,413)
Deficit	(8,260,415)	(5,545,799)
Total equity	10,463,105	5,780,252
Total liabilities and equity	$ 12,567,558	$ 6,941,302

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

PERMEX PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED SEPTEMBER 30

	2022	2021
Revenues		
Oil and gas sales	$ 815,391	$ 46,703
Royalty income	63,068	37,922
Total revenues	878,459	84,625
Operating expenses		
Production	829,194	59,671
General and administrative	2,796,395	496,381
Depletion and depreciation	105,503	60,479
Accretion on asset retirement obligations	55,030	19,907
Foreign exchange gain (loss)	(7,429)	24,301
Forfeiture of reclamation deposit	-	50,165
Loss on disposal of property and equipment	-	613,457
Total operating expenses	(3,778,693)	(1,324,361)
Loss from operations	(2,900,234)	(1,239,736)
Other income (expense)		
Interest income	5,895	-
Other income	24,000	-
Forgiveness of loan	7,800	-
Finance expense	(30,586)	(13,506)
Change in fair value of warrant liability	178,509	-
Total other income (expense)	185,618	(13,506)

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Net loss	(2,714,616)	(1,253,242)
Other comprehensive income		
Foreign currency translation adjustment	-	142,889
Comprehensive loss	$ (2,714,616)	$ (1,110,353)
Basic and diluted loss per common share	$ (1.76)	$ (1.84)

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

PERMEX PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY

	Number of Shares*	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total equity
Balance, September 30, 2020	667,073	$ 6,453,039	$1,422,477	$ (270,302)	$(4,292,557)	$ 3,312,657
Acquisition of property	416,666	2,468,750	-	-	-	2,468,750
Acquisition of property - warrants	-	-	1,051,370	-	-	1,051,370
Shares issued for services	19,271	54,958	-	-	-	54,958
Share-based payments	-	-	2,870	-	-	2,870
Net loss	-	-	-	-	(1,253,242)	(1,253,242)
Other comprehensive income	-	-	-	142,889	-	142,889
Balance, September 30, 2021	1,103,010	$ 8,976,747	$2,476,717	$ (127,413)	$(5,545,799)	$ 5,780,252
Private placements	829,594	7,303,161	607,170	-	-	7,910,331
Share issuance costs	-	(1,942,169)	882,972	-	-	(1,059,197)
Share-based payments	-	-	546,335	-	-	546,335
Net loss	-	-	-	-	(2,714,616)	(2,714,616)
Balance, September 30, 2022	1,932,604	$14,337,739	$4,513,194	$ (127,413)	$(8,260,415)	$10,463,105

*The number of shares has been restated to reflect the 60:1 share consolidation (Note 1).

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

PERMEX PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30

	2022	2021

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CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (2,714,616)	$ (1,253,242)
Adjustments to reconcile net loss to net cash from operating activities:		
Accretion on asset retirement obligations	55,030	19,907
Depletion and depreciation	105,503	60,479
Foreign exchange loss (gain)	(7,168)	87,747
Forfeiture of reclamation bond	-	50,165
Forgiveness of loan payable	(7,800)	-
Finance expense	18,031	13,506
Change in fair value of warrant liability	(178,509)	-
Loss on disposal of property and equipment	-	613,457
Extinguishment of trade and other payables	(4,368)	(9,682)
Share-based payments	546,335	2,870
Shares issued for services	-	54,958
Changes in operating assets and liabilities:		
Trade and other receivables	(124,230)	34,092
Prepaid expenses and deposits	(271,126)	(29,977)
Trade and other payables	584,216	(234,475)
Amounts due to related parties	(24,536)	(162,598)
Right of use asset and lease liability	(785)	3,010
Net cash used in operating activities	(2,024,023)	(749,783)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on property and equipment	(1,685,999)	(265,717)
Proceeds from sale of oil and gas interests	-	1,123,244
Net cash provided by (used in) investing activities	(1,685,999)	857,527
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	8,112,340	-
Share issuance costs	(1,067,868)	-
Convertible debenture repayment	(34,709)	(79,000)
Loan from related party	(1,452)	(8,455)
Loan repayment	(23,600)	-
Net cash provided by (used in) financing activities	6,984,711	(87,455)
Change in cash and cash equivalents during the year	3,274,689	20,289
Cash and cash equivalents, beginning of the year	25,806	5,517
Cash and cash equivalents, end of the year	$ 3,300,495	$ 25,806
Supplemental disclosures of non-cash investing and financing activities:		
Common stock issued in connection with property acquisition agreement	$ -	$ 2,468,750
Share purchase warrants issued in connection with private placements and property acquisition	1,692,151	1,051,370
Trade and other payables related to property and equipment	647,252	68,735
Adjustments to asset retirement obligations	(371,212)	376,647
Supplemental cash flow disclosures:		
Interest paid	24,536	13,090

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

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1. BACKGROUND

Permex Petroleum Corporation (the "Company") was incorporated on April 24, 2017 under the laws of British Columbia, Canada and maintains its head office at Suite 925, 2911 Turtle Creek Blvd, Dallas, Texas, 75219. Its registered office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company is primarily engaged in the acquisition, development and production of oil and gas properties in the United States. The Company's oil and gas interests are located in Texas and New Mexico, USA. The Company is listed on the Canadian Securities Exchange (the "CSE") under the symbol "OIL" and on the OTCQB under the symbol "OILCF".

On October 26, 2022, the Company's board of directors approved a reverse stock split of the Company's issued and outstanding common stock at a 1 for 60 ratio, which was effective November 2, 2022. The par value and authorized shares of common stock were not adjusted as a result of the reverse stock split. All issued and outstanding common stock, options, and warrants to purchase common stock and per share amounts contained in the financial statements have been retroactively adjusted to reflect the reverse stock split for all periods presented.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Permex Petroleum US Corporation. All intercompany balances and transactions have been eliminated.

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred losses since inception in the amount of $8,260,415 and has not yet achieved profitable operations. The Company has been relying on equity financing and loans from related parties to fund its operation in the past. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management plans to fund operations of the Company with its current working capital and through increasing productions from its oil and gas leases. The Company also expects to raise additional funds through equity financings. There are no written agreements in place for such funding or issuance of securities and there can be no assurance that such will be available in the future. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to, meets its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances.

Significant estimates have been used by management in conjunction with the following: (i) petroleum and natural gas reserves; (ii) the fair value of assets when determining the existence of impairment factors and the amount of impairment, if any; (iii) the costs of site restoration when determining asset retirement obligations; (iv) income taxes receivable or payable; (v) the useful lives of assets for the purposes of depreciation; (vi) general credit risk associated with receivables and other assets; and (vii) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value.

Trade and other receivables

Trade and other receivables are stated at net realizable value. The majority of customers are not extended credit and the majority of the receivables has payment terms of 30 days or less. On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on a past history of write-offs, collections, and current credit conditions. A receivable is considered past due if the Company has not received payments based on agreed-upon terms. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at September 30, 2022 and September 30, 2021.

Property and equipment

The Company follows the successful efforts method of accounting for its oil and gas properties. All costs for development wells along with related acquisition costs, the costs of drilling development wells, and related asset retirement obligation (ARO) assets are capitalized. Exploration costs, such as exploratory geological and geophysical costs, and costs associated with non-productive exploratory wells, delay rentals and exploration overhead are expensed. Costs of drilling exploratory wells are capitalized pending determination of whether the wells found proved reserves. Costs of wells that are assigned proved reserves remain capitalized. Costs also are capitalized for exploratory wells that have found crude oil and natural gas reserves even if the reserves cannot be classified as proved when the drilling is completed, provided the exploratory well has found a sufficient quantity of reserves to justify its completion as a producing well and the Company is making sufficient progress assessing the reserves and the economic and operating viability of the project. The Company groups its oil and gas properties with a common geological structure or stratigraphic condition ("common operating field") for purposes of computing depletion expenses, assessing proved property impairments and accounting for asset dispositions.

Capitalized costs of proved oil and gas properties are depleted by individual field using a unit-of-production method based on proved and probable developed reserves. Proved reserves are estimated using reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Property and equipment (cont'd…)

Proved oil and natural gas properties are assessed for possible impairment by comparing their carrying values with their associated undiscounted, future net cash flows. Events that can trigger assessments for possible impairments include write-downs of proved reserves based on field performance, significant decreases in the market value of an asset (including changes to the commodity price forecast or carbon costs), significant change in the extent or manner of use of or a physical change in an asset, and a more-likely-than-not expectation that a long-lived asset or asset group will be sold or otherwise disposed of significantly sooner than the end of its previously estimated useful life. Impaired assets are written down to their estimated fair values, generally their discounted, future net cash flows. For proved oil and natural gas properties, the Company performs impairment reviews on a field basis, annually or as appropriate.

Other corporate property and equipment consist primarily of leasehold improvements, vehicle, and office furniture and equipment and are stated at cost less accumulated depreciation. The capitalized costs are generally depreciated on a straight line basis over their estimated useful lives ranging from three to five years.

For property dispositions, measurement is at fair value, unless the transaction lacks commercial substance or fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in net income. Any deferred consideration recorded on property dispositions are recognized as revenue in the statement of loss and comprehensive loss over the reserve life.

Gains or losses are recorded for sales or dispositions of oil and gas properties which constitute an entire common operating field or which result in a significant alteration of the common operating field's depletion rate. These gains and losses are classified as asset dispositions in the accompanying consolidated statements of loss and comprehensive loss. Partial common operating field sales or dispositions deemed not to significantly alter the depletion rates are generally accounted for as adjustments to capitalized costs with no gain or loss recognized.

Impairment of long-lived assets

The Company assesses long-lived assets for impairment in accordance with the provisions of the Financial Account Standards Board Accounting Standards Codification ("ASC") regarding long-lived assets. It requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value. As of September 30, 2022 and September 30, 2021, no impairment charge has been recorded.

Asset retirement obligations

The Company recognizes asset retirement obligations ("ARO") associated with tangible assets such as well sites when there is a legal obligation associated with the retirement of such assets and the amount can be reasonably estimated. The ARO are measured at the present value of management's best estimate of the future remediation expenditures at the reporting date. The initial measurement of an ARO is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to the associated property and equipment on the consolidated balance sheet. When the assumption used to estimate a recorded ARO change, a revision is recorded to both the ARO and the asset retirement cost. The ARO is accreted to its then present value each period, and the asset retirement cost is depreciated using a systematic and rational method similar to that used for the associated property and equipment.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Fair value measurement

Fair value accounting is applied for all assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company follows the established framework for measuring fair value and expands disclosures about fair value measurements.

The Company categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The carrying values of cash and cash equivalents, trade receivable, other current receivables, due from/to related parties, trade payable, other current payables, accrued expenses, convertible debenture and lease liability included in the accompanying consolidated balance sheets approximated fair value at September 30, 2022 and September 30, 2021. The financial statements as of and for the years ended September 30, 2022 and September 30, 2021, do not include any recurring or nonrecurring fair value measurements relating to assets or liabilities.

Subsequent to initial recognition, the Company may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Company has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common share equivalents, in the weighted average number of common shares outstanding during the period, if dilutive. All of the outstanding convertible securities, stock options and warrants were anti-dilutive for the years ended September 30, 2022 and 2021.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Share purchase warrants

The fair value of warrants issued with private placement units is determined using the Black-Scholes option pricing model. Proceeds from the issuance of private placement units are allocated between the private placement warrants and common shares on a relative fair value basis. Share purchase warrants with exercise prices denominated in a currency other than its functional currency are classified as a liability. Proceeds from the issuance of private placement units are first allocated to the warrant liability based on their fair value and the residual is allocated to common shares issued while for equity warrants, proceeds are allocated on a relative fair value basis. The changes in fair value of the warrant liability are recorded in the statement of loss and comprehensive loss.

Warrants issued for oil and gas interests and warrants issued as finder's fees are share-based payments and are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

Share-based payments

The Company issues stock options and other share-based compensation to directors, employees and others service providers. Equity awards including stock options and share purchase warrants are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded vesting approach. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. The Company has elected to account for forfeitures as they occur rather than estimate expected forfeitures.

The fair value of the equity awards is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Revenue

In accordance with ASC 606, *Revenue from Contracts with Customers,* the Company recognizes revenue when the performance obligation is satisfied, which typically occurs at the point in time when control of the product transfer to the customer. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is generally at the time the product is loaded into customer operated transports. Revenue is measured net of discounts, customs duties, royalties and withholding tax. Royalty income represents net revenue interests from certain crude oil and natural gas wells and is recognized upon the operators of the properties producing revenue from subject oil and gas wells.

The Company records revenue in the month production is delivered to the purchaser. However, production statements for oil and gas sales may not be received until the following month end after the products are purchased, and as a result, the Company is required to estimate the amount of revenue to be received. The Company records the differences between its estimates and the actual amounts received for revenue in the month that payment is received from the customer. Identified differences between the Company's revenue estimates and actual revenue received are $1,395 and $nil for years ended September 30, 2022 and September 30, 2021, respectively. The Company believes that the pricing provisions of its oil, natural gas and natural gas liquids contracts are customary in the industry. To the extent actual volumes and prices of oil and natural gas sales are unavailable for a given reporting period because of timing or information not received from third parties, the revenue related to sales volumes and prices for those good sold are estimated and recorded.

The Company does not have any contract assets or liabilities, or capitalized contract costs.

Foreign Currency

These consolidated financial statements are presented in United States dollars ("U.S. dollar"). The functional currency of the Company and the subsidiary of the Company is the U.S. dollar. The Company changed its functional currency from Canadian dollars ("CAD") to the U.S. dollars as at October 1, 2021. The change in functional currency from Canadian dollars to U.S. dollars is accounted for prospectively from October 1, 2021. Management determined that the Company's functional currency had changed based on the assessment related to significant changes of the Company's economic facts and circumstances. These significant changes included the fact that the Company's equity financings and the primary economic environment are now in the U.S. as well as the expectation of the majority of the Company's expenses will be denominated in U.S. dollars. Moreover, the Company's place of business and management are now located in the United States.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

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Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New accounting standards

There are not currently any new or pending accounting standards that have a significant impact on the Company's consolidated financial statements.

3. REVENUE

Revenue from contracts with customers is presented in "Oil and gas sales" on the Consolidated Statement of Loss and Comprehensive Loss.

As of September 30, 2022 and September 30, 2021, receivable from contracts with customers, included in trade and other receivables, were $56,639 and $nil, respectively.

The following table present our revenue from contracts with customers disaggregated by product type and geographic areas.

Year ended September 30, 2022	Texas	New Mexico	Total
Crude oil	$ 621,275	$ 140,236	$ 761,511
Natural gas	53,880	-	53,880
Revenue from contracts with customers	$ 675,155	$ 140,236	$ 815,391

Year ended September 30, 2021	Texas	New Mexico	Total
Crude oil	$ 44,425	$ -	$ 44,425
Natural gas	2,278	-	2,278
Revenue from contracts with customers	$ 46,703	$ -	$ 46,703

4. CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash equivalents and trade receivables. The Company's cash balances sometimes exceed the United States' Federal Deposit Insurance Corporation insurance limits. The Company mitigates this risk by placing its cash and cash equivalents with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. To date, the Company has not recognized any losses caused by uninsured balances.

The majority of the Company's receivable balance is concentrated in trade receivables, with a balance of $91,928 as of September 30, 2022. Three customers represented $79,942 (87%) of the trade receivable balance. The Company routinely assesses the financial strength of its customers. The non-trade receivable balance consists of GST recoverable of $39,770 and interest receivable of $5,516. GST recoverable is due from the Canadian Government. Interest receivable is due from a financial institution with high credit rating. It is in management's opinion that the Company is not exposed to significant credit risk. To date, the Company has not recognized any credit losses on its receivables.

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5. ACQUISITION AND DISPOSITION

Acquisition

During the year ended September 30, 2021, the Company and its wholly owned subsidiary, Permex Petroleum US Corporation, acquired a 100% Working Interest and a 81.75% Net Revenue Interest in the Breedlove "B" Clearfork leases located in Martin County, Texas. The Company issued 416,666 common shares and 208,333 share purchase warrants as consideration for this acquisition. The Company valued the 416,666 common shares issued at a fair value of $2,468,750. The share purchase warrants were valued at $1,051,370 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 1.51%, an expected life of 10-years, annualized volatility of 96.56% and a dividend rate of 0%). The warrants have an exercise price $8.76 per share (CAD$12.00) and are exercisable until September 30, 2031.

Disposition

During the year ended September 30, 2021, the Company sold its interests in the Peavy leases together with reclamation obligations for $10,000 and recognized a loss of $604,687 from the sale. The Company also recognized a loss of $8,770 from the disposal of equipment.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	September 30, 2022	September 30, 2021
Oil and natural gas properties, at cost	$ 8,029,234	$ 6,723,778
Construction in progress	460,306	-
Less: accumulated depletion	(184,658)	(84,803)
Oil and natural gas properties, net	8,304,882	6,638,975
Other property and equipment, at cost	127,542	-
Less: accumulated depreciation	(5,648)	-
Other property and equipment, net	121,894	-
Property and equipment, net	$ 8,426,776	$ 6,638,975

Depletion and depreciation expense was $105,503 and $60,479 for the years ended September 30, 2022 and September 30, 2021, respectively.

7. LEASES

All of the Company's right-of-use assets are operating leases related to its office premises. Details of the Company's right-of-use assets and lease liabilities are as follows:

	2022	2021

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Right-of-use assets	$ 240,796	$ 72,539
Lease liabilities		
Balance, beginning of the year	$ 78,949	$ 53,128
Addition	220,368	57,357
Interest expense	9,042	9,812
Lease payments	(63,453)	(43,932)
Foreign exchange movement	-	2,584
Balance, end of the year	$ 244,906	$ 78,949
Current lease liabilities	$ 104,224	$ 51,963
Long-term lease liabilities	$ 140,682	$ 26,986

The following table presents the Company's total lease cost.

	2022	2021
Amortization of right-of-use assets	$ 52,111	$ 37,129
Interest on lease liabilities	9,042	9,812
Variable lease expense	36,216	16,564
Sublease income	(36,633)	(10,191)
Rent subsidy	(1,644)	(9,169)
Net lease cost	$ 59,092	$ 44,145

As of September 30, 2022, maturities of the Company's operating lease liabilities are as follows:

Year	
2023	$ 110,593
2024	82,190
2025	84,664
2026	14,180
Total lease payments	291,627
Less: imputed interest	(46,721)
Total lease liabilities	$ 244,906

8. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with the Company's oil and gas properties. Changes to the asset retirement obligations are as follows:

	2022	2021
Decommissioning obligations, beginning of the year	$ 552,594	$ 271,402
Obligations recognized	-	258,726
Obligations derecognized	-	(125,511)
Revisions of estimates	(371,212)	117,921
Accretion expense	55,030	19,907
Foreign exchange movement	-	10,149

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	$ 236,412	$ 552,594

During the year ended September 30, 2022, the Company had revision of estimates totaling $371,212 (2021 - increase of $117,921) primarily due to changes in future cost estimates and retirement dates for its oil and gas assets.

Reclamation bonds

As of September 30, 2022, the Company held reclamation bonds of $145,000 (September 30, 2021 - $144,847), which are expected to be released after all reclamation work has been completed with regard to its oil and natural gas interests. During the year ended September 30, 2021, the Company wrote off $50,165 of a reclamation deposit forfeited by the Texas State government due to a violation on a previously owned property.

9. DEBT

Convertible debenture

As of September 30, 2022, the Company had a debenture loan of $73,000 (CAD$100,000) (September 30, 2021 - $78,500) from the CEO of the Company outstanding. The debenture loan is secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bears interest at a rate of 12% per annum and has a maturity date of December 20, 2022. The debenture is convertible at the holder's option into units of the Company at $6.57 (CAD$9.00) per unit. Each unit will be comprised of one common share of the Company and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of three years at an exercise price of $8.76 (CAD$12.00).

During the year ended September 30, 2022, the Company repaid $34,709 of the loan (CAD$47,546). Subsequent to September 30, 2022, the Company repaid the remaining principal loan amount of CAD$52,454.

During the years ended September 30, 2022 and September 30, 2021, the Company recorded interest of $9,360 and $13,506, respectively.

Loan payable

In May 2020, the Company opened a Canada Emergency Business Account ("CEBA") and received a loan of $28,640 (CAD$40,000) from the Canadian Government. The CEBA program was established to provide interest-free loans of up to CAD$60,000 to small businesses to help them cover operating costs during the COVID-19 pandemic. The loan was unsecured and non-interest bearing with a repayment deadline of December 31, 2023. During the year ended September 30, 2022, the Company repaid the loan balance of $23,600 (CAD$30,000) and recognized a gain of $7,800 (CAD$10,000) on the forgiven amount.

10. RELATED PARTY TRANSACTIONS

i) In October 2019, the Company issued $76,000 (CAD$100,000) in convertible debenture to a director of the Company for cash. The debenture loan was secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bore interest at a rate of 12% per annum and had a maturity date of September 30, 2021. During the year ended September 30, 2021, the Company repaid the principal loan amount of CAD$100,000 together with accrued interest of $13,090. During the year ended September 30, 2021, the Company recorded interest of $4,026.

ii) In February 2020, the Company issued $76,000 (CAD$100,000) in convertible debenture to the CEO of the Company for cash. The debenture loan is secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bears interest at a rate of 12% per annum and has an original maturity date of February 20, 2022. During the year ended September 30, 2022, the Company extended the maturity date to December 20, 2022 and repaid $34,709 of the loan

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(CAD$47,546). During the years ended September 30, 2022 and September 30, 2021, the Company recorded interest of $9,360 and $9,480, respectively. As at September 30, 2021, accrued interest of $15,176 was included in amounts due to related parties.

iii) The Company has an employment agreement with the CEO of the Company for an annual base salary of $250,000, with no specified term. The CEO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to three years of base salary and a bonus equal to 20% of the annual base salary. During the years ended September 30, 2022 and September 30, 2021, the Company incurred management fees of $220,834 and $149,806, respectively, to the CEO of the Company. The Company considers this a related party transaction, as it relates to key management personnel and entities over which it has control or significant influence.

iv) On May 1, 2022, the Company entered into an employment agreement with the CFO of the Company for an annual base salary of $50,000, with no specified term. The CFO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to two months of base salary. During the years ended September 30, 2022, the Company incurred salaries of $20,835 to the CFO of the Company. The Company considers this a related party transaction, as it relates to key management personnel and entities over which it has control or significant influence.

Included in amounts due to related parties are $nil (2021 - $1,321) related to accrued management fee to a director of the Company and $nil (2021 - $131) in advances from the CEO of the Company. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

11. LOSS PER SHARE

The calculation of basic and diluted loss per share for the years ended September 30, 2022 and 2021 was based on the net losses attributable to common shareholders. The following table sets forth the computation of basic and diluted loss per share:

	2022	2021
Net loss	$ (2,714,616)	$ (1,253,242)
Weighted average common shares outstanding	1,543,021	678,958
Basic and diluted loss per share	$ (1.76)	$ (1.84)

As of September 30, 2022, $73,000 (CAD$100,000) of convertible debentures convertible into 11,111 common shares, 84,583 (2021 - 37,917) stock options and 1,097,096 (2021 - 208,333) warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

12. EQUITY

Common stock

The Company has authorized an unlimited number of common shares with no par value. At September 30, 2022 and September 30, 2021, the Company had 1,932,604 and 1,103,010 common shares issued and outstanding, respectively.

During the year ended September 30, 2022, the Company:

a) Completed a non-brokered private placement of 44,117 units at a price of $12.96 (CAD$16.20) per unit for gross proceeds of $571,760 (CAD$714,700). Each unit is comprised of one common share and one half of one share purchase warrant; each

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whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $25.80 (CAD$32.40). $202,009 of the proceeds was allocated to the warrants and recorded as a warrant liability. The Company paid $34,733 and issued 2,680 agent's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at $24,543 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%). The Company also incurred filing and other expenses of $800 in connection with the private placement. $8,671 of issuance costs related to the warrants was recorded in the statement of loss and comprehensive loss.

b) Completed a brokered private placement of 785,477 units at a price of $9.60 per unit for gross proceeds of $7,540,580. Each unit is comprised of one common share and one common share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 5 years at an exercise price of $12.60. $607,170 of the proceeds was allocated to the warrants. ThinkEquity LLC acted as sole placement agent for the private placement. In connection with the private placement, ThinkEquity received a cash commission of $754,058, 78,548 broker warrants and expense reimbursement of $131,560. The broker's warrants have the same terms as the warrants issued under the private placement. The broker's warrants were valued at $858,429 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 2.45%, an expected life of 5 years, annualized volatility of 134.66% and a dividend rate of 0%). The Company also incurred filing and other expenses of $140,475 in connection with the private placement.

During the year ended September 30, 2021, the Company:

a) Issued 19,271 common shares of the Company for a fair value of $54,958 pursuant to service agreements.

b) Issued 416,666 common shares of the Company for a value of $2,468,750 pursuant to a property acquisition agreement.

Share-based payments

Stock options

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

12. EQUITY (cont'd…)

Share-based payments (cont'd…)

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, September 30, 2020	39,003	$ 18.75
Cancelled	(1,086)	23.70
Balance, September 30, 2021	37,917	$ 19.51
Granted	55,000	10.51

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Cancelled	(8,334)	17.34
Balance, September 30, 2022	84,583	$ 13.26
Exercisable at September 30, 2022	83,333	$ 13.42

The aggregate intrinsic value of options outstanding and exercisable as at September 30, 2022 was $nil (2021 - $nil).

The options outstanding as of September 30, 2022 have exercise prices in the range of $2.19 to $21.90 and a weighted average remaining contractual life of 7.72 years. There were no options granted during the year ended September 30, 2021.

During the years ended September 30, 2022 and 2021, the Company recognized share-based payment expense of $546,335 and $2,870, respectively, for the portion of stock options that vested during the year. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2022	2021
Risk-free interest rate	1.50%	-
Expected life of options	10 Years	-
Expected annualized volatility	96.56%	-
Dividend rate	Nil	-
Weighted average fair value of options granted	$ 10.17	$ -

12. EQUITY (cont'd…)

Share-based payments (cont'd…)

As September 30, 2022, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
27,917	$ 21.90	December 4, 2027
5,000	$ 13.14	November 1, 2028
5,000	$ 2.19	March 16, 2030
51,666	$ 10.51	October 6, 2031
84,583		

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2020	80,087	$ 12.77
Granted	208,333	9.48

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Warrants expired	(80,087)	13.46
Balance, September 30, 2021	208,333	$ 9.42
Granted	888,763	12.91
Balance, September 30, 2022	1,097,096	$ 12.12

As September 30, 2022, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
24,739	$ 23.65	November 4, 2023
864,024	$ 12.60	March 29, 2027
208,333	$ 8.76	October 1, 2031
1,097,096		

22,059 warrants issued with private placement units during fiscal 2022 have an exercise price denominated in CAD. These warrants were initially valued at $202,009 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%) and recorded as a warrant liability. These warrants were subsequently revaluated and a gain on fair value adjustment of $178,509 was recorded during the year ended September 30, 2022.

The following weighted average assumptions were used for the Black-Scholes valuation of warrants as at September 30, 2022 and November 4, 2021:

	September 30,2022	November 4, 2021
Risk-free interest rate	3.79%	0.98%
Expected life of options	1 Year	2 Years
Expected annualized volatility	135.59%	153.02%
Dividend rate	Nil	Nil
Weighted average fair value of options granted	$ 1.46	$ 11.45

13. INCOME TAXES

	2022	2021
Loss before income taxes	$ (2,714,616)	$ (1,253,242)
Expected income tax recovery at statutory rates	$ (407,000)	$ (188,000)
Provincial income tax	(244,000)	(137,000)
Effect of income taxes from US operations	(42,000)	(7,000)
Change in statutory, foreign tax, foreign exchange rates and other	(32,000)	(59,000)
Permanent differences	103,000	1,000
Adjustment to prior years provision versus statutory tax returns	(53,000)	(11,000)
Change in valuation allowance	675,000	401,000

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Deferred income tax recovery	$ -	$ -

Components of the Company's pre-tax loss and income taxes are as follows:

	2022	2021
Loss for the year		
Canada	$ (2,030,281)	$ (1,144,350)
US	(684,335)	(108,892)
	$ (2,714,616)	$ (1,253,242)
Expected income tax (recovery)		
Canada	$ (549,000)	$ (309,000)
US	(102,000)	(29,000)
	$ (651,000)	$ (338,000)
Deferred income tax (recovery)		
Canada	$ 548,000	$ 309,000
US	103,000	29,000
	$ 651,000	$ 338,000
Deferred income tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Tax loss carryforwards	$ 1,342,000	$ 780,000
Property and equipment	(74,000)	(9,000)
Financing fees	216,000	38,000
	1,484,000	809,000
Deferred tax assets valuation allowance	(1,484,000)	(809,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences include unamortized financing fees and tax loss carryforwards. The valuation allowance reduces the deferred tax assets to amounts that are, in management's assessment, more likely than not to be realized. For the years ended September 30, 2022 and 2021, the Company had financing fees of $801,000 and $140,000, respectively, with expiration dates between 2042 and 2047. The Company also had tax loss carryforwards of approximately $4,832,000 in Canada and the United States. For the years ended September 30, 2022 and 2021, the Canada tax losses totaled $4,028,000 and $2,707,000, respectively, with expiration dates ranging from 2037 to 2042 and 2037 to 2041, respectively. The United States tax losses for the years ended September 30, 2022 and 2021 totaled $804,000 and $213,000, respectively, and had no expiration dates.

14. SEGMENT INFORMATION

Operating segments

The Company operates in a single reportable segment – the acquisition, development and production of oil and gas properties in the United States.

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED)

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Supplemental unaudited information regarding Permex's oil and gas activities is presented in this note. All of Permex's reserves are located within the U.S.

Costs Incurred in Oil and Gas Producing Activities

	12 Months Ended September 30, 2022	12 Months Ended September 30, 2021
Acquisition of proved properties	$ —	$ 3,699,215
Acquisition of unproved properties	—	—
Development costs	1,676,668	9,403
Exploration costs	—	—
Total costs incurred	$ 1,676,668	$ 3,708,618

Results of Operations from Oil and Gas Producing Activities

	12 Months Ended September 30, 2022	12 Months Ended September 30, 2021
Oil and gas revenues	$ 815,391	$ 46,703
Production costs	(829,194)	(59,671)
Exploration expenses	—	—
Depletion, depreciation and amortization	(99,855)	(52,439)
Impairment of oil and gas properties	—	—
Result of oil and gas producing operations before income taxes	(113,658)	(65,407)
Provision for income taxes	—	—
Results of oil and gas producing activities	$ (113,658)	$ (65,407)

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (cont'd…)

Proved Reserves

The Company's proved oil and natural gas reserves have been estimated by the certified independent engineering firm, MKM Engineering. Proved reserves are the estimated quantities that geologic and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are the quantities expected to be recovered through existing wells with existing equipment and operating methods when the estimates were made. Due to the inherent uncertainties and the limited nature of reservoir data, such estimates are subject to change as additional information becomes available. The reserves actually recovered and the timing of production of these reserves may be substantially different from the original estimate. Revisions result primarily from new information obtained from development drilling and production history; acquisitions of oil and natural gas properties; and changes in economic factors.

Our proved reserves are summarized in the table below:

	Oil (Barrels)	Natural Gas (Mcf)	BOE (Barrels)
Proved developed and undeveloped reserves:			
September 30, 2020	3,706,360	740,180	3,829,723
Revisions (1)	(88,263)	38,640	(81,823)
Purchase of proved reserves (2)	5,408,560	2,859,590	5,885,158
Sale of reserves (3)	(2,826,290)	(618,650)	(2,929,398)
Production	(947)	(1,410)	(1,182)

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September 30, 2021	6,199,420	3,018,350	6,702,478
Revisions	48,320	(5,613)	47,385
Purchase of proved reserves	-	-	-
Sale reserves	-	-	-
Production	(10,670)	(11,567)	(12,598)
September 30, 2022	6,237,070	3,001,170	6,737,265
Proved developed reserves:			
September 30, 2020	549,390	82,430	563,128
September 30, 2021	587,450	411,910	656,102
September 30, 2022	1,153,870	864,770	1,297,998
Proved undeveloped reserves:			
September 30, 2020	3,156,970	657,750	3,266,595
September 30, 2019	5,611,970	2,606,440	6,046,377
September 30, 2022	5,083,200	2,136,400	5,439,267

(1) Revisions in 2021 included 120,850 bbls in proved undeveloped reserves being reclassified as probable in the 2021 reserve report, net of other immaterial revisions in several properties.
(2) During 2021, the Company purchased 1,246 net acres in Martin County, Texas.
(3) During 2021, the Company sold ODC and Taylor properties.

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (cont'd…)

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following information is based on the Company's best estimate of the required data for the Standardized Measure of Discounted Future Net Cash Flows as of September 30, 2022 and September 30, 2021 in accordance with ASC 932, "Extractive Activities – Oil and Gas" which requires the use of a 10% discount rate. This information is not the fair market value, nor does it represent the expected present value of future cash flows of the Company's proved oil and gas reserves.

Future cash inflows for the years ended September 30, 2022 and September 30, 2021 were estimated as specified by the SEC through calculation of an average price based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for the period from October through September during each respective fiscal year. The resulting net cash flow are reduced to present value by applying a 10% discount factor.

	12 Months Ended	
	September 30, 2022	September 30, 2021
Future cash inflows	$ 589,481,000	$ 355,958,000
Future production costs(1)	(91,630,000)	(69,683,000)
Future development costs	(71,700,000)	(71,700,000)
Future income tax expenses	(113,873,000)	(57,206,000)
Future net cash flows	312,278,000	157,369,000
10% annual discount for estimated timing of cash flows	(167,549,000)	(84,100,000)
Standardized measure of discounted future net cash flows at the end of the fiscal year	$ 144,729,000	$ 73,269,000

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(1) Production costs include crude oil and natural gas operations expense, production ad valorem taxes, transportation costs and G&A expense supporting the Company's crude oil and natural gas operations.

Average hydrocarbon prices are set forth in the table below.

	Average Price Crude Oil (Bbl)	Natural Gas (Mcf)
Year ended September 30, 2020 (1)	$ 40.30	$ 1.77
Year ended September 30, 2021 (1)	$ 55.98	$ 2.95
Year ended September 30, 2022 (1)	$ 91.72	$ 5.79

(1) Average prices were based on 12-month unweighted arithmetic average of the first-day-of-the-month prices for the period from October through September during each respective fiscal year.

Future production and development costs, which include dismantlement and restoration expense, are computed by estimating the expenditures to be incurred in developing and producing the Company's proved crude oil and natural gas reserves at the end of the year, based on year-end costs, and assuming continuation of existing economic conditions.

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (cont'd…)

Sources of Changes in Discounted Future Net Cash Flows

Principal changes in the aggregate standardized measure of discounted future net cash flows attributable to the Company's proved crude oil and natural gas reserves, as required by ASC 932, at fiscal year-end are set forth in the table below.

	12 Months Ended	
	September 30, 2022	September 30, 2021
Standardized measure of discounted future net cash flows at the beginning of the year	$ 73,269,000	$ 20,797,000
Extensions, discoveries and improved recovery, less related costs	—	—
Sales of minerals in place	—	(62,682,000)
Purchase of minerals in place	—	125,927,000
Revisions of previous quantity estimates	1,674,000	(1,751,000)
Net changes in prices and production costs	88,333,000	32,573,000
Accretion of discount	10,077,000	1,498,000
Sales of oil produced, net of production costs	(49,000)	13,000
Changes in future development costs	911,000	(21,339,000)
Changes in timing of future production	(3,099,000)	(2,580,000)
Net changes in income taxes	(26,387,000)	(19,187,000)
Standardized measure of discounted future net cash flows at the end of the year	$ 144,729,000	$ 73,269,000

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	June 30, 2023	September 30, 2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 764,386	$ 3,300,495
Trade and other receivables, net	96,615	137,214
Prepaid expenses and deposits	136,400	317,277
Total current assets	997,401	3,754,986
Non-current assets		
Reclamation deposits	145,000	145,000
Property and equipment, net of accumulated depreciation and depletion	10,368,436	8,426,776
Right of use asset, net	166,960	240,796
Total assets	$ 11,677,797	$ 12,567,558
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	$ 3,419,106	$ 1,561,344
Convertible debenture	-	38,291
Lease liability – current portion	79,866	104,224
Total current liabilities	3,498,972	1,703,859
Non-current liabilities		
Asset retirement obligations	260,394	236,412
Lease liability, less current portion	97,023	140,682
Warrant liability	-	23,500
Total liabilities	3,856,389	2,104,453
Equity		
Common stock, no par value per share; unlimited shares authorized, 2,206,014 and 1,932,604 shares* issued and outstanding as of June 30, 2023 and September 30, 2022, respectively.	14,989,912	14,337,739
Additional paid-in capital	5,092,665	4,513,194
Accumulated other comprehensive loss	(127,413)	(127,413)
Accumulated deficit	(12,133,756)	(8,260,415)
Total equity	7,821,408	10,463,105
Total liabilities and equity	$ 11,677,797	$ 12,567,558

*The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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

PERMEX PETROLEUM CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS
(UNAUDITED)

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	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Revenues				
Oil and gas sales	$ 156,716	$ 258,757	$ 541,459	$ 577,244
Royalty income	303	17,965	18,140	47,813
Total revenues	157,019	276,722	559,599	625,057
Operating expenses				
Lease operating expense	235,511	135,467	762,668	332,346
General and administrative	788,659	1,053,070	3,014,307	2,067,042
Depletion and depreciation	37,286	73,093	120,459	161,988
Accretion on asset retirement obligations	7,994	8,238	23,982	24,714
Foreign exchange gain (loss)	3,310	(22,337)	7,690	(13,723)
Total operating expenses	(1,072,760)	(1,247,531)	(3,929,106)	(2,572,367)
Loss from operations	(915,741)	(970,809)	(3,369,507)	(1,947,310)
Other income (expense)				
Interest income	108	-	108	2
Other income	6,000	4,000	18,000	16,000
Forgiveness of loan payable	-	7,900	-	7,900
Finance expense	(1,026)	(2,598)	(2,208)	(27,246)
Gain on settlement of warrant liability	930	-	930	-
Change in fair value of warrant liability	136	72,838	22,570	152,869
Total other income	6,148	82,140	39,400	149,525
Net loss and comprehensive loss	$ (909,593)	$ (888,669)	$ (3,330,107)	$ (1,797,785)
Deemed dividend arising from warrant modification	(543,234)	-	(543,234)	-
Net loss attributable to common stockholders	$ (1,452,827)	$ (888,669)	$ (3,873,341)	$ (1,797,785)
Basic and diluted loss per common share	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)
Weighted average number of common shares outstanding*	1,964,147	1,932,604	1,943,118	1,411,734

*The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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

PERMEX PETROLEUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)

Three months ended June 30

Number of Shares*	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total equity

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Balance, March 31, 2023	1,932,604	$14,337,739	$4,513,512	$ (127,413)	$ (10,680,929)	$8,042,909
Exercise of warrants	273,410	781,953	-	-	-	781,953
Share issuance costs	-	(129,780)	35,919	-	-	(93,861)
Deemed dividend arising from warrant modification	-	-	543,234	-	(543,234)	-
Share-based payments	-	-	-	-	-	-
Net loss	-	-	-	-	(909,593)	(909,593)
Balance, June 30, 2023	2,206,014	$14,989,912	$5,092,665	$ (127,413)	$ (12,133,756)	$7,821,408

	Number of Shares*	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total equity
Balance, March 31, 2022	1,932,604	$14,356,535	$4,571,535	$ (127,413)	$ (6,454,915)	$12,345,742
Share issuance costs	-	(18,302)	-	-	-	(18,302)
Share-based payments	-	-	185	-	-	185
Net loss	-	-	-	-	(888,669)	(888,669)
Balance, June 30, 2022	1,932,604	$14,338,233	$4,571,720	$ (127,413)	$ (7,343,584)	$11,438,956

* The number of shares has been restated to reflect the 60:1 share consolidation (Note 1)

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

PERMEX PETROLEUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)

Nine months ended June 30

	Number of Shares*	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total equity
Balance, September 30, 2022	1,932,604	$14,337,739	$4,513,194	$ (127,413)	$ (8,260,415)	$10,463,105
Exercise of warrants	273,410	781,953	-	-	-	781,953
Share issuance costs	-	(129,780)	35,919	-	-	(93,861)
Deemed dividend arising from warrant modification	-	-	543,234	-	(543,234)	-
Share-based payments	-	-	318	-	-	318
Net loss	-	-	-	-	(3,330,107)	(3,330,107)
Balance, June 30, 2023	2,206,014	$14,989,912	$5,092,665	$ (127,413)	$ (12,133,756)	$ 7,821,408

	Number of Shares*	Share capital	Additional paid-in capital	Accumulated other	Accumulated deficit	Total equity

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				comprehensive loss		
Balance, September 30, 2021	1,103,010	$ 8,976,747	$2,476,717	$ (127,413)	$ (5,545,799)	$ 5,780,252
Private placements	829,594	7,303,161	607,170	-	-	7,910,331
Share issuance costs	-	(1,941,675)	882,972	-	-	(1,058,703)
Share-based payments	-	-	604,861	-	-	604,861
Net loss	-	-	-	-	(1,797,785)	(1,797,785)
Balance, June 30, 2022	1,932,604	$14,338,233	$4,571,720	$ (127,413)	$ (7,343,584)	$11,438,956

*The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1).

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

PERMEX PETROLEUM CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JUNE 30
(UNAUDITED)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (3,330,107)	$ (1,797,785)
Adjustments to reconcile net loss to net cash from operating activities:		
Accretion on asset retirement obligations	23,982	24,714
Depletion and depreciation	120,459	161,988
Foreign exchange loss (gain)	-	(1,062)
Forgiveness of loan payable	-	(7,900)
Finance expense	-	14,956
Gain on settlement of warrant liability	(930)	-
Change in fair value of warrant liability	(22,570)	(152,869)
Share-based payments	318	604,861
Changes in operating assets and liabilities:		
Trade and other receivables	40,599	(173,756)
Prepaid expenses and deposits	180,877	(831,968)
Trade and other payables	1,045,347	695,431
Amounts due to related parties	-	(10,618)
Right of use asset and lease liability	5,819	(930)
Net cash used in operating activities	(1,936,206)	(1,474,938)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on property and equipment	(1,249,704)	(201,698)
Net cash used in investing activities	(1,249,704)	(201,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of private placement units	-	8,112,340
Proceeds from exercise of warrants	781,953	-
Share issuance costs	(93,861)	(1,067,374)
Convertible debenture repayment	(38,291)	(23,700)
Loan from related party	-	(3,647)

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Net cash provided by (used in) financing activities	649,801	7,017,619
Change in cash and cash equivalents during the period	(2,536,109)	5,340,983
Cash and cash equivalents, beginning of the period	3,300,495	25,806
Cash and cash equivalents, end of the period	$ 764,386	$ 5,366,789
Supplemental disclosures of non-cash investing and financing activities:		
Share purchase warrants issued in connection with private placements	-	1,692,151
Share purchase warrants issued in connection with exercise of warrants	579,153	-
Trade and other payables related to property and equipment	1,459,667	93,960
Supplemental cash flow disclosures:		
Interest paid	1,182	18,960

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

PERMEX PETROLEUM CORPORATION
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED JUNE 30, 2023
(UNAUDITED)

1. BACKGROUND

Permex Petroleum Corporation (the "Company") was incorporated on April 24, 2017 under the laws of British Columbia, Canada and maintains its head office at Suite 925, 2911 Turtle Creek Blvd, Dallas, Texas, 75219. Its registered office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company is primarily engaged in the acquisition, development and production of oil and gas properties in the United States. The Company's oil and gas interests are located in Texas and New Mexico, USA. The Company is listed on the Canadian Securities Exchange (the "CSE") under the symbol "OIL" and on the OTCQB under the symbol "OILCF".

On October 26, 2022, the Company's board of directors approved a reverse stock split of the Company's issued and outstanding common stock at a 1 for 60 ratio, which was effective November 2, 2022. The par value and authorized shares of common stock were not adjusted as a result of the reverse stock split. All issued and outstanding common stock, options, and warrants to purchase common stock and per share amounts contained in the financial statements have been retroactively adjusted to reflect the reverse stock split for all periods presented.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and applicable rules and regulations of the United States Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of the Company's financial position and of the results of operations and cash flows for the periods presented. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2023 or for any other interim period or for any other future fiscal year. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and footnotes for the fiscal year ended September 30, 2022.

Principles of Consolidation

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The accompanying consolidated financial statements include the assets, liabilities, revenue and expenses of the Company's wholly-owned subsidiary, Permex Petroleum US Corporation. All intercompany balances and transactions have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred losses since inception in the amount of $12,133,756 and has not yet achieved profitable operations. The Company has been relying on equity financing and loans from related parties to fund its operation in the past. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management plans to fund operations of the Company with its current working capital and through increasing production from its oil and gas leases. The Company also expects to raise additional funds through equity financings. There are no written agreements in place for such funding or issuance of securities and there can be no assurance that such will be available in the future. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) the fair value of assets when determining the existence of impairment factors and the amount of impairment, if any; (ii) the costs of site restoration when determining decommissioning liabilities; (iii) the useful lives of assets for the purposes of depletion and depreciation; (iv) petroleum and natural gas reserves; and (v) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

New accounting standards

There are not currently any new or pending accounting standards that are expected to have a significant impact on the Company's consolidated financial statements.

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3. REVENUE

Revenue from contracts with customers is presented in "Oil and gas sales" on the Consolidated Statements of Loss.

As of June 30, 2023 and September 30, 2022, receivable from contracts with customers, included in trade and other receivables, were $52,201 and $56,639, respectively.

The following table present our revenue from contracts with customers disaggregated by product type and geographic areas.

Three months ended June 30, 2023	Texas	New Mexico	Total
Crude oil	$ 113,471	$ 42,230	$ 155,701
Natural gas	1,015	-	1,015
Revenue	$ 114,486	$ 42,230	$ 156,716

Three months ended June 30, 2022	Texas	New Mexico	Total
Crude oil	$ 205,861	$ 36,562	$ 242,423
Natural gas	16,334	-	16,334
Revenue	$ 222,195	$ 36,562	$ 258,757

Nine months ended June 30, 2023	Texas	New Mexico	Total
Crude oil	$ 417,050	$ 116,285	$ 533,335
Natural gas	8,124	-	8,124
Revenue	$ 425,174	$ 116,285	$ 541,459

Nine months ended June 30, 2022	Texas	New Mexico	Total
Crude oil	$ 445,769	$ 84,809	$ 530,578
Natural gas	46,666	-	46,666
Revenue	$ 492,435	$ 84,809	$ 577,244

4. CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash equivalents and trade receivables. The Company's cash balances sometimes exceed the United States' Federal Deposit Insurance Corporation insurance limits. The Company mitigates this risk by placing its cash and cash equivalents with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. To date, the Company has not recognized any losses caused by uninsured balances.

The majority of the Company's receivable balance is concentrated in trade receivables, with a balance of $94,380 as of June 30, 2023 (September 30, 2022 - $91,928). Two customers represented $57,744 (61%) of the trade receivable balance. The Company routinely assesses the financial strength of its customers. The non-trade receivable balance consists of goods and services tax ("GST") recoverable of $2,235. GST recoverable is due from the Canadian Government. It is in management's opinion that the Company is not exposed to significant credit risk. To date, the Company has not recognized any credit losses on its receivables.

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5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30, 2023	September 30, 2022
Oil and natural gas properties, at cost	$ 10,473,886	$ 8,029,234
Construction in progress	-	460,306
Less: accumulated depletion	(267,941)	(184,658)
Oil and natural gas properties, net	10,205,945	8,304,882
Other property and equipment, at cost	205,315	127,542
Less: accumulated depreciation	(42,824)	(5,648)
Other property and equipment, net	162,491	121,894
Property and equipment, net	$ 10,368,436	$ 8,426,776

Depletion and depreciation expense was $120,459 and $161,988 for the nine month periods ended June 30, 2023 and June 30, 2022, respectively. Depletion and depreciation expense for the three month periods ended June 30, 2023 and June 30, 2022 was $37,286 and $73,093, respectively.

6. LEASES

All of the Company's right-of-use assets are operating leases related to its office premises. Details of the Company's right-of-use assets and lease liabilities are as follows:

	June 30, 2023	September 30, 2022
Right-of-use assets	$ 166,960	$ 240,796
Lease liabilities		
Balance, beginning of the year	$ 244,906	$ 78,949
Addition	-	220,368
Liability accretion	19,111	9,042
Lease payments	(87,128)	(63,453)
Balance, end of the year	$ 176,889	$ 244,906
Current lease liabilities	$ 79,866	$ 104,224
Long-term lease liabilities	$ 97,023	$ 140,682

The following table presents the Company's total lease cost.

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Operating lease cost	$ 27,704	$ 12,956	$ 92,947	$ 40,730
Variable lease expense	22,516	13,397	48,513	30,823
Sublease income	(12,367)	(10,752)	(32,762)	(26,350)
Rent subsidy	-	-	-	(1,674)
Net lease cost	$ 37,853	$ 15,601	$ 108,698	$ 43,529

As of June 30, 2023, maturities of the Company's operating lease liabilities are as follows:

Year

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2023 remaining	$	23,709
2024		82,190
2025		84,664
2026		14,180
Total lease payments		204,743
Less: imputed interest		(27,854)
Total lease liabilities	$	176,889

7. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with the Company's oil and gas properties. Changes to the asset retirement obligations are as follows:

		June 30, 2023		September 30, 2022
Asset retirement obligations, beginning of the year	$	236,412	$	552,594
Revisions of estimates		-		(371,212)
Accretion expense		23,982		55,030
	$	260,394	$	236,412

During the year ended September 30, 2022, the Company had revision of estimates totalling $371,212 primarily due to changes in future cost estimates and retirement dates for its oil and gas assets.

Reclamation deposits

As of June 30, 2023, the Company held reclamation deposits of $145,000 (September 30, 2022 - $145,000), which are expected to be released after all reclamation work has been completed with regard to its oil and natural gas interests.

8. DEBT

Convertible debenture – Related party

As of September 30, 2022, the Company had a debenture loan of $73,000 (CAD$100,000) from the CEO of the Company outstanding. The debenture loan was secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bore interest at a rate of 12% per annum and had a maturity date of December 20, 2022. The debenture was convertible at the holder's option into units of the Company at $6.57 (CAD$9.00) per unit. Each unit would be comprised of one common share of the Company and one share purchase warrant; each warrant entitled the holder to acquire one additional common share for a period of three years at an exercise price of $8.76 (CAD $12.00).

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During the year ended September 30, 2022, the Company repaid $34,709 of the loan (CAD$47,546). In November 2022, the Company repaid the remaining principal loan amount of $38,291 (CAD$52,454).

The Company recorded interest of $nil and $1,182 for the three and nine months ended June 30, 2023. The Company recorded interest of $2,597 and $6,285 for the three and nine months ended June 30, 2022.

Loan payable

In May 2020, the Company opened a Canada Emergency Business Account ("CEBA") and received a loan of $28,640 (CAD$40,000) from the Canadian Government. The CEBA program was established to provide interest-free loans of up to CAD$60,000 to small businesses to help them cover operating costs during the COVID-19 pandemic. The loan was unsecured and non-interest bearing with a repayment deadline of December 31, 2023. During the year ended September 30, 2022, the Company repaid the loan balance of $23,600 (CAD$30,000) and recognized a gain of $7,800 (CAD$10,000) on the forgiven amount.

9. RELATED PARTY TRANSACTIONS

The convertible debenture loan from the CEO of the Company mentioned in Note 8 was repaid during the nine months ended June 30, 2023.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine month periods ended June 30, 2023 and 2022 was based on the net losses attributable to common shareholders. The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Net loss	$ (1,452,827)	$ (888,669)	$ (3,873,341)	$ (1,797,785)
Weighted average common shares outstanding	1,964,147	1,932,604	1,943,118	1,411,734
Basic and diluted loss per share	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)

For the three and nine months ended June 30, 2023, 81,250 stock options and 1,118,942 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive. For the three and nine months ended June 30, 2022, 92,917 stock options and 1,097,096 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

11. EQUITY

Common stock

The Company has authorized an unlimited number of common shares with no par value. At June 30, 2023 and September 30, 2022, the Company had 2,206,014 common shares issued and outstanding after giving effect to the 60:1 reverse stock split.

During the nine months ended June 30, 2023, the Company announced a warrant exercise incentive program (the "Program") whereby the Company amended the exercise prices of 1,015,869 warrants (the "Eligible Warrants") from $12.60 per share to $2.86 per share if the holders of the Eligible Warrants exercised the Eligible Warrants before June 30, 2023 (the "Program Period"). In addition to the repricing, the Company offered, to each warrant holder who exercised the Eligible Warrants during

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the Program Period, the issuance of one additional common share purchase warrant for each warrant exercised during the Program Period (each, an "Incentive Warrant"). Each Incentive Warrant entitles the warrant holder to purchase one common share of the Company for a period of 5 years from the date of issuance, at a price of $4.50 per Share.

On June 30, 2023, the Company issued 273,410 common shares at a price of $2.86 per share from the exercise of the Eligible Warrants pursuant to the Program for gross proceeds of $781,953 (net proceeds of $688,092). In connection with the Program, the Company issued 273,410 Incentive Warrants. The Company also incurred $62,556 and issued 21,872 warrants as a finders' fee to its investment bank. The finder's warrants are on the same terms as the Incentive Warrants. The Incentive Warrants and finder's warrants were valued at $449,005 and $35,919, respectively, using the Black-Scholes option pricing model (assuming a risk-free interest rate of 3.68%, an expected life of 5 years, annualized volatility of 128.81% and a dividend rate of 0%). The repricing of the Eligible Warrants is accounted for as a modification under ASC 815-40-35-14 through 18. The effect of the modification is $544,164, measured as the excess of the fair value of the repriced warrants over the fair value of the original warrants immediately before it was modified and the fair value of the incentive warrants issued as an additional inducement to exercise the warrants. The fair values were measured using the Black-Scholes option pricing model (assuming a risk-free interest rate of 4.21%, an expected life of 3.75 years, annualized volatility of 137.62% and a dividend rate of 0%). The Company recognized a deemed dividend of $543,234 for the fair value of the Incentive Warrants and the portion of inducement related to the equity-classified warrants. The effect of the repricing of the liability-classified warrants was $930 and was recorded in the statement of loss. The Company also incurred legal and other expenses of $31,305 in connection with the Program.

During the year ended September 30, 2022, the Company:

a) Completed a non-brokered private placement of 44,117 units at a price of $12.96 (CAD$16.20) per unit for gross proceeds of $571,760 (CAD$714,700) on November 4, 2021. Each unit is comprised of one common share and one half of one share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $25.80 (CAD$32.40). $202,009 of the proceeds was allocated to the warrants and recorded as a warrant liability. The Company paid $34,733 and issued 2,680 agent's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at $24,543 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%). The Company also incurred filing and other expenses of $800 in connection with the private placement. $8,671 of issuance costs related to the warrants was recorded in the statement of loss.

b) Completed a brokered private placement of 785,477 units at a price of $9.60 per unit for gross proceeds of $7,540,580 on March 29, 2022. Each unit is comprised of one common share and one common share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 5 years at an exercise price of $12.60. $607,170 of the proceeds was allocated to the warrants. ThinkEquity LLC acted as sole placement agent for the private placement. In connection with the private placement, ThinkEquity received a cash commission of $754,058, 78,548 broker warrants and expense reimbursement of $131,560. The broker's warrants have the same terms as the warrants issued under the private placement. The broker's warrants were valued at $858,429 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 2.45%, an expected life of 5 years, annualized volatility of 134.66% and a dividend rate of 0%). The Company also incurred filing and other expenses of $159,271 in connection with the private placement.

Share-based payments

Stock options

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

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11. EQUITY (cont'd…)

Share-based payments (cont'd…)

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, September 30, 2021	37,917	$ 19.51
Granted	55,000	10.51
Cancelled	(8,334)	17.34
Balance, September 30, 2022	84,583	$ 13.26
Cancelled	(3,333)	10.66
Balance, June 30, 2023	81,250	$ 13.74
Exercisable at June 30, 2023	81,250	$ 74

The aggregate intrinsic value of options outstanding and exercisable as at June 30, 2023 was $nil (September 30, 2022 - $nil).

The options outstanding as of June 30, 2023 have exercise prices in the range of $2.25 to $22.50 and a weighted average remaining contractual life of 6.91 years.

During the nine months ended June 30, 2023 and 2022, the Company recognized share-based payment expense of $318 and $604,861, respectively, for the portion of stock options that vested during the period. The share-based payment expense for the three months ended June 30, 2023 and 2022 was $nil and $185, respectively. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2023	2022
Risk-free interest rate	-	1.5%
Expected life of options	-	10 Years
Expected annualized volatility	-	96.56%
Dividend rate	-	Nil
Weighted average fair value of options granted	-	$ 10.17

As June 30, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Issuance Date	Expiry Date
22,917	$ 22.50	December 4, 2017	December 4, 2027
5,000	$ 13.50	November 1, 2018	November 1, 2028
5,000	$ 2.25	March 16, 2020	March 16, 2030
48,333	$ 10.80	October 6, 2021	October 6, 2031
81,250			

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11. EQUITY (cont'd…)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2021	208,332	$ 9.42
Granted	888,738	12.91
Balance, September 30, 2022	1,097,070	$ 12.12
Exercised	(273,410)	2.86
Granted	295,282	4.50
Balance, June 30, 2023	1,118,942	9.98

As June 30, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Issuance Date	Expiry Date
17,558	$ 24.30	November 4, 2021	November 4, 2023
597,770	$ 12.60	March 29, 2022	March 29, 2027
295,282	$ 4.50	June 30, 2023	June 30, 2028
208,332	$ 9.00	September 30, 2021	September 30, 2031
1,118,942			

22,059 warrants issued with private placement units during fiscal 2022 have an exercise price denominated in CAD. These warrants were initially valued at $202,009 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%) and recorded as a warrant liability. The fair value of these warrants were remeasured at each reporting period and a gain on fair value of $178,509 was recorded during the year ended September 30, 2022. During the nine months ended June 30, 2023, a gain on fair value of $23,500 was recorded (2022 - $152,869). During the three months ended June 30, 2023, a gain on fair value of $1,066 was recorded (2022 - $72,838).

The following weighted average assumptions were used for the Black-Scholes valuation of warrants as at June 30, 2023 and September 30, 2022:

	June 30, 2023	September 30, 2022
Risk-free interest rate	4.58%	3.79%
Expected life of options	0.33 Year	1 Year
Expected annualized volatility	73.12%	135.59%
Dividend rate	Nil	Nil
Weighted average fair value of options granted	$ 0.00	$ 1.46

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Up to 1,900,000 Common Units, Each Consisting of a Common Share and a Warrant to Purchase One Common Share

Up to 1,900,000 Pre-funded Units, Each Consisting of a Pre-funded Warrant to Purchase One Common Share and a Warrant to Purchase One Common Share

Permex Petroleum Corporation

PRELIMINARY PROSPECTUS

ThinkEquity

, 2023

Through and including , 2023 (the 25th day after the date of this offering), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

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PART II INFORMATION NOT REQUIRED IN PROSPECTUS.

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses payable by the Company in connection with the issuance and distribution of the securities being registered hereunder.

SEC registration fees	$	4,344
FINRA filing fee	$	6,412
Nasdaq filing fee	$	55,000
Printing expenses*	$	10,000
Accounting fees and expenses*	$	80,000
Legal fees and expenses*	$	360,000
Blue sky fees*	$	5,000
Miscellaneous*	$	10,000
Total	$	530,756

* All amounts are estimated except the SEC registration fee, the FINRA filing fee and The Nasdaq Capital Market filing fee.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

***Business Corporations Act* (British Columbia)**

The Company is subject to the provisions of Part 5, Division 5 of the BCBCA.

Under Section 160 of the BCBCA, the Company may, subject to Section 163 of the BCBCA:

(a) indemnify an individual who:

(i) is or was a director or officer of the Company,

(ii) is or was a director or officer of another corporation (A) at a time when the corporation is or was an affiliate of the Company; or (B) at our request, or

(iii) at our request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity,

including, subject to certain limited exceptions, the heirs and personal or other legal representatives of that individual (collectively, an "eligible party"), against all eligible penalties, defined below, to which the eligible party is or may be liable; and

(b) after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, where:

(i) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding,

(ii) "eligible proceeding" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation (A) is or may be joined as a party, or (B) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding,

(iii) "expenses" includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding, and

(iv) "proceeding" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

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Under Section 161 of the BCBCA, and subject to Section 163 of the BCBCA, the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party (a) has not been reimbursed for those expenses and (b) is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

Under Section 162 of the BCBCA, and subject to Section 163 of the BCBCA, the Company may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of the proceeding, provided that the Company must not make such payments unless the Company first receives from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited under Section 163 of the BCBCA, the eligible party will repay the amounts advanced.

Under Section 163 of the BCBCA, the Company must not indemnify an eligible party against eligible penalties to which the eligible party is or may be liable or pay the expenses of an eligible party in respect of that proceeding under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, if any of the following circumstances apply:

(a) if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, the Company was prohibited from giving the indemnity or paying the expenses by its memorandum or Articles;

(b) if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, the Company is prohibited from giving the indemnity or paying the expenses by its memorandum or Articles;

(c) if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of the Company or the associated corporation, as the case may be; or

(d) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

If an eligible proceeding is brought against an eligible party by or on behalf of the Company or by or on behalf of an associated corporation, we must not either indemnify the eligible party under Section 160(a) of the BCBCA against eligible penalties to which the eligible party is or may be liable, or pay the expenses of the eligible party under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, in respect of the proceeding.

Under Section 164 of the BCBCA, and despite any other provision of Part 5, Division 5 of the BCBCA and whether or not payment of expenses or indemnification has been sought, authorized or declined under Part 5, Division 5 of the BCBCA, on application of the Company or an eligible party, the court may do one or more of the following:

(a) order the Company to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;

(b) order the Company to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;

(c) order the enforcement of, or any payment under, an agreement of indemnification entered into by the Company;

(d) order the Company to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under Section 164 of the BCBCA; or

(e) make any other order the court considers appropriate.

Section 165 of the BCBCA provides that the Company may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible

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party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation.

Company's Articles

Under Part 21.2 of our Articles, and subject to the BCBCA, the Company must indemnify a director, former director or alternative director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in the Company's Articles.

Under Part 21.3 of the Company's Articles, and subject to any restrictions in the BCBCA, the Company may agree to indemnify and may indemnify any person.

Under Part 21.4 of the Company's Articles, the failure of a director, alternate director or officer of the Company to comply with the BCBCA or the Company's Articles or, if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled under the Company's Articles.

Under Part 21.5 of the Company's Articles, the Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- is or was a director, alternate director, officer, employee or agent of the Company;
- is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The following is a summary of transactions during the three years preceding this offering, involving offers and sales of our securities which took place outside the United States, unless otherwise stated, and were not registered under the Securities Act.

2023

On June 30, 2023, we completed an early warrant exercise program whereby we amended the exercise price of an aggregate of 253,945 Eligible Warrants to $11.44 per share during the Early Exercise Period. Pursuant to the warrant exercise program, an aggregate of 68,349 Eligible Warrants were exercised for aggregate gross proceeds of approximately $781,952 and net proceeds of approximately $688,092. As a result, we issued an aggregate of 68,349 common shares and 68,349 Incentive Warrants. Each Incentive Warrant is exercisable for one common share for a period of five years from June 30, 2023 at an exercise price of $18.00 per share. In connection with the warrant exercise program, we issued an aggregate of 5,464 Representative's Warrants on the same terms as the Incentive Warrants, to representatives of ThinkEquity LLC, as financial advisor. The offering was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated by the SEC for purchasers located in the United States and Regulation S promulgated under the Securities Act for purchasers located outside of the United States.

2022

On March 28 and 29, 2022, the Company closed a brokered private placement of an aggregate of 196,369 units at a price of $38.40 per unit for gross proceeds of $7,540,580. Each unit is comprised of one common share and one Common Share purchase warrant. Each warrant is exercisable into one Common Share of the Company for a period of five years at an exercise price of $50.40 per share. ThinkEquity LLC acted as sole placement agent for the private placement and it and/or its designees received five year warrants to purchase up to 19,628 Common Shares of the Company at an exercise price of $50.40 per share. The offering was exempt from

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registration under Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated by the SEC for purchasers located in the United States and Regulation S promulgated under the Securities Act for purchasers located outside of the United States.

2021

On June 16, 2021, the Company issued 2,083 Common Shares of the Company with a fair market value of $34,850 (C$42,500) pursuant to the investor relations service agreement.

On September 30, 2021, the Company issued 104,164 Common Shares with a value of $2,468,750 (C$3,125,000) and 52,082 share purchase warrants in connection with the acquisition of the Breedlove "B" Clearfork leases. The share purchase warrants have an exercise price $36.00 per share (C$48.00 per share) and are exercisable until September 30, 2031.

On October 7, 2021, the Company granted 13,747 stock options to certain directors and officers of the Company. The stock options are exercisable at a price of $43.20 (C$57.60) per Common Share and expire October 6, 2031.

On November 4, 2021, the Company completed a non-brokered private placement of 11,029 units at a price of $51.84 (C$64.80) per unit for gross proceeds of $571,760 (C$714,700). Each unit is comprised of one Common Share and one half of share purchase warrant, and each whole warrant entitles the holder to acquire one additional Common Share for a period of 24 months at an exercise price of $25.80 (C$32.40). The Company issued two year warrants to purchase up to 670 Common Shares of the Company at an exercise price of $97.20 (C$129.60) as a finders' fee.

2020

On November 18, 2020, the Company issued 2,734 Common Shares at fair market value of $20,108 pursuant to a marketing agreement.

On March 16, 2020, the Company granted ten year options to purchase up to 1,250 Common Shares of the Company to a director of the Company at an exercise price of $9.00 (C$12.00) per Common Share.

In February 2020, the Company issued a secured convertible debenture in the principal amount of $75,000 (C$100,000) to the Chief Executive Officer and President of the Company. The debenture is secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, matures no later than August 20, 2022 or an earlier date at the request of the holder thereof upon 30 days written notice, and bears interest at a rate of 12% per annum, payable on maturity. The debenture is convertible at the holder's option into units of the Company at $28.80 (C$36.00) per unit. Each unit will be comprised of one Common Share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional Common Share for a period of three years at an exercise price of $38.40 (C$48.00).

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement
3.1	Articles of Permex Petroleum Corporation (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 29, 2022)
4.1	Specimen of Share Certificate for Permex Petroleum Corporation's Common Shares (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 filed with the SEC on June 28, 2022)

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4.2*	Form of Representative's Warrant (included in Exhibit 1.1)
4.3**	Form of Warrant Agency Agreement for Warrants
4.4**	Form of Warrant (included in Exhibit 4.3)
4.5*	Form of Pre-funded Warrant (included in Exhibit 1.1)
4.6	Form of Incentive Warrant (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 11, 2023)
5.1**	Opinion of DuMoulin Black LLP (including consent)
5.2**	Opinion of Sheppard, Mullin, Richter & Hampton LLP (including consent)
10.1	Form of Registration Rights Agreement between the Company and various purchasers (Incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 filed with the SEC on June 28, 2022)
10.2+	Employment Agreement by and between the Company and Mehran Ehsan (Incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 filed with the SEC on June 28, 2022)
10.3+	2017 Stock Option Plan (Incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 filed with the SEC on June 28, 2022)
10.4+	Executive Employment Agreement by and between the Company and Gregory Montgomery (Incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 filed with the SEC on June 28, 2022)
16.1	Letter of Davidson & Company LLP dated November 3, 2022 (Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed with the SEC on November 4, 2022)
21.1**	List of subsidiaries of the Registrant
23.1*	Consent of Davidson & Company LLP
23.2**	Consent of DuMoulin Black LLP (included in Exhibit 5.1)
23.3**	Consent of Sheppard, Mullin, Richter & Hampton LLP (included in Exhibit 5.2)
23.4*	Consent of MKM Engineering
23.5*	Consent of Marcum LLP
24.1**	Power of Attorney
99.1**	Appraisal of Certain Oil & Gas Interests Owned by Permex Petroleum Corporation Located in New Mexico & Texas as of September 30, 2022
99.2	Appraisal of Certain Oil & Gas Interests Owned by Permex Petroleum Corporation Located in New Mexico & Texas as of September 30, 2021 (Incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-1 filed with the SEC on August 8, 2022)
107**	Calculation of Filing Fees Table

* Filed herewith.
** Previously filed.
*** To be filed by amendment.
+ Indicates management contract or compensatory plan or arrangement.

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(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

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(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on this Amendment No. 7 to Form S-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Dallas, Texas on the 20th day of October, 2023.

Permex Petroleum Corporation

By: */s/ Mehran Ehsan*
Name: Mehran Ehsan
Title: Chief Executive Officer

Signature		Date
/s/ Mehran Ehsan Mehran Ehsan	Chief Executive Officer, President and Director *(Principal Executive Officer)*	October 20, 2023
* Gregory Montgomery	Chief Financial Officer *(Principal Financial and Accounting Officer)*	October 20, 2023

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*	Chief Operating Officer and Director	October 20, 2023
Barry Whelan		
*	Director	October 20, 2023
Douglas Charles Urch		
*	Director	October 20, 2023
James Perry Bryan		
*	Director	October 20, 2023
John James Lendrum		
*	Director	October 20, 2023
Melissa Folz		

*By: */s/Mehran Ehsan*
Name: Mehran Ehsan
Title: Attorney-in-Fact

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Exhibit 1.1

UNDERWRITING AGREEMENT

between

PERMEX PETROLEUM CORPORATION

and

THINKEQUITY LLC

as Representative of the Several Underwriters

PERMEX PETROLEUM CORPORATION

UNDERWRITING AGREEMENT

New York, New York
[●], 2022

ThinkEquity LLC

As Representative of the several Underwriters named on Schedule 1 attached hereto
17 State Street, 41st Fl
New York, NY 10004

Ladies and Gentlemen:

The undersigned, Permex Petroleum Corporation, a British Columbia corporation (collectively with its subsidiaries and affiliates, including, without limitation, all entities disclosed or described in the Registration Statement (as hereinafter defined) as being subsidiaries or affiliates of Permex Petroleum Corporation, the "Company"), hereby confirms its agreement (this "Agreement") with ThinkEquity LLC (hereinafter referred to as "you" (including its correlatives) or the "Representative") and with the other underwriters named on Schedule 1 hereto for which the Representative is acting as representative (the Representative and such other underwriters being collectively called the "Underwriters" or, individually, an "Underwriter") as follows:

1. Purchase and Sale of Shares.

1.1 *Firm Securities*.

1.1.1. Nature and Purchase of Firm Securities.

(i) On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the several Underwriters, an aggregate of [●] shares (each, a "Firm Share," and in the aggregate, the "Firm Shares") of the Company's common shares, no par value per share (the "Common Shares"), an aggregate of [●] pre-funded warrants (each, a "Pre-Funded Warrant," and in the aggregate, the "Firm Pre-Funded Warrants") to purchase one Common Share at an exercise price of $0.01 until such time as the Pre-Funded Warrant is exercised in full, subject to adjustment as provided in the Pre-Funded Warrant, and an aggregate of [●] warrants (each, a "Warrant," and in the aggregate, the "Firm Warrants"; the Firm Shares, Firm Pre-Funded Warrants and the Firm Warrants together, the "Firm Securities") to purchase one Common Share at an exercise price of $[●] for a period of five (5) years, subject to adjustment as provided in the Warrant.

(ii) The Underwriters, severally and not jointly, agree to purchase from the Company the number of Firm Shares, Firm Pre-Funded Warrants and Firm Warrants set forth opposite their respective names on Schedule 1 attached hereto and made

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a part hereof at a purchase price of $[●] per Firm Share and accompanying Firm Warrant (92.5% of the per Firm Share offering price, allocated as [●] per Firm Share and $[0.00001] per Firm Warrant) and $[●] per Firm Pre-Funded Warrant and accompanying Warrant (92.5% of the per Firm Share offering price minus $0.01, allocated as [●] per Firm Pre-Funded Warrant and $[0.00001] per Firm Warrant). The Firm Securities are to be offered initially to the public at the offering price set forth on the cover page of the Prospectus (as defined in Section 2.1.1 hereof).

1.1.2. Shares Payment and Delivery.

(i) Delivery and payment for the Firm Securities shall be made at 10:00 a.m., Eastern time, on the second (2nd) Business Day following the effective date (the "Effective Date") of the Registration Statement (as defined in Section 2.1.1 below) (or the third (3rd) Business Day following the Effective Date if the Registration Statement is declared effective after 4:01 p.m., Eastern time) or at such earlier time as shall be agreed upon by the Representative and the Company, at the offices of Dentons US LLP, 1221 Avenue of the Americas, New York, New York 10020 ("Representative Counsel"), or at such other place (or remotely by facsimile or other electronic transmission) as shall be agreed upon by the Representative and the Company. The hour and date of delivery and payment for the Firm Securities is called the "Closing Date."

(ii) Payment for the Firm Securities shall be made on the Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery of the certificates (in form and substance satisfactory to the Underwriters) representing the Firm Securities (or through the facilities of the Depository Trust Company ("DTC")) for the account of the Underwriters. The Firm Securities shall be registered in such name or names and in such authorized denominations as the Representative may request in writing at least two (2) full Business Days prior to the Closing Date. The Company shall not be obligated to sell or deliver the Firm Securities except upon tender of payment by the Representative for all of the Firm Securities. The term "Business Day" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized or obligated by law to close in New York, New York.

1.2 *Over-allotment Option*.

1.2.1. Option Shares. For the purposes of covering any over-allotments in connection with the distribution and sale of the Firm Securities, the Company hereby grants to the Underwriters an option (the "Over-allotment Option") to purchase, in the aggregate, up to [●] additional Common Shares and/or Pre-Funded Warrants, representing 15% of the Firm Shares and Firm Pre-Funded Warrants sold in the offering from the Company (the "Option Shares" or "Option Pre-Funded Warrants," as applicable) and/or up to [●] additional Warrants to purchase an aggregate of an additional [●] Common Shares, representing 15% of the Firm Warrants sold in the offering from the Company (the "Option Warrants"). The purchase price to be paid per Option Share or Option Pre-Funded Warrant shall be equal to the price per Firm Share or Firm Pre-Funded Warrant set forth in Section 1.1.1(ii) hereof and the purchase price to be paid per Option Warrant shall be equal to the price per Firm Warrant set forth in Section 1.1.1(ii) hereof. The Over-allotment Option is, at the Underwriters' sole discretion, for Option Shares and Option Warrants together, Option Pre-Funded Warrants and Option Warrants together, solely Option Shares, Solely Option Pre-Funded Warrants, solely Option Warrants, or any combination thereof (each, an "Option Security" and collectively, the "Option Securities"). The Firm Securities and the Option Securities are collectively referred to as the "Securities." The Securities and the Underlying Shares (as defined below), are collectively referred to as the "Public Securities." The Public Securities shall be issued directly by the Company and shall have the rights and privileges described in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The Firm Warrants and the Option Warrants, if any, shall be issued pursuant to, and shall have the rights and privileges set forth in, a warrant agreement, dated on or before the Closing Date, between the Company and [____], as warrant agent (the "Warrant Agreement"). The certificate (the "Pre-Funded Warrant Certificate") evidencing the Firm Pre-Funded Warrants and the Option Pre-Funded Warrants, if any, will be in the form attached hereto as Exhibit A. The offering and sale of the Public Securities is herein referred to as the "Offering."

1.2.2. Exercise of Option. The Over-allotment Option granted pursuant to Section 1.2.1 hereof may be exercised by the Representative as to all (at any time) or any part (from time to time) of the Option Securities within 45 days after the Effective Date. The Underwriters shall not be under any obligation to purchase any Option Securities prior to the exercise of the Over-allotment Option. The Over-allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Representative, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Securities

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to be purchased and the date and time for delivery of and payment for the Option Securities (the "Option Closing Date"), which shall not be later than one (1) full Business Day after the date of the notice or such other time as shall be agreed upon by the Company and the Representative, at the offices of Representative Counsel or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Representative. If such delivery and payment for the Option Securities does not occur on the Closing Date, the Option Closing Date will be as set forth in the notice. Upon exercise of the Over-allotment Option with respect to all or any portion of the Option Securities, subject to the terms and conditions set forth herein, (i) the Company shall become obligated to sell to the Underwriters the number of Option Securities specified in such notice and (ii) each of the Underwriters, acting severally and not jointly, shall purchase that portion of the total number of Option Securities then being purchased as set forth in Schedule 1 opposite the name of such Underwriter.

1.2.3. Payment and Delivery. Payment for the Option Securities shall be made on the Option Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery to you of certificates (in form and substance satisfactory to the Underwriters) representing the Option Securities (or through the facilities of DTC) for the account of the Underwriters. The Option Securities shall be registered in such name or names and in such authorized denominations as the Representative may request in writing at least one (1) full Business Day prior to the Option Closing Date. The Company shall not be obligated to sell or deliver the Option Securities except upon tender of payment by the Representative for applicable Option Securities. The Option Closing Date may be simultaneous with, but not earlier than, the Closing Date, and in the event that such time and date are simultaneous with the Closing Date, the term "Closing Date" share refer to the time and date of delivery of the Firm Securities and the Option Securities.

1.3 *Representative's Warrants*.

1.3.1. Purchase Warrants. The Company hereby agrees to issue and sell to the Representative (and/or its designees) on the Closing Date, and the Option Closing Date if applicable, a warrant, in the form attached hereto as Exhibit B ("Representative's Warrant"), for the purchase of an aggregate of up to [●] Common Shares, representing 5% of the Firm Shares, Firm Pre-Funded Warrants, Option Shares and Option Pre-Funded Warrants sold on such date, for an aggregate purchase price of $100.00. The Representative's Warrant shall be exercisable, in whole or in part, commencing on the date which is one hundred eighty (180) days after the Effective Date and expiring on the four and one-half year anniversary of the Effective Date, at an initial exercise price of $[●] per Common Share, which is equal to 125% of the initial public offering price of the Firm Shares. The Representative's Warrant and the Common Shares issuable upon exercise thereof are hereinafter referred to together as the "Representative's Securities." The Representative's Warrant Agreement and the Common Shares issuable upon exercise thereof are hereinafter referred to together as the "Representative's Securities." The Representative understands and agrees that there are significant restrictions pursuant to FINRA Rule 5110 against transferring the Representative's Warrant Agreement and the underlying Common Shares during the one hundred eighty (180) days after the Effective Date, and additional restrictions imposed on transferring the Representative's Warrant while the Common Shares are listed on the Canadian Securities Exchange (the "CSE") and by its acceptance thereof shall agree[(A)] that it will not sell, transfer, assign, pledge or hypothecate the Representative's Warrant Agreement, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities for a period of one hundred eighty (180) days following the Effective Date to anyone other than (i) an Underwriter or a selected dealer in connection with the Offering, or (ii) an officer, partner, registered person or affiliate of the Representative or of any such Underwriter or selected dealer, or (iii) as otherwise expressly permitted by FINRA Rule 5110(g); and only if any such transferee agrees to the foregoing lock-up restrictions and (B) so long as the Common Shares are listed on the CSE, the Representative shall not sell, transfer, assign, pledge or hypothecate the Representative's Warrant, or any portion thereof, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities, to anyone other than (i) an affiliate or employee (within the meaning of policies of the CSE) of the Representative or (ii) an Underwriter or a selected dealer in connection with the Offering or an officer or partner thereof.

1.3.2. Delivery. Delivery of the Representative's Warrant Agreement shall be made on the Closing Date or Option Closing Date, as applicable, and shall be issued in the name or names and in such authorized denominations as the Representative may request.

2. Representations and Warranties of the Company. The Company represents and warrants to the Underwriters as of the Applicable Time (as defined below), as of the Closing Date and as of the Option Closing Date, if any, as follows:

2.1 *Filing of Registration Statement*.

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2.1.1. Pursuant to the Securities Act. The Company has filed with the U.S. Securities and Exchange Commission (the "Commission") a registration statement, and an amendment or amendments thereto, on Form S-1 (File No. 333-[•]), including any related prospectus or prospectuses, for the registration of the Public Securities and the Representative's Securities, under the Securities Act of 1933, as amended (the "Securities Act"), which registration statement and amendment or amendments have been prepared by the Company in all material respects in conformity with the requirements of the Securities Act and the rules and regulations of the Commission under the Securities Act (the "Securities Act Regulations") and will contain all material statements that are required to be stated therein in accordance with the Securities Act and the Securities Act Regulations. Except as the context may otherwise require, such registration statement, as amended, on file with the Commission at the time the registration statement became effective (including the Preliminary Prospectus included in the registration statement, financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of the Effective Date pursuant to paragraph (b) of Rule 430A of the Securities Act Regulations (the "Rule 430A Information")), is referred to herein as the "Registration Statement." If the Company files any registration statement pursuant to Rule 462(b) of the Securities Act Regulations, then after such filing, the term "Registration Statement" shall include such registration statement filed pursuant to Rule 462(b). The Registration Statement has been declared effective by the Commission on the date hereof.

Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "Preliminary Prospectus." The Preliminary Prospectus, subject to completion, dated [•], 2022, that was included in the Registration Statement immediately prior to the Applicable Time is hereinafter called the "Pricing Prospectus." The final prospectus in the form first furnished to the Underwriters for use in the Offering is hereinafter called the "Prospectus." Any reference to the "most recent Preliminary Prospectus" shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement.

"Applicable Time" means [•], Eastern time, on the date of this Agreement.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the Securities Act Regulations ("Rule 433"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the Securities Act Regulations) relating to the Public Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Public Securities or of the Offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433 (the "Bona Fide Electronic Road Show")), as evidenced by its being specified in Schedule 2-B hereto.

"Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

"Pricing Disclosure Package" means any Issuer General Use Free Writing Prospectus issued at or prior to the Applicable Time, the Pricing Prospectus and the information included on Schedule 2-A hereto, all considered together.

2.1.2. Pursuant to the Exchange Act. The Company has, on or prior to the date hereof, filed with the Commission a Form 8-A (File Number 001-[•]) providing for the registration pursuant to Section 12(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the Common Shares and the Warrants. The registration of the Common Shares and the Warrants pursuant to Section 12(b) under the Exchange Act has been declared effective by the Commission on or prior to the date hereof. The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Shares and the Warrants under the Exchange Act, nor has the Company received any notification that the Commission is contemplating terminating such registration.

2.2 Stock Exchange Listing. The Common Shares are listed on the CSE under the symbol "OIL". The Common Shares and the Warrants have been approved for listing on the Nasdaq Stock Market LLC (the "Exchange"), and the Company has taken no action designed to, or likely to have the effect of, delisting the Common Shares from the CSE or the Common Shares and the Warrants from the Exchange, nor has the Company received any notification that the CSE or the Exchange is contemplating terminating such listing or that the Company is out of compliance with the listing or maintenance requirements of the CSE.

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2.3 No Stop Orders, etc. Neither the Commission nor, to the Company's knowledge, any state regulatory authority has issued any order preventing or suspending the use of the Registration Statement, any Preliminary Prospectus or the Prospectus or has instituted or, to the Company's knowledge, threatened to institute, any proceedings with respect to such an order. The Company has complied with each request (if any) from the Commission for additional information.

2.4 Disclosures in Registration Statement.

2.4.1. Compliance with Securities Act and 10b-5 Representation.

(i) Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the Securities Act and the Securities Act Regulations. Each Preliminary Prospectus, including the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment or supplement thereto, and the Prospectus, at the time each was filed with the Commission, complied in all material respects with the requirements of the Securities Act and the Securities Act Regulations. Each Preliminary Prospectus delivered to the Underwriters for use in connection with this Offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Neither the Registration Statement nor any amendment thereto, at its effective time, as of the Applicable Time, at the Closing Date or at any Option Closing Date (if any), contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. No post-effective amendment to the Registration Statement reflecting any facts or events arising after the date thereof which represent, individually or in the aggregate, a fundamental change in the information set forth therein is required to be filed with the Commission. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading.

(iii) The Pricing Disclosure Package, as of the Applicable Time, at the Closing Date or at any Option Closing Date (if any), did not, does not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Limited Use Free Writing Prospectus hereto does not conflict with the information contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, and each such Issuer Limited Use Free Writing Prospectus, as supplemented by and taken together with the Pricing Prospectus as of the Applicable Time, did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company with respect to the Underwriters by the Representative expressly for use in the Registration Statement, the Pricing Prospectus or the Prospectus or any amendment thereof or supplement thereto. The parties acknowledge and agree that such information provided by or on behalf of any Underwriter consists solely of the following disclosure contained in the "Underwriting" section of the Prospectus: information under the captions "Stabilization," "Discretionary Accounts" and "Electronic Offer, Sale and Distribution of Securities," and the information with respect to dealers' concessions and reallowances contained in the section entitled "Discounts, Commissions and Reimbursement" (the "Underwriters' Information").

(iv) Neither the Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Date or at any Option Closing Date, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to the Underwriters' Information.

2.4.2. Disclosure of Agreements. The agreements and documents described in the Registration Statement, the Pricing Disclosure Package and the Prospectus conform in all material respects to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the Securities Act Regulations to be described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus, or (ii) is material to the Company's business, has been duly authorized and validly executed by

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the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. None of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the Company's knowledge, any other party is in default thereunder and, to the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. To the Company's knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses (each, a "Governmental Entity"), including, without limitation, those relating to Environmental Laws (as defined in Section 2.51)

2.4.3. Prior Securities Transactions. No securities of the Company have been sold by the Company or by or on behalf of, or for the benefit of, any person or persons controlling, controlled by or under common control with the Company, except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Preliminary Prospectus.

2.4.4. Regulations. The disclosures in the Registration Statement, the Pricing Disclosure Package and the Prospectus concerning the effects of federal, state, local and all foreign regulation on the Offering and the Company's business as currently contemplated are correct in all material respects and no other such regulations are required to be disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus which are not so disclosed.

2.4.5. Scientific and Technical Matters. All scientific and technical information set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus relating to the Appraisal Reports (as defined therein) and/or any oil and gas properties that are material to the Company has been prepared in accordance with the standards set forth in in subpart 1204 of the Commission' Regulation S-K of the Securities Act and, to the knowledge of the Company, there have been no material changes to such information since the date of delivery or preparation thereof, except as disclosed or included in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

2.5 Changes After Dates in Registration Statement.

2.5.1. No Material Adverse Change. Since the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except as otherwise specifically stated therein: (i) there has been no material adverse change in the financial position or results of operations of the Company, nor any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Company (a "Material Adverse Change"); (ii) there have been no material transactions entered into by the Company, other than as contemplated pursuant to this Agreement; and (iii) no officer or director of the Company has resigned from any position with the Company. The Company does not have pending before the Commission or under Canadian Securities Laws (as defined in Section 2.51.1) any request for confidential treatment of information. Except as disclosed in the Registration Statement, Pricing Disclosure Package or Prospectus and except for the issuance of the Securities contemplated by this Agreement, since the date of the latest audited financial statements included within the Registration Statement, to the Company's knowledge, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its businesses, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made that has not been publicly disclosed prior to the date that this representation is made.

2.5.2. Recent Securities Transactions, etc. Subsequent to the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, and except as may otherwise be indicated or contemplated herein or disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

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2.6 Independent Accountants. To the knowledge of the Company, each of Marcum LLP and Davidson & Company LLP (each, an "Auditor" and collectively, the "Auditors"), whose reports are filed with the Commission as part of the Registration Statement, the Pricing Disclosure Package and the Prospectus, is an independent registered public accounting firm as required by the Securities Act and the Securities Act Regulations and the Public Company Accounting Oversight Board. Neither Auditor has, during the periods covered by the financial statements included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

2.7 Financial Statements, etc. The financial statements, including the notes thereto and supporting schedules included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, fairly present the financial position and the results of operations of the Company at the dates and for the periods to which they apply; and such financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"), consistently applied throughout the periods involved (provided that unaudited interim financial statements are subject to year-end audit adjustments that are not expected to be material in the aggregate and do not contain all footnotes required by GAAP); and the supporting schedules included in the Registration Statement present fairly the information required to be stated therein. Except as included therein, no historical or pro forma financial statements are required to be included in the Registration Statement, the Pricing Disclosure Package or the Prospectus under the Securities Act or the Securities Act Regulations. The pro forma and pro forma as adjusted financial information and the related notes, if any, included in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been properly compiled and prepared in accordance with the applicable requirements of the Securities Act and the Securities Act Regulations and present fairly the information shown therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. All disclosures contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission), if any, comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus discloses all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (a) neither the Company nor any of its direct and indirect subsidiaries, including each entity disclosed or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus as being a subsidiary of the Company (each, a "Subsidiary" and, collectively, the "Subsidiaries"), has incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business, (b) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock, (c) there has not been any change in the capital stock of the Company or any of its Subsidiaries, or, other than in the course of business, any grants under any stock compensation plan, and (d) there has not been any material adverse change in the Company's long-term or short-term debt.

2.8 Authorized Capital; Options, etc. The Company had, at the date or dates indicated in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the duly authorized, issued and outstanding capitalization as set forth therein. Based on the assumptions stated in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company will have on the Closing Date the adjusted stock capitalization set forth therein. Except as set forth in, or contemplated by, the Registration Statement, the Pricing Disclosure Package and the Prospectus, on the Effective Date, as of the Applicable Time and on the Closing Date and any Option Closing Date, there will be no stock options, warrants, or other rights to purchase or otherwise acquire any authorized, but unissued Common Shares of the Company or any security convertible or exercisable into Common Shares of the Company, or any contracts or commitments to issue or sell Common Shares or any such options, warrants, rights or convertible securities.

2.9 Valid Issuance of Securities, etc.

2.9.1. Outstanding Securities. All issued and outstanding securities of the Company issued prior to the transactions contemplated by this Agreement have been duly authorized and validly issued and are fully paid and non-assessable and have been issued in compliance with all United States federal and states securities laws and all Canadian Securities Laws (as defined in Section 2.51.1); the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The authorized Common Shares conform in all material respects to all statements relating thereto contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The offers and sales of the outstanding Common Shares were at all relevant times either registered under the Securities Act and the applicable state securities or

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"blue sky" laws and the applicable Canadian Securities Laws or, based in part on the representations and warranties of the purchasers of such shares, exempt from such registration requirements.

2.9.2. Securities Sold Pursuant to this Agreement. The Public Securities and Representative's Securities have been duly authorized for issuance and sale and, when issued and paid for, will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders. The Public Securities and Representative's Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company, and all corporate action required to be taken for the authorization, issuance and sale of the Public Securities and Representative's Securities has been duly and validly taken. The Common Shares issuable upon exercise of the Pre-Funded Warrants, the Warrants and the Representative's Warrant (the "Underlying Shares") have been duly authorized and reserved for issuance by all necessary corporate action on the part of the Company and when paid for and issued in accordance with the Pre-Funded Warrant Certificate, the Warrant Agreement and the Representative's Warrant, as the case may be, such Underlying Shares will be validly issued, fully paid and non-assessable and the holders thereof are not and will not be subject to personal liability by reason of being such holders and such Common Shares are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The Public Securities and Representative's Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus. All corporate action required to be taken for the authorization, issuance and sale of the Pre-Funded Warrant, the Warrant and the Representative's Warrant has been duly and validly taken.

2.10 Registration Rights of Third Parties. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no holders of any securities of the Company or any rights exercisable for or convertible or exchangeable into securities of the Company have the right to require the Company to register any such securities of the Company under the Securities Act or to include any such securities in a registration statement to be filed by the Company.

2.11 Validity and Binding Effect of Agreements. This Agreement, the Pre-Funded Warrant Certificate, the Warrant Agreement and the Representative's Warrant Agreement have been duly and validly authorized by the Company, and, when executed and delivered, will constitute, the valid and binding agreements of the Company, enforceable against the Company in accordance with their respective terms, except: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.12 No Conflicts, etc. The execution, delivery and performance by the Company of this Agreement, the Pre-Funded Warrant Certificate, the Warrant Agreement, the Representative's Warrant Agreement and all ancillary documents, the consummation by the Company of the transactions herein and therein contemplated and the compliance by the Company with the terms hereof and thereof do not and will not, with or without the giving of notice or the lapse of time or both: (i) result in a breach of, or conflict with any of the terms and provisions of, or constitute a default under, or result in the creation, modification, termination or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party; (ii) result in any violation of the provisions of the Company's Notice of Articles or Articles of Incorporation (as the same may be amended or restated from time to time, the "Charter"); or (iii) violate any existing applicable law, rule, regulation, judgment, order or decree of any Governmental Entity as of the date hereof except in the case of clauses (i) and (iii) for any such breach, conflict, violation default, lien, charge or encumbrance that would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change.

2.13 No Defaults; Violations. No material default exists in the due performance and observance of any term, covenant or condition of any material license, contract, indenture, mortgage, deed of trust, note, loan or credit agreement, or any other agreement or instrument evidencing an obligation for borrowed money, or any other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the properties or assets of the Company is subject. The Company is not (i) in violation of any term or provision of its Charter,(ii) in violation of any franchise, license or permit, or (iii) in violation of any applicable law, rule, regulation, judgment or decree of any Governmental Entity except in the case of clause (ii) for any such violation that would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change.

2.14 Corporate Power; Licenses; Consents.

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2.14.1. Conduct of Business. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has all requisite corporate power and authority, and has all necessary authorizations, approvals, orders, licenses, certificates and permits of and from all governmental regulatory officials and bodies that it needs as of the date hereof to conduct its business purpose as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

2.14.2. Transactions Contemplated Herein. The Company has all corporate power and authority to enter into this Agreement, the Pre-Funded Warrant Certificate, the Warrant Agreement and the Representative's Warrant Agreement and to carry out the provisions and conditions hereof and thereof, and all consents, authorizations, approvals and orders required in connection therewith have been obtained. No consent, authorization or order of, and no filing with, any court, government agency or other body is required for the valid issuance, sale and delivery of the Public Securities and the Representative's Securities and the consummation of the transactions and agreements contemplated by this Agreement, the Pre-Funded Warrant Certificate, the Warrant Agreement and the Representative's Warrant Agreement and as contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, except (i) such consents, approvals, authorizations, orders, filings, registrations or qualifications that have already been obtained or made and (ii) with respect to applicable federal and state securities laws and the rules and regulations of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the policies of the CSE.

2.15 D&O Questionnaires. To the Company's knowledge, all information contained in the questionnaires (the "Questionnaires") completed by each of the Company's directors and officers immediately prior to the Offering (the "Insiders") as supplemented by all information concerning the Company's directors, officers and principal shareholders as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, as well as in the Lock-Up Agreement (as defined in Section 2.24 below), provided to the Underwriters, is true and correct in all material respects and the Company has not become aware of any information which would cause the information disclosed in the Questionnaires to become materially inaccurate and incorrect.

2.16 Litigation; Governmental Proceedings. There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding pending or, to the Company's knowledge, threatened against, or involving the Company or, to the Company's knowledge, any executive officer or director which has not been disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus or in connection with the Company's listing application for the listing of the Public Securities on the Exchange, or which adversely affects or challenges the legality, validity or enforceability of this Agreement, the Pre-Funded Warrant Certificate, the Warrant Agreement and the Representative's Warrant or the Public Securities.

2.17 Good Standing. The Company has been duly organized and is validly existing as a corporation and is in good standing under the laws of the province of British Columbia, as of the date hereof, and is duly qualified to do business and is in good standing in each other jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to be in good standing or to qualify, singularly or in the aggregate, would not have or reasonably be expected to result in a Material Adverse Change.

2.18 Insurance. The Company carries or is entitled to the benefits of insurance, with reputable insurers, in such amounts and covering such risks which the Company believes are adequate, including, but not limited to, directors and officers insurance coverage at least equal to $5,000,000 and all such insurance is in full force and effect. The Company has no reason to believe that it will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Change.

2.19 Transactions Affecting Disclosure to FINRA.

2.19.1. Finder's Fees. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company or any Insider with respect to the sale of the Public Securities hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its shareholders that may affect the Underwriters' compensation, as determined by FINRA.

2.19.2. Payments Within Twelve (12) Months. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (ii) any FINRA member; or (iii) any person or entity that has any

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direct or indirect affiliation or association with any FINRA member, within the twelve (12) months prior to the Effective Date, other than the payment to the Underwriters as provided hereunder in connection with the Offering.

2.19.3. Use of Proceeds. None of the net proceeds of the Offering will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein.

2.19.4. FINRA Affiliation. To the Company's knowledge, there is no (i) officer or director of the Company, (ii) beneficial owner of 5% or more of any class of the Company's securities or (iii) beneficial owner of the Company's unregistered equity securities which were acquired during the 180-day period immediately preceding the filing of the Registration Statement that is an affiliate or associated person of a FINRA member participating in the Offering (as determined in accordance with the rules and regulations of FINRA).

2.19.5. Information. All information provided by the Company in its FINRA questionnaire to Representative Counsel specifically for use by Representative Counsel in connection with its Public Offering System filings (and related disclosure) with FINRA is true, correct and complete in all material respects.

2.20 Foreign Corrupt Practices Act. None of the Company and its Subsidiaries or, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company and its Subsidiaries or any other person acting on behalf of the Company and its Subsidiaries, has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist it in connection with any actual or proposed transaction) that (i) might subject the Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past, might have had a Material Adverse Change or (iii) if not continued in the future, might adversely affect the assets, business, operations or prospects of the Company. The Company has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the Foreign Corrupt Practices Act of 1977, as amended, and the Corruption of Foreign Public Officials Act (Canada).

2.21 Compliance with OFAC. None of the Company and its Subsidiaries or, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company and its Subsidiaries or any other person acting on behalf of the Company and its Subsidiaries, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), and the Company will not, directly or indirectly, use the proceeds of the Offering hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

2.22 Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any Governmental Entity involving the Company with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

2.23 Officers' Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to you or to Representative Counsel shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

2.24 Lock-Up Agreements. Schedule 3 hereto contains a complete and accurate list of the Company's officers and directors (each individually, a "Lock-Up Party," and collectively, the "Lock-Up Parties"). The Company has caused each of the Lock-Up Parties to deliver to the Representative an executed Lock-Up Agreement, in the form attached hereto as Exhibit C (the "Lock-Up Agreement"), prior to the execution of this Agreement.

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2.25 Subsidiaries. All direct and indirect Subsidiaries of the Company are duly organized and in good standing under the laws of the place of organization or incorporation, and each Subsidiary is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify would not result in a Material Adverse Change. The Company's ownership and control of each Subsidiary is as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

2.26 Related Party Transactions. There are no business relationships or related party transactions involving the Company or any other person required to be described in the Registration Statement, the Pricing Disclosure Package and the Prospectus that have not been described as required.

2.27 Board of Directors. The Board of Directors of the Company is comprised of the persons set forth under the heading of the Pricing Prospectus and the Prospectus captioned "Management." The qualifications of the persons serving as board members and the overall composition of the board comply with the Exchange Act, the Exchange Act Regulations, the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder (the "Sarbanes-Oxley Act") applicable to the Company and the listing rules of the Exchange. At least one member of the Audit Committee of the Board of Directors of the Company qualifies as an "audit committee financial expert," as such term is defined under Regulation S-K and the listing rules of the Exchange. In addition, at least 50% of the persons serving on the Board of Directors qualify as "independent," as defined under the listing rules of the Exchange.

2.28 Sarbanes-Oxley Compliance.

2.28.1. Disclosure Controls. The Company has taken all necessary actions to ensure that, in the time periods required, the Company will comply with Rule 13a-15 or 15d-15 under the Exchange Act Regulations, and such controls and procedures are effective to ensure that all material information concerning the Company will be made known on a timely basis to the individuals responsible for the preparation of the Company's Exchange Act filings and other public disclosure documents.

2.28.2. Compliance. The Company is, or at the Applicable Time and on the Closing Date will be, in material compliance with the provisions of the Sarbanes-Oxley Act applicable to it, and has implemented or will implement such programs and taken reasonable steps to ensure the Company's future compliance (not later than the relevant statutory and regulatory deadlines therefor) with all of the material provisions of the Sarbanes-Oxley Act then applicable to it.

2.29 Accounting Controls. The Company and its Subsidiaries maintain systems of "internal control over financial reporting" (as defined under Rules 13a-15 and 15d-15 under the Exchange Act Regulations) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company is not aware of any material weaknesses in its internal controls. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are known to the Company's management and that have adversely affected or are reasonably likely to adversely affect the Company' ability to record, process, summarize and report financial information; and (ii) any fraud known to the Company's management, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

2.30 No Investment Company Status. The Company is not and, after giving effect to the Offering and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be, required to register as an "investment company," as defined in the Investment Company Act of 1940, as amended.

2.31 No Labor Disputes. No labor dispute with the employees of the Company or any of its Subsidiaries exists or, to the knowledge of the Company, is imminent. To the knowledge of the Company, none of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, other than by virtue of extension orders, and the Company and its

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Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and to the knowledge of the Company, the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable Canadian and U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

2.32 Intellectual Property Rights. The Company and each of its Subsidiaries owns or possesses or has valid rights to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets and similar rights ("Intellectual Property Rights") necessary for the conduct of the business of the Company and its Subsidiaries as currently carried on and as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus. To the knowledge of the Company, no action or use by the Company or any of its Subsidiaries necessary for the conduct of its business as currently carried on and as described in the Registration Statement and the Prospectus will involve or give rise to any infringement of, or license or similar fees for, any Intellectual Property Rights of others. Neither the Company nor any of its Subsidiaries has received any notice alleging any such infringement, fee or conflict with asserted Intellectual Property Rights of others. Except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change (A) to the knowledge of the Company, there is no infringement, misappropriation or violation by third parties of any of the Intellectual Property Rights owned by the Company; (B) there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or claim by others challenging the rights of the Company in or to any such Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim, that would, individually or in the aggregate, together with any other claims in this Section 2.32, reasonably be expected to result in a Material Adverse Change; (C) the Intellectual Property Rights owned by the Company and, to the knowledge of the Company, the Intellectual Property Rights licensed to the Company have not been adjudged by a court of competent jurisdiction invalid or unenforceable, in whole or in part, and there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim that would, individually or in the aggregate, together with any other claims in this Section 2.32, reasonably be expected to result in a Material Adverse Change; (D) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company infringes, misappropriates or otherwise violates any Intellectual Property Rights or other proprietary rights of others, the Company has not received any written notice of such claim and the Company is unaware of any other facts which would form a reasonable basis for any such claim that would, individually or in the aggregate, together with any other claims in this Section 2.32, reasonably be expected to result in a Material Adverse Change; and (E) to the Company's knowledge, no employee of the Company is in or has ever been in violation in any material respect of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company, or actions undertaken by the employee while employed with the Company and could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change. To the Company's knowledge, all material technical information developed by and belonging to the Company which has not been patented has been kept confidential. The Company is not a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other person or entity that are required to be set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus and are not described therein. The Registration Statement, the Pricing Disclosure Package and the Prospectus contain in all material respects the same description of the matters set forth in the preceding sentence. None of the technology employed by the Company has been obtained or is being used by the Company in violation of any contractual obligation binding on the Company or, to the Company's knowledge, any of its officers, directors or employees, or otherwise in violation of the rights of any persons..

2.33 Taxes. Each of the Company and its Subsidiaries has filed all returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof. Each of the Company and its Subsidiaries has paid all taxes (as hereinafter defined) shown as due on such returns that were filed and has paid all taxes imposed on or assessed against the Company or such respective Subsidiary. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. Except as disclosed in writing to the Underwriters, (i) no issues have been raised (and are currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company or its Subsidiaries, and (ii) no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company or its Subsidiaries. The term "taxes" means all federal, state, local, foreign and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll,

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employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto. The term "returns" means all returns, declarations, reports, statements and other documents required to be filed in respect to taxes.

2.34 ERISA Compliance. The Company and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "ERISA")) established or maintained by the Company or its "ERISA Affiliates" (as defined below) are in compliance in all material respects with ERISA. "ERISA Affiliate" means, with respect to the Company, any member of any group of organizations described in Sections 414(b),(c),(m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the "Code") of which the Company is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by the Company or any of its ERISA Affiliates. No "employee benefit plan" established or maintained by the Company or any of its ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA). Neither the Company nor any of its ERISA Affiliates has incurred or reasonably expects to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each "employee benefit plan" established or maintained by the Company or any of its ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and, to the knowledge of the Company, nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

2.35 Compliance.

2.35.1. Compliance with Laws. The Company: (A) is and at all times has been in compliance with all statutes, rules, or regulations applicable to the business of the Company as currently conducted ("Applicable Laws"), except as could not, individually or in the aggregate, reasonably be expected to result in Material Adverse Change; (B) has not received any warning letter, untitled letter or other correspondence or notice from any other governmental authority alleging or asserting noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("Authorizations");(C) possesses all material Authorizations and such Authorizations are valid and in full force and effect and are not in material violation of any term of any such Authorizations; (D) has not received notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any governmental authority or third party alleging that any product operation or activity is in violation of any Applicable Laws or Authorizations and has no knowledge that any such governmental authority or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; (E) has not received notice that any governmental authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations and has no knowledge that any such governmental authority is considering such action; (F) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and correct on the date filed (or were corrected or supplemented by a subsequent submission); and (G) has not, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement, safety alert, post-sale warning, "dear doctor" letter, or other notice or action relating to the alleged lack of safety or efficacy of any product or any alleged product defect or violation and, to the Company's knowledge, no third party has initiated, conducted or intends to initiate any such notice or action.

2.35.2. Canadian and SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required or permitted, including reports under Canadian Securities Laws (as defined in Section 2.51.1) and on Form 8-K, to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) on a timely basis or has received a valid extension of such time of filing and has filed any such reports prior to the expiration of any such extension. As of their respective dates, the reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2.35.3. Environmental Laws. The Company and the Subsidiary (i) are in compliance with all applicable federal, state and local laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater,

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land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all material terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to result, individually or in the aggregate, in a Material Adverse Change.

2.36 Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the time of effectiveness of the Registration Statement and any amendment thereto, at the earliest time thereafter that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the Securities Act Regulations) of the Public Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

2.37 Real Property. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company and its Subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real or personal property which are material to the business of the Company and its Subsidiaries taken as a whole, in each case free and clear of all liens, encumbrances, security interests, claims and defects that do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or its Subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its Subsidiaries holds properties described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, are in full force and effect, and neither the Company nor any Subsidiary has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any Subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease. For purposes of this Section 2.37, "good and marketable title" shall include title that is free from reasonable doubt that a prudent person engaged in the business of purchasing and owning, developing and operating producing or non-producing oil and gas properties in the geographical areas in which they are located, with knowledge of all of the facts and their legal bearing, would be willing to accept, acting reasonably. To the knowledge of the Company, there is no default under any oil and gas lease by the Company or the Subsidiary or any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by the Company or the Subsidiaries or any other party thereto, in each case except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

2.38 Contracts Affecting Capital. There are no transactions, arrangements or other relationships between and/or among the Company, any of its affiliates (as such term is defined in Rule 405 of the Securities Act Regulations) and any unconsolidated entity, including, but not limited to, any structured finance, special purpose or limited purpose entity that could reasonably be expected to materially affect the Company's or its Subsidiaries' liquidity or the availability of or requirements for their capital resources required to be described or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus which have not been described or incorporated by reference as required.

2.39 Loans to Directors or Officers. There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees or indebtedness by the Company or its Subsidiaries to or for the benefit of any of the officers or directors of the Company, its Subsidiaries or any of their respective family members, except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

2.40 Smaller Reporting Company. As of the time of filing of the Registration Statement, the Company was a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act Regulations.

2.41 Industry Data. The statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus are based on or derived from sources that the Company reasonably and in good faith believes are reliable and accurate or represent the Company's good faith estimates that are made on the basis of data derived from such sources.

2.42 Emerging Growth Company. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly in or through any Person authorized to act on its behalf in any Testing-the Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as

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defined in Section 2(a) of the Securities Act (an "Emerging Growth Company"). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

2.43 Reverse Share Split. The Company took all necessary corporate action to effectuate a reverse share split of its Common Shares on the basis of one (1) such share for each [●] issued and outstanding shares thereof (the "Reverse Share Split"), such Reverse Share Split was effective on [●], 2022.

2.44 Testing-the-Waters Communications. The Company has not (i) alone engaged in any Testing-the-Waters Communications, other than Testing-the-Waters Communications with the written consent of the Representative and with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) authorized anyone other than the Representative to engage in Testing-the-Waters Communications. The Company confirms that the Representative has been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule 2-C hereto. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

2.45 Electronic Road Show. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) of the Securities Act Regulations such that no filing of any "road show" (as defined in Rule 433(h) of the Securities Act Regulations) is required in connection with the Offering.

2.46 Margin Securities. The Company owns no "margin securities" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), and none of the proceeds of Offering will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Common Shares to be considered a "purpose credit" within the meanings of Regulation T, U or X of the Federal Reserve Board.

2.47 [Reserved].

2.48 Certain Legal Matters. The choice of laws of the State of New York as the governing law of this Agreement is a valid choice of law under the laws of Canada and may be honored by courts located in Canada. The Company has the power to submit, and pursuant to Section 9.7 of this Agreement, has legally, validly, effectively and irrevocably submitted, to the non-exclusive jurisdiction of the courts provided for in Section 9.7 hereof, and service of process effected in the manner provided for in Section 9.7 will be effective to confer valid personal jurisdiction over the Company as provided therein. Except as disclosed in the Disclosure Package and the Prospectus, any final judgment for a fixed sum of money rendered by a New York Court having jurisdiction under its own domestic laws in respect of any suit, action or proceeding against the Company based upon this Agreement may be recognized and enforced by courts located in Canada. There is no bilateral arrangement between Canada and the United States for the recognition of foreign judgments, however the laws of Canada permit an action to be brought in a court of competent jurisdiction in Canada to recognize and declare enforceable a final and conclusive judgment of a New York Court of a sum certain against and respecting the obligations of the Company under this Agreement that is not impeachable as void or voidable under the internal laws of the State of New York, provided that such Canadian court is satisfied that (i) the parties to the proceeding enforcing the judgment of the New York Court are identical to those in the original New York Court proceedings; (ii) the New York Court issuing the judgment exercised jurisdiction which Canadian courts recognize had jurisdiction in the matter, and the Company either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process; (iii) the judgment given by the New York Court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations of the Company; (iv) in obtaining judgment there was no fraud on the part of the person in whose favor judgment was given or on the part of the New York Court; (v) recognition or enforcement of the judgment in Canada would not be contrary to public policy; and (vi) the proceedings pursuant to which judgment was obtained were not contrary to natural justice.

2.49 Stamp Taxes. Except as otherwise disclosed in the Registration Statement, the Disclosure Package and the Prospectus, there are no stamp or other issuance or transfer taxes or duties or other similar fees or charges and no capital gains, income, withholding or other taxes required to be paid by or on behalf of the several Underwriters in Canada or any political subdivision or taxing authority thereof or therein in connection with the (A) issue and allotment by the Company of the Public Securities to the several Underwriters, (B) sale and delivery by the several Underwriters of the Public Securities as described in the Registration Statement, the Disclosure Package and the Prospectus or (C) execution and delivery of this Agreement or any payment to be made pursuant hereto or thereto

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2.50 Payments in Foreign Currency; Restrictions on Distributions. Under the current laws and regulations of Canada, dividends and other distributions declared and payable on the Common Shares may be paid by the Company to the holder thereof in United States Dollars and freely transferred to holders of the Common Shares regardless of jurisdiction of residence and, except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, such holders should not be subject to income, withholding or other taxes under the laws and regulations of Canada or any political subdivision or taxing authority thereof or therein and will otherwise be free and clear of any other tax, duty, withholding or deduction in Canada or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in Canada or any political subdivision or taxing authority thereof or therein.

2.51 Additional representations related to Canadian legal matters:

2.51.1. Subject to conducting the Offering as provided for in the section titled "Underwriting" in the Preliminary Prospectus, the Company is not required to file a prospectus with the securities commissions or other securities regulatory authorities prospectus in Canada (the "Canadian Securities Commissions") pursuant to National Instrument 41-101 – *General Prospectus Requirement* ("NI 41-101") and the respective rules and regulations made thereunder, together with applicable published national, multilateral and local instruments, policy statements, notices, blanket rulings and orders of the Canadian Securities Commissions, and all discretionary rulings and orders applicable to the Company, if any, of the Canadian Securities Commissions (collectively, "Canadian Securities Laws") with respect to the offer and sale of the Public Securities.

2.51.2. Assuming that the Underwriters do not maintain a permanent establishment in Canada, are not otherwise subject to taxation in Canada, or are exempt therefrom, the issuance, delivery and sale to the Underwriters of the Public Securities to be sold by the Company hereunder are not subject to any tax imposed by Canada or any political subdivision thereof.

2.51.3. Without limiting the generality of the foregoing, the Company is in compliance in all material respects with the labor and employment laws and collective bargaining agreements and extension orders applicable to employees in Canada.

2.51.4. Subject to the conditions, exceptions and qualifications set forth in the Registration Statement, and the Prospectus, an application to enforce, in Canada, a final and conclusive judgment against the Company for a definitive sum of money entered by any court in the United States may be brought in Canada.

2.51.5. For a period of twelve (12) months prior to and including the date of the Closing Date, the Company has not offered or sold any of its securities in Canada, except for the issuance of options or similar securities exercisable under the Company's equity incentive plans into Common Shares, or the issuance of Common Shares, which are exempt from prospectus requirements under the Canadian Securities Law.

2.51.6. Neither the Company nor any of its properties or assets has any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) under the laws of Canada.

3. Covenants of the Company. The Company covenants and agrees as follows:

3.1 Amendments to Registration Statement. The Company shall deliver to the Representative, prior to filing, any amendment or supplement to the Registration Statement or Prospectus proposed to be filed after the Effective Date and not file any such amendment or supplement to which the Representative shall reasonably object in writing.

3.2 Federal Securities Laws.

3.2.1. Compliance. The Company, subject to Section 3.2.2, shall comply with the requirements of Rule 430A of the Securities Act Regulations, and will notify the Representative promptly, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed; (ii) of the receipt of any comments from the Commission; (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information; (iv) of the issuance by the Commission of

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any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, or of the suspension of the qualification of the Public Securities and Representative's Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the Securities Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the Securities Act in connection with the Offering of the Public Securities and Representative's Securities. The Company shall effect all filings required under Rule 424(b) of the Securities Act Regulations, in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and shall take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company shall use its best efforts to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

3.2.2. Continued Compliance. The Company shall comply in all material respects with the Securities Act, the Securities Act Regulations, the Exchange Act and the Exchange Act Regulations so as to permit the completion of the distribution of the Public Securities as contemplated in this Agreement, the Pre-Funded Warrant Certificates, the Warrant Agreement and in the Registration Statement, the Pricing Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172 of the Securities Act Regulations ("Rule 172"), would be) required by the Securities Act to be delivered in connection with sales of the Public Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) amend or supplement the Pricing Disclosure Package or the Prospectus in order that the Pricing Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the Pricing Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the Securities Act or the Securities Act Regulations, the Company will promptly (A) give the Representative notice of such event; (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the Pricing Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representative with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representative or counsel for the Underwriters shall reasonably object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request. The Company has given the Representative notice of any filings made pursuant to the Exchange Act or the Exchange Act Regulations within 48 hours prior to the Applicable Time. The Company shall give the Representative notice of its intention to make any such filing from the Applicable Time until the later of the Closing Date and the exercise in full or expiration of the Over-allotment Option specified in Section 1.2 hereof and will furnish the Representative with copies of the related document(s) a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Representative or counsel for the Underwriters shall reasonably object.

3.2.3. Exchange Act Registration. Until the later of (i) three (3) years after the date of this Agreement and (ii) the expiration date of the Pre-Funded Warrants and Warrants (or the date that all of the Pre-Funded Warrants and Warrants have been exercised, if earlier), the Company shall use its reasonable best efforts to maintain the registration of the Common Shares and the Warrants under the Exchange Act. The Company shall not deregister the Common Shares and the Warrants under the Exchange Act without the prior written consent of the Representative.

3.2.4. Free Writing Prospectuses. The Company agrees that, unless it obtains the prior written consent of the Representative, it shall not make any offer relating to the Public Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representative shall be deemed to have consented to each Issuer General Use Free Writing Prospectus hereto and any "road show that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representative. The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Underwriters as an "issuer free writing prospectus," as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted

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or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Underwriters and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

3.2.5. Testing-the-Waters Communications. If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company shall promptly notify the Representative and shall promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

3.3 Delivery to the Underwriters of Registration Statements. The Company has delivered or made available or shall deliver or make available to the Representative and counsel for the Representative, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also deliver to the Underwriters, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

3.4 Delivery to the Underwriters of Prospectuses. The Company has delivered or made available or will deliver or make available to each Underwriter, without charge, as many copies of each Preliminary Prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the Securities Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the Securities Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

3.5 Effectiveness and Events Requiring Notice to the Representative. The Company shall use its best efforts to cause the Registration Statement to remain effective with a current prospectus through and including the expiration date of the Pre-Funded Warrants and Warrants (or the date that all of the Pre-Funded Warrants and Warrants have been exercised, if earlier), and shall notify the Representative immediately and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Public Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 3.5 that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement, the Pricing Disclosure Package or the Prospectus untrue or that requires the making of any changes in (a) the Registration Statement in order to make the statements therein not misleading, or (b) in the Pricing Disclosure Package or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company shall make every reasonable effort to obtain promptly the lifting of such order.

3.6 Review of Financial Statements. For a period of five (5) years after the date of this Agreement, the Company, at its expense, shall cause its regularly engaged independent registered public accounting firm to review (but not audit) the Company's financial statements for each of the three fiscal quarters immediately preceding the announcement of any quarterly financial information.

3.7 Listing. The Company shall use its best efforts to maintain the listing of the Common Shares and the Warrants (including the Public Securities) on the Exchange until the later of (i) three (3) years after the date of this Agreement and (ii) the expiration date of the Pre-Funded Warrants and Warrants (or the date that all of the Pre-Funded Warrants and Warrants have been exercised, if earlier).

3.8 Financial Public Relations Firm. As of the Effective Date, the Company shall have retained a financial public relations firm reasonably acceptable to the Representative and the Company, which firm shall be experienced in assisting issuers in initial public

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offerings of securities and in their relations with their security holders, and shall retain such firm or another firm reasonably acceptable to the Representative for a period of not less than two (2) years after the Effective Date.

3.9 Reports to the Representative.

3.9.1. Periodic Reports, etc. For a period of two (2) years after the date of this Agreement, the Company shall furnish or make available to the Representative copies of such financial statements and other periodic and special reports as the Company from time to time furnishes generally to holders of any class of its securities and also promptly furnish to the Representative: (i) a copy of each periodic report the Company shall be required to file with the Commission under the Exchange Act and the Exchange Act Regulations; (ii) a copy of every press release and every news item and article with respect to the Company or its affairs which was released by the Company; (iii) a copy of each Form 8-K prepared and filed by the Company; (iv) five copies of each registration statement filed by the Company under the Securities Act; and (v) such additional documents and information with respect to the Company and the affairs of any future subsidiaries of the Company as the Representative may from time to time reasonably request; provided the Representative shall sign, if requested by the Company, a Regulation FD compliant confidentiality agreement which is reasonably acceptable to the Representative and Representative Counsel in connection with the Representative's receipt of such information. Documents filed with the Commission pursuant to its EDGAR system shall be deemed to have been delivered to the Representative pursuant to this Section 3.9.1.

3.9.2. Transfer Agent; Transfer Sheets. Until the later of (i) three (3) years after the date of this Agreement and (ii) the expiration date of the Pre-Funded Warrants and Warrants (or the date that all of the Pre-Funded Warrants and Warrants have been exercised, if earlier), the Company shall retain a transfer agent and registrar acceptable to the Representative (the "Transfer Agent") and a warrant agent (the "Warrant Agent") and shall furnish to the Representative at the Company's sole cost and expense such transfer sheets of the Company's securities as the Representative may reasonably request, including the daily and monthly consolidated transfer sheets of the Transfer Agent, the Warrant Agent and DTC. TSX Trust Company is acceptable to the Representative to act as Transfer Agent for the Common Shares, and Continental Stock Transfer & Trust Company is acceptable to the Representative to act as Warrant Agent for the Warrants and United States co-Transfer Agent for the Common Shares.

3.9.3. Trading Reports. For a period of one (1) year following the date of this Agreement, during such time as the Public Securities are listed on the Exchange, the Company shall provide to the Representative, at the Company's expense, such reports published by Exchange relating to price trading of the Public Securities, as the Representative shall reasonably request.

3.10 Payment of Expenses

3.10.1. General Expenses Related to the Offering. The Company hereby agrees to pay on each of the Closing Date and the Option Closing Date, if any, to the extent not paid at the Closing Date, all expenses incident to the performance of the obligations of the Company under this Agreement, including, but not limited to: (a) all filing fees and communication expenses relating to the registration of the Public Securities to be sold in the Offering (including the Option Securities) with the Commission; (b) all Public Filing System filing fees associated with the review of the Offering by FINRA; (c) all fees and expenses relating to the listing of such Public Securities on the Exchange and such other stock exchanges as the Company and the Representative together determine, including any fees charged by The Depository Trust Company (DTC) for new securities; (d) all fees, expenses and disbursements relating to the registration or qualification of the Public Securities under the "blue sky" securities laws of such states and other jurisdictions as the Representative may reasonably designate (including, without limitation, all filing and registration fees); (e) all fees, expenses and disbursements relating to the registration, qualification or exemption of the Public Securities under the securities laws of such foreign jurisdictions as the Representative may reasonably designate; (f) the costs of all mailing and printing of the underwriting documents (including, without limitation, the Underwriting Agreement, any Blue Sky Surveys and, if appropriate, any Agreement Among Underwriters, Selected Dealers' Agreement, Underwriters' Questionnaire and Power of Attorney), Registration Statements, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Representative may reasonably deem necessary; (g) the costs and expenses of a public relations firm; (h) the costs of preparing, printing and delivering certificates representing the Public Securities; (i) fees and expenses of the transfer agent for the Common Shares; (j) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriters; (k) the costs associated with post-Closing advertising the Offering in the national editions of the Wall Street Journal and New York Times; (l) the fees and expenses of the Company's accountants; (m) the fees and expenses of the Company's legal counsel and other agents and representatives; (n) the fees and expenses of the Representative's legal counsel not to exceed $125,000; (o) the $29,500 cost associated with the Underwriters' use of Ipreo's book-building, prospectus tracking and compliance software for the Offering; and (p) $10,000 for data services and communications expenses. The Representative

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may deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or the Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriters.

3.10.2. Non-Accountable Expenses. The Company further agrees that, in addition to the expenses payable pursuant to Section 3.10.1, on the Closing Date it shall pay to the Representative, by deduction from the net proceeds of the Offering contemplated herein, a non-accountable expense allowance equal to one percent (1%) of the gross proceeds received by the Company from the sale of the Firm Securities (presuming exercise of any Pre-Funded Warrants issued; excluding the Option Securities), less the Advance (as such term is defined in Section 8.3 hereof), provided, however, that in the event that the Offering is terminated, the Company agrees to reimburse the Underwriters pursuant to Section 8.3 hereof.

3.11 Application of Net Proceeds. The Company shall apply the net proceeds from the Offering received by it in a manner consistent with the application thereof described under the caption "Use of Proceeds" in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

3.12 Delivery of Earnings Statements to Security Holders. The Company shall make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth (15th) full calendar month following the date of this Agreement, an earnings statement (which need not be certified by independent registered public accounting firm unless required by the Securities Act or the Securities Act Regulations, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Securities Act) covering a period of at least twelve (12) consecutive months beginning after the date of this Agreement.

3.13 Stabilization. Neither the Company nor, to its knowledge, any of its employees, directors or shareholders (without the consent of the Representative) has taken or shall take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under Regulation M of the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Public Securities.

3.14 Internal Controls. The Company shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.15 Accountants. As of the date of this Agreement, the Company shall retain an independent registered public accounting firm reasonably acceptable to the Representative, and the Company shall continue to retain a nationally recognized independent registered public accounting firm for a period of at least three (3) years after the date of this Agreement. The Representative acknowledges that Marcum LLP is acceptable to the Representative.

3.16 FINRA. The Company shall advise the Representative (who shall make an appropriate filing with FINRA) if it is or becomes aware that (i) any officer or director of the Company, (ii) any beneficial owner of 5% or more of any class of the Company's securities or (iii) any beneficial owner of the Company's unregistered equity securities which were acquired during the 180 days immediately preceding the filing of the Registration Statement is or becomes an affiliate or associated person of a FINRA member participating in the Offering (as determined in accordance with the rules and regulations of FINRA).

3.17 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriters' responsibility to the Company is solely contractual in nature and that none of the Underwriters or their affiliates or any selling agent shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement.

3.18 Company Lock-Up Agreements.

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3.18.1. Restriction on Sales of Securities. The Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Representative, it will not, for a period of 90 days after the date of this Agreement (the "Lock-Up Period"), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (ii) file or cause to be filed any registration statement with the Commission relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company other than a registration statement on Form S-8; (iii) complete any offering of debt securities of the Company, other than entering into a line of credit or other credit facility with a traditional bank or other lending institution, which involves no issuance of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company; or (v) amend, terminate, waive or otherwise modify provisions of any existing agreement pursuant to which Common Shares of the Company have been made the subject of lock-up or stop transfer restrictions, whether any such transaction described in clause (i), (ii), (iii), (iv) or (v) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

The restrictions contained in this Section 3.18.1 shall not apply to (i) the Public Securities to be sold hereunder as well as the Representative's Warrant and any Common Shares into which the Representative's Warrant is exercisable, (ii) the issuance by the Company of Common Shares upon the exercise of a stock option or warrant or the conversion of a security outstanding on the date hereof which is disclosed in the Registration Statement, Disclosure Package and Prospectus, provided that such options, warrants, and securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities or to extend the term of such securities, (iii) the issuance by the Company of restricted Common Shares in connection with mergers, acquisitions or joint ventures, provided that such securities are issued as "restricted securities" (as defined in Rule 144 under the Securities Act) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in this Section 3.18.1, and provided that any such issuance shall only be to a person (or to the equityholders of a person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities; (iv) the issuance of Common Shares to certain consultants as compensation for services rendered to the Company; or (v) the issuance by the Company of stock options or shares of capital stock of the Company under any equity compensation plan of the Company, provided that in each of (ii), (iii), and (iv) above, the underlying shares shall be restricted from sale during the entire Lock-Up Period, and in case of (iv) above, no registration statement may be filed with respect to the Common Shares issued under (iv) above during the Lock-Up Period.

3.18.2. Restriction on Continuous Offerings. Notwithstanding the restrictions contained in Section 3.18.1, the Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Representative, it will not, for a period of 24 months after the date of this Agreement, directly or indirectly in any "at-the-market" or continuous equity transaction, offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company.

3.19 Release of D&O Lock-up Period. If the Representative, in its sole discretion, agrees to release or waive the restrictions set forth in the Lock-Up Agreements described in Section 2.24 hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three (3) Business Days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit D hereto through a major news service at least two (2) Business Days before the effective date of the release or waiver.

3.20 Blue Sky Qualifications. The Company shall use its best efforts, in cooperation with the Underwriters, if necessary, to qualify the Public Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representative may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Public Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.21 Reporting Requirements. The Company, during the period when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the Securities Act, will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act and Exchange Act

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Regulations. Additionally, the Company shall report the use of proceeds from the issuance of the Public Securities as may be required under Rule 463 under the Securities Act Regulations.

3.22 Emerging Growth Company Status. The Company shall promptly notify the Representative if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Public Securities within the meaning of the Securities Act and (ii) fifteen (15) days following the completion of the Lock-Up Period.

4. Conditions of Underwriters' Obligations. The obligations of the Underwriters to purchase and pay for the Public Securities, as provided herein, shall be subject to (i) the continuing accuracy of the representations and warranties of the Company as of the date hereof and as of each of the Closing Date and the Option Closing Date, if any; (ii) the accuracy of the statements of officers of the Company made pursuant to the provisions hereof; (iii) the performance by the Company of its obligations hereunder; and (iv) the following conditions:

4.1 Regulatory Matters.

4.1.1. Effectiveness of Registration Statement; Rule 430A Information. The Registration Statement has become effective not later than 5:00 p.m., Eastern time, on the date of this Agreement or such later date and time as shall be consented to in writing by you, and, at each of the Closing Date and any Option Closing Date, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the Securities Act, no order preventing or suspending the use of any Preliminary Prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated by the Commission. The Company has complied with each request (if any) from the Commission for additional information. The Prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) (without reliance on Rule 424(b)(8)) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

4.1.2. FINRA Clearance. On or before the date of this Agreement, the Representative shall have received clearance from FINRA as to the amount of compensation allowable or payable to the Underwriters as described in the Registration Statement.

4.1.3. Exchange Stock Market Clearance. On the Closing Date, the Company's Common Shares, including the Firm Shares, the Underlying Shares and the Warrants shall have been approved for listing on the Exchange, subject only to official notice of issuance. On the first Option Closing Date (if any), the Company's Common Shares, including the Option Shares, and the Underlying Shares and the Warrants shall have been approved for listing on the Exchange, subject only to official notice of issuance.

4.2 Company Counsel Matters.

4.2.1. Closing Date Opinion of Canadian Counsel. On the Closing Date, the Representative shall have received the favorable opinion of DuMoulin Black LLP, Canadian counsel to the Company, dated the Closing Date and addressed to the Representative, in form and substance reasonably satisfactory to the Representative.

4.2.2. Closing Date Opinion of US Counsel. On the Closing Date, the Representative shall have received the favorable opinion of Sheppard, Mullin, Richter & Hampton LLP, US counsel to the Company, in form and substance reasonably satisfactory to the Representative.

4.2.3. Option Closing Date Opinions of Counsel. On the Option Closing Date, if any, the Representative shall have received the favorable opinions of the counsel listed in Sections 4.2.1 and 4.2.2, each dated the Option Closing Date, addressed to the Representative and in form and substance reasonably satisfactory to the Representative, confirming as of the Option Closing Date, the statements made by such counsel in their respective opinions delivered on the Closing Date.

4.2.4. Reliance. In rendering such opinions, such counsel may rely: (i) as to matters involving the application of laws other than the laws of the United States and jurisdictions in which they are admitted, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to the Representative) of other counsel reasonably acceptable to the Representative, familiar with the applicable laws; and (ii) as to matters of fact, to the extent they deem proper, on certificates or other written statements of officers of the Company and officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company, provided that copies of any such statements or certificates shall be delivered to Representative Counsel if requested. The opinions of DuMoulin

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Black LLP and Sheppard, Mullin, Richter & Hampton LLP, respectively, and any opinion relied upon by Sheppard, Mullin, Richter & Hampton LLP shall include a statement to the effect that it may be relied upon by Representative Counsel in its opinion delivered to the Underwriters.

4.3 Comfort Letters.

4.3.1. Cold Comfort Letter. At the time this Agreement is executed you shall have received a cold comfort letter containing statements and information of the type customarily included in accountants' comfort letters with respect to the financial statements and certain financial information contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus, addressed to the Representative and in form and substance satisfactory in all respects to you and to each Auditor, dated as of the date of this Agreement.

4.3.2. Bring-down Comfort Letter. At each of the Closing Date and the Option Closing Date, if any, the Representative shall have received from each Auditor a letter, dated as of the Closing Date or the Option Closing Date, as applicable, to the effect that the Auditor reaffirms the statements made in the letter furnished pursuant to Section 4.3.1, except that the specified date referred to shall be a date not more than three (3) business days prior to the Closing Date or the Option Closing Date, as applicable.

4.4 Officers' Certificates.

4.4.1. Officers' Certificate. The Company shall have furnished to the Representative a certificate, dated the Closing Date and any Option Closing Date (if such date is other than the Closing Date), of its Chief Executive Officer and President and its Chief Financial Officer stating that (i) such officers have carefully examined the Registration Statement, the Pricing Disclosure Package, any Issuer Free Writing Prospectus and the Prospectus and, in their opinion, the Registration Statement and each amendment thereto, as of the Applicable Time and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date) did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Pricing Disclosure Package, as of the Applicable Time and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), any Issuer Free Writing Prospectus as of its date and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), the Prospectus and each amendment or supplement thereto, as of the respective date thereof and as of the Closing Date, did not include any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading, (ii) since the effective date of the Registration Statement, no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement, the Pricing Disclosure Package or the Prospectus, (iii) to the best of their knowledge after reasonable investigation, as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), the representations and warranties of the Company in this Agreement are true and correct and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date (or any Option Closing Date if such date is other than the Closing Date), and (iv) there has not been, subsequent to the date of the most recent audited financial statements included or incorporated by reference in the Pricing Disclosure Package, any material adverse change in the financial position or results of operations of the Company, or any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Company, except as set forth in the Prospectus.

4.4.2. Secretary's Certificate. At each of the Closing Date and the Option Closing Date, if any, the Representative shall have received a certificate of the Company signed by the Secretary of the Company, dated the Closing Date or the Option Date, as the case may be, respectively, certifying: (i) that the Charter is true and complete, has not been modified and is in full force and effect; (ii) that the resolutions of the Company's Board of Directors relating to the Offering are in full force and effect and have not been modified; (iii) as to the accuracy and completeness of all correspondence between the Company or its counsel and the Commission; and (iv) as to the incumbency of the officers of the Company. The documents referred to in such certificate shall be attached to such certificate.

4.5 No Material Changes. Prior to and on each of the Closing Date and each Option Closing Date, if any: (i) there shall have been no Material Adverse Change or development involving a prospective Material Adverse Change in the condition or prospects or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (ii) no action, suit or proceeding, at law or in equity, shall

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have been pending or threatened against the Company or any Insider before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may result in a Material Adverse Change, except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (iii) no stop order shall have been issued under the Securities Act and no proceedings therefor shall have been initiated or threatened by the Commission; and (iv) the Registration Statement, the Pricing Disclosure Package and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Securities Act and the Securities Act Regulations and shall conform in all material respects to the requirements of the Securities Act and the Securities Act Regulations, and neither the Registration Statement, the Pricing Disclosure Package nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.6 Delivery of Agreements.

4.6.1. Lock-Up Agreements. On or before the date of this Agreement, the Company shall have delivered to the Representative executed copies of the Lock-Up Agreements from each of the persons listed in Schedule 3 hereto.

4.6.2. Representative's Warrant Agreement. On the Closing Date, the Company shall have delivered to the Representative executed copies of the Representative's Warrant Agreement.

4.6.3. Warrant Agreement. On or before the Closing Date, the Company shall have delivered to the Representative an executed copy of the Warrant Agreement.

4.6.4. Pre-Funded Warrant Certificate. On or before each of the Closing Date and any Option Closing Date, the Company shall have delivered to the Representative executed copies of the applicable Pre-Funded Warrant Certificates.

4.7 Additional Documents. At the Closing Date and at each Option Closing Date (if any) Representative Counsel shall have been furnished with such documents and opinions as they may require for the purpose of enabling Representative Counsel to deliver an opinion to the Underwriters, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Public Securities and the Representative's Securities as herein contemplated shall be satisfactory in form and substance to the Representative and Representative Counsel.

4.8 Reverse Share Split. The Reverse Share Split became effective on November 2, 2022.

5. Indemnification.

5.1 Indemnification of the Underwriters.

5.1.1. General. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless each Underwriter, its affiliates and each of its and their respective directors, officers, members, employees, representatives, partners, shareholders, affiliates, counsel, and agents and each person, if any, who controls any such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "Underwriter Indemnified Parties," and each an "Underwriter Indemnified Party"), against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between any of the Underwriter Indemnified Parties and the Company or between any of the Underwriter Indemnified Parties and any third party, or otherwise) to which they or any of them may become subject under the Securities Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries (a "Claim"), (i) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (A) the Registration Statement, the Pricing Disclosure Package, any Preliminary Prospectus, the Prospectus, or in any Issuer Free Writing Prospectus or in any Written Testing-the-Waters Communication (as from time to time each may be amended and supplemented); (B) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the Offering, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically); or (C) any application or other document or written communication (in this Section 5, collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Public Securities and Representative's Securities under the securities laws thereof or filed with the Commission, any state securities commission or agency, the Exchange or any other

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national securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon, and in conformity with, the Underwriters' Information or (ii) otherwise arising in connection with or allegedly in connection with the Offering. The Company also agrees that it will reimburse each Underwriter Indemnified Party for all fees and expenses (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between any of the Underwriter Indemnified Parties and the Company or between any of the Underwriter Indemnified Parties and any third party, or otherwise) (collectively, the "Expenses"), and further agrees wherever and whenever possible to advance payment of Expenses as they are incurred by an Underwriter Indemnified Party in investigating, preparing, pursuing or defending any Claim.

5.1.2. Procedure. If any action is brought against an Underwriter Indemnified Party in respect of which indemnity may be sought against the Company pursuant to Section 5.1.1, such Underwriter Indemnified Party shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees of counsel (subject to the approval of such Underwriter Indemnified Party) and payment of actual expenses if an Underwriter Indemnified Party requests that the Company do so. Such Underwriter Indemnified Party shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Company, and shall be advanced by the Company. The Company shall not be liable for any settlement of any action effected without its consent (which shall not be unreasonably withheld). In addition, the Company shall not, without the prior written consent of the Underwriters, settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action in respect of which advancement, reimbursement, indemnification or contribution may be sought hereunder (whether or not such Underwriter Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination (i) includes an unconditional release of each Underwriter Indemnified Party, acceptable to such Underwriter Indemnified Party, from all liabilities, expenses and claims arising out of such action for which indemnification or contribution may be sought and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Underwriter Indemnified Party.

5.2 Indemnification of the Company. Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and persons who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to the several Underwriters, as incurred, but only with respect to untrue statements or omissions, made in the Registration Statement, any Preliminary Prospectus, the Pricing Disclosure Package or Prospectus or any amendment or supplement thereto or in any application, in reliance upon, and in strict conformity with, the Underwriters' Information. In case any action shall be brought against the Company or any other person so indemnified based on any Preliminary Prospectus, the Registration Statement, the Pricing Disclosure Package or Prospectus or any amendment or supplement thereto or any application, and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each other person so indemnified shall have the rights and duties given to the several Underwriters by the provisions of Section 5.1.2. The Company agrees promptly to notify the Representative of the commencement of any litigation or proceedings against the Company or any of its officers, directors or any person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, in connection with the issuance and sale of the Public Securities or in connection with the Registration Statement, the Pricing Disclosure Package, the Prospectus, or any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication.

5.3 Contribution.

5.3.1. Contribution Rights. If the indemnification provided for in this Section 5 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 5.1 or 5.2 in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other, from the Offering of the Public Securities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other, with respect to such Offering shall be deemed to be in the same proportion as the total net proceeds from the Offering of the Public Securities purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on

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the one hand, and the total underwriting discounts and commissions received by the Underwriters with respect to the Common Shares purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 5.3.1 were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 5.3.1 shall be deemed to include, for purposes of this Section 5.3.1, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5.3.1 in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the Offering of the Public Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

5.3.2. Contribution Procedure. Within fifteen (15) days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party ("contributing party"), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen (15) days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 5.3.2 are intended to supersede, to the extent permitted by law, any right to contribution under the Securities Act, the Exchange Act or otherwise available. Each Underwriter's obligations to contribute pursuant to this Section 5.3 are several and not joint.

6. Default by an Underwriter.

6.1 Default Not Exceeding 10% of Firm Securities or Option Securities. If any Underwriter or Underwriters shall default in its or their obligations to purchase the Firm Securities or the Option Securities, if the Over-allotment Option is exercised hereunder, and if the number of the Firm Securities or Option Securities with respect to which such default relates does not exceed in the aggregate 10% of the number of Firm Securities or Option Securities that all Underwriters have agreed to purchase hereunder, then such Firm Securities or Option Securities to which the default relates shall be purchased by the non-defaulting Underwriters in proportion to their respective commitments hereunder.

6.2 Default Exceeding 10% of Firm Securities or Option Securities. In the event that the default addressed in Section 6.1 relates to more than 10% of the Firm Securities or Option Securities, you may in your discretion arrange for yourself or for another party or parties to purchase such Firm Securities or Option Securities to which such default relates on the terms contained herein. If, within one (1) Business Day after such default relating to more than 10% of the Firm Securities or Option Securities, you do not arrange for the purchase of such Firm Securities or Option Securities, then the Company shall be entitled to a further period of one (1) Business Day within which to procure another party or parties satisfactory to you to purchase said Firm Securities or Option Securities on such terms. In the event that neither you nor the Company arrange for the purchase of the Firm Securities or Option Securities to which a default relates as provided in this Section 6, this Agreement will automatically be terminated by you or the Company without liability on the part of the Company (except as provided in Sections 3.9 and 5 hereof) or the several Underwriters (except as provided in Section 5 hereof); provided, however, that if such default occurs with respect to the Option Securities, this Agreement will not terminate as to the Firm Securities; and provided, further, that nothing herein shall relieve a defaulting Underwriter of its liability, if any, to the other Underwriters and to the Company for damages occasioned by its default hereunder.

6.3 Postponement of Closing Date. In the event that the Firm Securities or Option Securities to which the default relates are to be purchased by the non-defaulting Underwriters, or are to be purchased by another party or parties as aforesaid, you or the Company shall have the right to postpone the Closing Date or Option Closing Date for a reasonable period, but not in any event exceeding five (5)

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Business Days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment to the Registration Statement, the Pricing Disclosure Package or the Prospectus that in the opinion of counsel for the Underwriter may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any party substituted under this Section 6 with like effect as if it had originally been a party to this Agreement with respect to such Securities.

7. Additional Covenants.

7.1 Board Composition and Board Designations. The Company shall ensure that: (i) the qualifications of the persons serving as members of the Board of Directors and the overall composition of the Board comply with the Sarbanes-Oxley Act, with the Exchange Act and with the listing rules of the Exchange or any other national securities exchange, as the case may be, in the event the Company seeks to have its Public Securities listed on another exchange or quoted on an automated quotation system, and (ii) if applicable, at least one member of the Audit Committee of the Board of Directors qualifies as an "audit committee financial expert," as such term is defined under Regulation S-K and the listing rules of the Exchange.

7.2 Prohibition on Press Releases and Public Announcements. The Company shall not issue press releases or engage in any other publicity, without the Representative's prior written consent, for a period ending at 5:00 p.m., Eastern time, on the first (1st) Business Day following the forty-fifth (45th) day after the Closing Date, other than normal and customary releases issued in the ordinary course of the Company's business.

7.3 Right of First Refusal. Provided that the Firm Securities are sold in accordance with the terms of this Agreement, the Representative shall have an irrevocable right of first refusal (the "Right of First Refusal"), for a period of twenty-four (24) months after the date the Offering is completed, to act as sole and exclusive investment banker, sole and exclusive book-runner, sole and exclusive financial advisor, sole and exclusive underwriter and/or sole and exclusive placement agent, at the Representative's sole and exclusive discretion, for each and every future public and private equity and debt offering, including all equity linked financings (each, a "Subject Transaction"), during such twenty-four (24) month period, of the Company, or any successor to or Subsidiary of the Company, on terms and conditions customary to the Representative for such Subject Transactions. For the avoidance of any doubt, the Company shall not retain, engage or solicit any additional investment banker, book-runner, financial advisor, underwriter and/or placement agent in a Subject Transaction without the express written consent of the Representative.

The Company shall notify the Representative of its intention to pursue a Subject Transaction, including the material terms thereof, by providing written notice thereof by registered mail or overnight courier service addressed to the Representative. If the Representative fails to exercise its Right of First Refusal with respect to any Subject Transaction within ten (10) Business Days after the mailing of such written notice, then the Representative shall have no further claim or right with respect to the Subject Transaction. The Representative may elect, in its sole and absolute discretion, not to exercise its Right of First Refusal with respect to any Subject Transaction; provided that any such election by the Representative shall not adversely affect the Representative's Right of First Refusal with respect to any other Subject Transaction during the twenty-four (24) month period agreed to above.

8. Effective Date of this Agreement and Termination Thereof.

8.1 Effective Date. This Agreement shall become effective when both the Company and the Representative have executed the same and delivered counterparts of such signatures to the other party.

8.2 Termination. The Representative shall have the right to terminate this Agreement at any time prior to any Closing Date, (i) if any domestic or international event or act or occurrence has materially disrupted, or in your opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) if trading on the New York Stock Exchange, the New York Stock Exchange American or the Nasdaq Stock Market LLC shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction; or (iii) if the United States shall have become involved in a new war or an increase in major hostilities; or (iv) if a banking moratorium has been declared by a New York State or federal authority; or (v) if a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets; or

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(vi) if the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in your opinion, make it inadvisable to proceed with the delivery of the Firm Securities or Option Securities; or (vii) if the Company is in material breach of any of its representations, warranties or covenants hereunder; or (viii) if the Representative shall have become aware after the date hereof of such a material adverse change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Representative's judgment would make it impracticable to proceed with the offering, sale and/or delivery of the Public Securities or to enforce contracts made by the Underwriters for the sale of the Public Securities.

8.3 Expenses. Notwithstanding anything to the contrary in this Agreement, except in the case of a default by the Underwriters, pursuant to Section 6.2 above, in the event that this Agreement shall not be carried out for any reason whatsoever, within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Underwriters their actual and accountable out-of-pocket expenses related to the transactions contemplated herein then due and payable (including the fees and disbursements of Representative Counsel) up to $300,000, inclusive of the $50,000 advance for accountable expenses previously paid by the Company to the Representative (the "Advance") and upon demand the Company shall pay the full amount thereof to the Representative on behalf of the Underwriters; provided, however, that such expense cap in no way limits or impairs the indemnification and contribution provisions of this Agreement. Notwithstanding the foregoing, any advance received by the Representative will be reimbursed to the Company to the extent not actually incurred in compliance with FINRA Rule 5110(g)(4)(A).

8.4 Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Section 5 shall remain in full force and effect and shall not be in any way affected by, such election or termination or failure to carry out the terms of this Agreement or any part hereof.

8.5 Representations, Warranties, Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors or any person controlling the Company or (ii) delivery of and payment for the Public Securities.

9. Miscellaneous.

9.1 Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be mailed (registered or certified mail, return receipt requested), personally delivered or sent by email and confirmed and shall be deemed given when so delivered or emailed and confirmed or if mailed, two (2) days after such mailing.

If to the Representative:

ThinkEquity LLC
17 State Street, 41st Fl
New York, NY 10004
Attn: Head of Investment Banking
email: Notices@think-equity.com

with a copy (which shall not constitute notice) to:

Dentons US LLP
1221 Avenue of the Americas
New York, New York 10020
Attn: Rob Condon, Esq.
Fax No.: (212) 768-6800

If to the Company:

Permex Petroleum Corporation
2911 Turtle Creek Blvd, Suite 925

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Dallas, Texas 75219
Attention: Mehran Ehsan
Email: mehsan@permexpetroleum.com

with a copy (which shall not constitute notice) to:

Sheppard, Mullin, Richter & Hampton LLP
1901 Avenue of the Stars, Suite 1600
Los Angeles, CA 90067
Attention: Andrew Bond, Esq.

Email: ABond@sheppardmullin.com

9.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

9.3 Amendment. This Agreement may only be amended by a written instrument executed by each of the parties hereto.

9.4 Entire Agreement. This Agreement (together with the other agreements and documents being delivered pursuant to or in connection with this Agreement) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof. Notwithstanding anything to the contrary set forth herein, it is understood and agreed by the parties hereto that all other terms and conditions of that certain engagement letter between the Company and ThinkEquity LLC dated January 5, 2022, shall remain in full force and effect.

9.5 Binding Effect. This Agreement shall inure solely to the benefit of and shall be binding upon the Representative, the Underwriters, the Company and the controlling persons, directors and officers referred to in Section 5 hereof, and their respective successors, legal representatives, heirs and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of securities from any of the Underwriters.

9.6 Governing Law; Consent to Jurisdiction; Trial by Jury. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Agreement shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any such process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 9.1 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company agrees that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

9.7 [Reserved]

9.8 Judgment Currency. The obligation of the Company in respect of any sum due to any Underwriter under this Agreement shall, notwithstanding any judgment in a currency other than U.S. dollars or any other applicable currency (the "Judgment Currency"), not be discharged until the first business day, following receipt by such Underwriter of any sum adjudged to be so due in the Judgment Currency, on which (and only to the extent that) such Underwriter may in accordance with normal banking procedures purchase U.S. dollars or any other applicable currency with the Judgment Currency; if the U.S. dollars or other applicable currency so purchased are less than the sum originally due to such Underwriter hereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter against such loss. If the U.S. dollars or other applicable currency so purchased are greater

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than the sum originally due to such Underwriter hereunder, such Underwriter agrees to pay to the Company an amount equal to the excess of the U.S. dollars or other applicable currency so purchased over the sum originally due to such Underwriter hereunder.

9.9 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Delivery of a signed counterpart of this Agreement by facsimile or email/pdf transmission shall constitute valid and sufficient delivery thereof.

9.10 Waiver, etc. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way effect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

[Signature Page Follows]

If the foregoing correctly sets forth the understanding between the Underwriters and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

PERMEX PETROLEUM CORPORATION

By: _____
Name:
Title:

Confirmed as of the date first written above mentioned, on behalf of itself and as Representative of the several Underwriters named on Schedule 1 hereto:

THINKEQUITY LLC

By: _____
Name:
Title:

[Signature Page]
[PERMEX PETROLEUM– Underwriting Agreement

SCHEDULE 1

Underwriter	Total Number of Firm Securities to be Purchased (Firm Shares, Firm Pre-Funded Warrants, Firm Warrants)	Number of Option Securities to be Purchased if the Over-Allotment Option is Fully Exercised (Option Shares, Option Pre-Funded Warrants, Option Warrants)

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TOTAL		

SCHEDULE 2-A

Pricing Information

Number of Firm Shares: [ ]

Number of Firm Pre-Funded Warrants: [ ]

Number of Firm Warrants: [ ]

Number of Option Shares: Up to [ ]

Number of Option Pre-Funded Warrants: Up to [ ]

Number of Option Warrants: Up to [ ]

Public Offering Price per Firm Share: $[ ]

Public Offering Price per Firm Pre-Funded Warrant: $[ ]

Public Offering Price per Firm Warrant: $[ ]

Underwriting Discount per Firm Share: $[ ]

Underwriting Discount per Firm Pre-Funded Warrant; $[ ]

Underwriting Discount per Firm Warrant: $[ ]

Underwriting Non-accountable expense allowance per Firm Share: $[ ]

Underwriting Non-accountable expense allowance per Firm Pre-Funded Warrant: $[ ]

Underwriting Non-accountable expense allowance per Firm Warrant: $[ ]

Proceeds to Company per Firm Share (before expenses): $[ ]

Proceeds to Company per Firm Pre-Funded Warrant (before expenses): $[ ]

Proceeds to Company per Firm Warrant (before expenses): $[ ]

SCHEDULE 2-B

Issuer General Use Free Writing Prospectuses

[_____]

SCHEDULE 2-C

Written Testing-the-Waters Communications

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[_____]

SCHEDULE 3

List of Lock-Up Parties

Name	Position
Mehran Ehsan	Chief Executive Officer, President and Director
Gregory Montgomery	Chief Financial Officer and Director
Barry Whelan	Chief Operating Officer and Director
Scott Kelly	Director
Douglas Charles Urch	Director
James Perry Bryan	Director
John James Lendrum	Director

EXHIBIT A

Form of Pre-Funded Warrant

PRE-FUNDED COMMON SHARE PURCHASE WARRANT

PERMEX PETROLEUM CORPORATION

Warrant Shares: _____

Issue Date: _____, 2022

THIS PRE-FUNDED COMMON SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the Issue Date, as stipulated above, until this Warrant is exercised in full(the "Termination Date") but not thereafter, to subscribe for and purchase from Permex Petroleum Corporation, a corporation formed under the laws of the province of British Columbia (the "Company"), up to _____ Common Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

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"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or Canada any day on which banking institutions in the State of New York and in the Provinces of British Columbia and Ontario are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Shares" means the common shares of the Company, no par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Share Equivalents" means any securities of the Company or its subsidiaries which would entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Registration Statement" means the Company's registration statement on Form S-1 (File No. 333-268191).

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Trading Day" means a day on which the Common Shares are traded on a Trading Market.

"Trading Market" means any of the following markets or exchanges on which the Common Shares are listed or quoted for trading on the date in question: the New York Stock Exchange American , the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the Canadian Securities Exchange (or any successors to any of the foregoing).

"Transfer Agent" means TSX Trust Company, 650 West Georgia Street, Suite 2700, Vancouver, British Columbia, Canada, V6B 4N9, and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a primary Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the primary Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Open Market" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrants" means this Warrant and other Pre-Funded Common Share Purchase Warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

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(a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Issue Date and terminating on the Termination Date ("Exercise Period") by delivery to the Company of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer, bank drafts or cashier's or certified check drawn on a United States or Canadian bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

(b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of $0.01 per Warrant Share, was pre-funded to the Company on or prior to the Issue Date and, consequently, no additional consideration (other than the nominal exercise price of $0.01 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever, including in the event this Warrant shall not have been exercised prior to the Termination Date. The remaining unpaid exercise price per Common Share under this Warrant shall be $0.01, subject to adjustment hereunder (the "Exercise Price").

(c) Cashless Exercise. This Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares for the deemed surrender of the Warrant in whole or in part equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(68) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

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The issue price for each such Warrant Share to be issued pursuant to the cashless exercise of a Warrant will be equal to (B), as defined above, and the total issue price for the aggregate number of Warrant Shares "issued pursuant to the cashless exercise" of a Warrant will be deemed paid and satisfied in full by the deemed surrender to the Company of the portion of such Warrant being exercised in accordance with this Section 2(c). Notwithstanding anything herein to the contrary, the Company shall not be required to make any cash payments or net cash settlement to the Holder in lieu of delivery of the Warrant Shares. If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

(d) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with the Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following the delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Primary Trading Market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 12:00 p.m. (New York City time) on the Issue Date, which may be delivered at any time after the time of execution of the Underwriting Agreement, dated _____ [●], 2022 between the Company and ThinkEquity LLC, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Issue Date.

(ii) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

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(iv) Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Shares having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

(v) No Fractional Shares. No fractional Warrant Shares will be issued upon the exercise of this Warrant. If a Holder would be entitled, upon the exercise of this Warrant, to receive a fractional interest in a share, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole Warrant Share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

(e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess

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of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall within two (2) Trading Days confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Common Shares was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99%) of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

(a) Share Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Shares or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares, or (iv) issues by reclassification of the Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares and such other capital stock of the Company (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator

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shall be the number of Common Shares such other capital stock of the Company (excluding treasury shares, if any) outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase shares, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that a Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised such Warrant.

(c) Pro Rata Distribution. During such time as the Warrants are outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of the Warrants, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of the Warrants held by the Holder (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised the Warrant held by such Holder

(d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (or any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v)

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the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires 50% or more of the outstanding Common Shares or 50% or more of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation. and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant and the other Transaction Documents with the same effect as if the Company and such Successor Entity or Successor Entities jointly and severally, had been named as the Company herein.

(e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

(f) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

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(ii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register (as defined below), at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. Provided such notice occurs within the Exercise Period, the Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. This Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

(b) New Warrants. If this Warrant is not held in global form through the Depository Trust Company (or any successor depository), this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issuance Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

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(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary

Section 5. Miscellaneous.

(a) No Rights as Shareholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any share certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or share certificate, if mutilated, the Company will make and deliver a new Warrant or share certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or share certificate.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

(d) Authorized Shares.

(i) The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(ii) Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (A) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (B) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares upon the exercise of this Warrant and (C) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

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(iii) Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal Proceedings concerning the interpretation, enforcement and defense of this Warrant shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any provision hereunder), and hereby irrevocably waives, and agrees not to assert in any suit, action or Proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an action or Proceeding to enforce any provisions of this Warrant, then the prevailing party in such action or Proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or Proceeding.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate Proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 2911 Turtle Creek Blvd, Suite 925, Dallas, Texas, 75219, Attention: Mehran Ehsan, email address: mehsan@permexpetroleum.com, or such other email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

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(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder on the other hand.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) No Expense Reimbursement. The Holder shall in no way be required the pay, or to reimburse the Company for, any fees or expenses of the Company's Transfer Agent in connection with the issuance or holding or sale of the Common Shares, Warrant and/or Warrant Shares. The Company shall solely be responsible for any and all such fees and expenses.

(o) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

PERMEX PETROLEUM CORPORATION

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: PERMEX PETROLEUM CORPORATION

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

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(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature: _____

Holder's Address: _____

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EXHIBIT B

Form of Representative's Warrant Agreement

THE REGISTERED HOLDER OF THIS PURCHASE WARRANT BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS PURCHASE WARRANT EXCEPT AS HEREIN PROVIDED AND THE REGISTERED HOLDER OF THIS PURCHASE WARRANT AGREES THAT IT WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR HYPOTHECATE THIS PURCHASE WARRANT FOR A PERIOD OF ONE HUNDRED EIGHTY DAYS FOLLOWING THE EFFECTIVE DATE (DEFINED BELOW) TO ANYONE OTHER THAN (I) THINKEQUITY LLC OR AN UNDERWRITER OR A SELECTED DEALER IN CONNECTION WITH THE OFFERING, OR (II) A BONA FIDE OFFICER OR PARTNER OF THINKEQUITY LLC OR OF ANY SUCH UNDERWRITER OR SELECTED DEALER.

THIS PURCHASE WARRANT IS NOT EXERCISABLE PRIOR TO [_____] [**DATE THAT IS [180 DAYS] FROM THE EFFECTIVE DATE OF THE OFFERING**]. VOID AFTER 5:00 P.M., EASTERN TIME, [_____] [**FINAL DAY IN THE FOUR YEAR PERIOD COMMENCING ON THE DATE THAT IS 180 DAYS FROM THE EFFECTIVE DATE OF THE OFFERING**].

WARRANT TO PURCHASE COMMON SHARES

PERMEX PETROLEUM CORPORATION

Warrant Shares: _____

Initial Exercise Date: [●]

THIS WARRANT TO PURCHASE COMMON SHARES (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after ____, 2023 (the "Initial Exercise Date") and, in accordance with FINRA Rule 5110(g)(8)(A), prior to at 5:00 p.m. (New York time) on the final day in the four (4) year period commencing on the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Permex Petroleum Corporation, a British Columbia, Canada corporation (the "Company"), up to _____ common shares, no par value, of the Company (the "Warrant Shares"), as subject to adjustment hereunder. The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Shares" means the common shares of the Company, no par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Share Equivalents" means any securities of the Company or its Subsidiaries which would entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred shares, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

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"Effective Date" means the effective date of the registration statement on Form S-1 (File No. 333- 268191), including any related prospectus or prospectuses, for the registration of the Company's Common Shares, pre-funded warrants, warrants, Common Shares underlying pre-funded warrants and warrants, Warrants and the Warrant Shares under the Securities Act, that the Company has filed with the Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiaries" means any of the Company's direct and indirect subsidiaries (each, a "Subsidiary" and, collectively, the "Subsidiaries").

"Trading Day" means a day on which the New York Stock Exchange is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange (or any successors to any of the foregoing).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of a Common Share for such date (or the nearest preceding date) on the OTCQB or OTCQX as applicable, (c) if Common Shares are not then listed or quoted for trading on the OTCQB or OTCQX and if prices for Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of the Common Shares as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Section 2. Exercise.

a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise Form annexed hereto. Within two (2) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Common Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within five (5) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the

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applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within two (2) Business Days of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per Common Share under this Warrant shall be $[●],[1] subject to adjustment hereunder (the "Exercise Price").

1.125% of the public offering price per share.

c) Cashless Exercise. In lieu of exercising this Warrant by delivering the aggregate Exercise Price by wire transfer or cashier's check, at the election of the Holder this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A)= as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B)= the Exercise Price of this Warrant, as adjusted hereunder; and

(X)= the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a "cashless exercise," the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised, and the holding period of the Warrants being exercised may be tacked on to the holding period of the Warrant Shares. The Company agrees not to take any position contrary to this Section 2(c).

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by its transfer agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder, or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 and, in either case, the Warrant Shares have been sold by the Holder prior

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to the Warrant Share Delivery Date (as defined below), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). If the Warrant Shares can be delivered via DWAC, the transfer agent shall have received from the Company, at the expense of the Company, any legal opinions or other documentation required by it to deliver such Warrant Shares without legend (subject to receipt by the Company of reasonable back up documentation from the Holder, including with respect to affiliate status) and, if applicable and requested by the Company prior to the Warrant Share Delivery Date, the transfer agent shall have received from the Holder a confirmation of sale of the Warrant Shares (provided the requirement of the Holder to provide a confirmation as to the sale of Warrant Shares shall not be applicable to the issuance of unlegended Warrant Shares upon a cashless exercise of this Warrant if the Warrant Shares are then eligible for resale pursuant to Rule 144(b)(1)). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the second Trading Day following the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after the second Trading Day following such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause its transfer agent to deliver to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise; provided, however, that the Holder shall be required to return any Warrant Shares or Common Shares subject to any such rescinded exercise notice concurrently with the return to Holder of the aggregate Exercise Price paid to the Company for such Warrant Shares and the restoration of Holder's right to acquire such Warrant Shares pursuant to this Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause its transfer agent to transmit to the Holder the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Shares having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such

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purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all transfer agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

viii. Signature. This Section 2 and the exercise form attached hereto set forth the totality of the procedures required of the Holder in order to exercise this Purchase Warrant. Without limiting the preceding sentences, no ink-original exercise form shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any exercise form be required in order to exercise this Purchase Warrant. No additional legal opinion, other information or instructions shall be required of the Holder to exercise this Purchase Warrant. The Company shall honor exercises of this Purchase Warrant and shall deliver Shares underlying this Purchase Warrant in accordance with the terms, conditions and time periods set forth herein.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination

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of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Company's transfer agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding Common Shares was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Shares or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares, or (iv) issues by reclassification of the Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification. For the purposes of clarification, the Exercise Price of this Warrant will not be adjusted in the event that the Company or any Subsidiary thereof, as applicable, sells or grants any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Shares or Common Share Equivalents, at an effective price per share less than the Exercise Price then in effect.

b) [RESERVED]

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to

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such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend (other than cash dividends) or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Common Shares (not including any Common Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable by holders of Common Shares as a result of such Fundamental Transaction for each Common Share for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which

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applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed a notice to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to provide such notice or any defect therein shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Pursuant to FINRA Rule 5110(g)(1), neither this Warrant nor any Warrant Shares issued upon exercise of this Warrant shall be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which this Warrant is being issued, except the transfer of any security:

i. by operation of law or by reason of reorganization of the Company;

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ii. to any FINRA member firm participating in the offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction in this Section 4(a) for the remainder of the time period;

iii. if the aggregate amount of securities of the Company held by the Holder or related person do not exceed 1% of the securities being offered;

iv. that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund, and participating members in the aggregate do not own more than 10% of the equity in the fund; or

v. the exercise or conversion of any security, if all securities received remain subject to the lock-up restriction in this Section 4(a) for the remainder of the time period.

Subject to the foregoing restriction, any applicable securities laws and the conditions set forth in Section 4(d), this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Registration Rights.

5.1. Demand Registration.

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5.1.1 Grant of Right. The Company, upon written demand (a "Demand Notice") of the Holder(s) of at least 51% of the Warrants and/or the underlying Warrant Shares ("Majority Holders"), agrees to register, on one occasion, all or any portion of the Warrant Shares underlying the Warrants (collectively, the "Registrable Securities"). On such occasion, the Company will file a registration statement with the Commission covering the Registrable Securities within sixty (60) days after receipt of a Demand Notice and use its reasonable best efforts to have the registration statement declared effective promptly thereafter, subject to compliance with review by the Commission; provided, however, that the Company shall not be required to comply with a Demand Notice if the Company has filed a registration statement with respect to which the Holder is entitled to piggyback registration rights pursuant to Section 5.2 hereof and either: (i) the Holder has elected to participate in the offering covered by such registration statement or (ii) if such registration statement relates to an underwritten primary offering of securities of the Company, until the offering covered by such registration statement has been withdrawn or until thirty (30) days after such offering is consummated. The demand for registration may be made at any time beginning on the Initial Exercise Date and expiring on the fifth anniversary of the Effective Date. The Company covenants and agrees to give written notice of its receipt of any Demand Notice by any Holder(s) to all other registered Holders of the Warrants and/or the Registrable Securities within ten (10) days after the date of the receipt of any such Demand Notice.

5.1.2 Terms. The Company shall bear all fees and expenses attendant to the registration of the Registrable Securities pursuant to Section 5.1.1, but the Holders shall pay any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. The Company agrees to use its reasonable best efforts to cause the filing required herein to become effective promptly and to qualify or register the Registrable Securities in such States as are reasonably requested by the Holder(s); provided, however, that in no event shall the Company be required to register the Registrable Securities in a State in which such registration would cause: (i) the Company to be obligated to register or license to do business in such State or submit to general service of process in such State, or (ii) the principal shareholders of the Company to be obligated to escrow their shares of capital stock of the Company. The Company shall cause any registration statement filed pursuant to the demand right granted under Section 5.1.1 to remain effective for a period of at least twelve (12) consecutive months after the date that the Holders of the Registrable Securities covered by such registration statement are first given the opportunity to sell all of such securities. The Holders shall only use the prospectuses provided by the Company to sell the Warrant Shares covered by such registration statement and will immediately cease to use any prospectus furnished by the Company if the Company advises the Holder that such prospectus may no longer be used due to a material misstatement or omission. Notwithstanding the provisions of this Section 5.1.2, the Holder shall be entitled to a demand registration under this Section 5.1.2 on only one (1) occasion and such demand registration right shall terminate on the fifth anniversary of the date of the Underwriting Agreement (as defined below) in accordance with FINRA Rule 5110(g)(8)(B).

5.2 "Piggy-Back" Registration.

5.2.1 Grant of Right. In addition to the demand right of registration described in Section 5.1 hereof, the Holder shall have the right, for a period of no more than two (2) years from the Initial Exercise Date in accordance with FINRA Rule 5110(g)(8)(D), to include the Registrable Securities as part of any other registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145(a) promulgated under the Securities Act or pursuant to Form S-8 or any equivalent form); provided, however, that if, solely in connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of Shares which may be included in the Registration Statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such Registration Statement only such limited portion of the Registrable Securities with respect to which the Holder requested inclusion hereunder as the underwriter shall reasonably permit. Any exclusion of Registrable Securities shall be made pro rata among the Holders seeking to include Registrable Securities in proportion to the number of Registrable Securities sought to be included by such Holders; provided, however, that the Company shall not exclude any Registrable Securities unless the Company has first excluded all outstanding securities, the holders of which are not entitled to inclusion of such securities in such Registration Statement or are not entitled to pro rata inclusion with the Registrable Securities.

5.2.2 Terms. The Company shall bear all fees and expenses attendant to registering the Registrable Securities pursuant to Section 5.2.1 hereof, but the Holders shall pay any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. In the event of such a proposed registration, the Company shall furnish the then Holders of outstanding Registrable Securities with not less than thirty (30) days written notice prior to the proposed date of filing of such registration statement. Such notice to the Holders shall continue to be given for each registration statement filed by the Company during the two (2) year period following the Initial

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Exercise Date until such time as all of the Registrable Securities have been sold by the Holder. The holders of the Registrable Securities shall exercise the "piggy-back" rights provided for herein by giving written notice within ten (10) days of the receipt of the Company's notice of its intention to file a registration statement. Except as otherwise provided in this Warrant, there shall be no limit on the number of times the Holder may request registration under this Section 5.2.2; provided, however, that such registration rights shall terminate on the second anniversary of the Initial Exercise Date.

5.3 General Terms

5.3.1 Indemnification. The Company shall indemnify the Holder(s) of the Registrable Securities to be sold pursuant to any registration statement hereunder and each person, if any, who controls such Holders within the meaning of Section 15 of the Securities Act or Section 20 (a) of the Exchange Act against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, arising from such registration statement but only to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the Underwriters contained in Section 5.1 of the Underwriting Agreement between the Underwriters and the Company, dated as of [•], 2022. The Holder(s) of the Registrable Securities to be sold pursuant to such registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Securities Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, in writing, for specific inclusion in such registration statement to the same extent and with the same effect as the provisions contained in Section 5.2 of the Underwriting Agreement pursuant to which the Underwriters have agreed to indemnify the Company.

5.3.2 Exercise of Warrants. Nothing contained in this Warrant shall be construed as requiring the Holder(s) to exercise their Warrants prior to or after the initial filing of any registration statement or the effectiveness thereof.

5.3.3 Documents Delivered to Holders. The Company shall furnish to each Holder participating in any of the foregoing offerings and to each underwriter of any such offering, if any, a signed counterpart, addressed to such Holder or underwriter, of: (i) an opinion of counsel to the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, an opinion dated the date of the closing under any underwriting agreement related thereto), and (ii) a "cold comfort" letter dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter dated the date of the closing under the underwriting agreement) signed by the independent registered public accounting firm which has issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities. The Company shall also deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below and to the managing underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of FINRA. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times as any such Holder shall reasonably request.

5.3.4 Underwriting Agreement. The Company shall enter into an underwriting agreement with the managing underwriter(s), if any, selected by any Holders whose Registrable Securities are being registered pursuant to this Section 5, which managing underwriter shall be reasonably satisfactory to the Company. Such agreement shall be reasonably satisfactory in form and substance to the Company, each Holder and such managing underwriters, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter. The Holders shall be parties to any underwriting agreement relating to an underwritten sale of their Registrable Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriters shall also be made to and for the benefit of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters except as they may relate to such Holders, their Warrant Shares and their intended methods of distribution.

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5.3.5 Documents to be Delivered by Holder(s). Each of the Holder(s) participating in any of the foregoing offerings shall furnish to the Company a completed and executed questionnaire provided by the Company requesting information customarily sought of selling security holders.

5.3.6 Damages. Should the registration or the effectiveness thereof required by Sections 5.1 and 5.2 hereof be delayed by the Company or the Company otherwise fails to comply with such provisions, the Holder(s) shall, in addition to any other legal or other relief available to the Holder(s), be entitled to obtain specific performance or other equitable (including injunctive) relief against the threatened breach of such provisions or the continuation of any such breach, without the necessity of proving actual damages and without the necessity of posting bond or other security.

5.3.7 Termination of Registration Rights. The registration rights afforded to the Holder under this Section 5 shall terminate on the earliest date when all Registrable Securities of such Holder either: (i) have been publicly sold by such Holder pursuant to a Registration Statement, (ii) have been covered by an effective Registration Statement on Form S-1 or Form S-3 (or successor form), which may be kept effective as an evergreen Registration Statement, or (iii) may be sold by the Holder (including on a cashless basis) within a 90 day period without registration pursuant to Rule 144 or consistent with applicable SEC interpretive guidance (including CD&I no. 201.04 (April 2, 2007) or similar interpretive guidance).

Section 6. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i).

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid

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the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the underwriting agreement, dated [•], 2022, by and between the Company and ThinkEquity LLC, as representative of the underwriters set forth therein (the "Underwriting Agreement").

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Underwriting Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Underwriting Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Shares or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such

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provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

PERMEX PETROLEUM CORPORATION

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: PERMEX PETROLEUM CORPORATION

_____

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please register and issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended

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[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [____] all of or [_____] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

_____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

EXHIBIT C

Lock-Up Agreement

[●], 2022

ThinkEquity LLC
17 State Street, 41st Fl
New York, NY 10004

As Representative of the several Underwriters named on Schedule 1 to the Underwriting Agreement referenced below

Ladies and Gentlemen:

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The undersigned understands that ThinkEquity LLC (the "**Representative**"), proposes to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Permex Petroleum Corporation, a corporation organized under the laws of the Province of British Columbia, Canada (the "**Company**"), providing for the public offering (the "**Public Offering**") of common shares, no par value, of the Company (the "**Common Shares**").

To induce the Representative to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representative, the undersigned will not, during the period commencing on the date hereof and ending 180 days after the date of the Underwriting Agreement relating to the Public Offering (the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**"); (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise; (3) make any demand for or exercise any right with respect to the registration of any Lock-Up Securities; or (4) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement relating to any Lock-Up Securities. Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer Lock-Up Securities without the prior written consent of the Representative in connection with (a) transactions relating to Lock-Up Securities acquired in open market transactions after the completion of the Public Offering; provided that no filing under Section 13 or Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or other public announcement shall be required or shall be voluntarily made in connection with subsequent sales of Lock-Up Securities acquired in such open market transactions; (b) transfers of Lock-Up Securities as a *bona fide* gift, by will or intestacy or to a family member or trust for the benefit of the undersigned or a family member (for purposes of this lock-up agreement, "family member" means any relationship by blood, marriage or adoption, not more remote than first cousin); (c) transfers of Lock-Up Securities to a charity or educational institution; (d) if the undersigned is a corporation, partnership, limited liability company or other business entity, (i) any transfers of Lock-Up Securities to another corporation, partnership or other business entity that controls, is controlled by or is under common control with the undersigned or (ii) distributions of Lock-Up Securities to members, partners, stockholders, subsidiaries or affiliates (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned; (e) if the undersigned is a trust, to a trustee or beneficiary of the trust; provided that in the case of any transfer pursuant to the foregoing clauses (b), (c) (d) or (e), (i) any such transfer shall not involve a disposition for value, (ii) each transferee shall sign and deliver to the Representative a lock-up agreement substantially in the form of this lock-up agreement and (iii) no filing under Section 13 or Section 16(a) of the Exchange Act or other public announcement shall be required or shall be voluntarily made; (f) the receipt by the undersigned from the Company of Common Shares upon the vesting of restricted stock awards or stock units or upon the exercise of options to purchase the Company's Common Shares issued under an equity incentive plan of the Company or an employment arrangement described in the Pricing Prospectus (as defined in the Underwriting Agreement) (the "**Plan Shares**") or the transfer of Common Shares or any securities convertible into Common Shares to the Company upon a vesting event of the Company's securities or upon the exercise of options to purchase the Company's securities, in each case on a "cashless" or "net exercise" basis or to cover tax obligations of the undersigned in connection with such vesting or exercise, but only to the extent such right expires during the Lock-up Period, provided that no filing under Section 13 or Section 16(a) of the Exchange Act or other public announcement shall be required or shall be voluntarily made within 180 days after the date of the Underwriting Agreement, and after such 180th day, if the undersigned is required to file a report under Section 13 or Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of Common Shares during the Lock-Up Period, the undersigned shall include a statement in such schedule or report to the effect that the purpose of such transfer was to cover tax withholding obligations of the undersigned in connection with such vesting or exercise and, provided further, that the Plan Shares shall be subject to the terms of this lock-up agreement; (g) the transfer of Lock-Up Securities pursuant to agreements described in the Pricing Prospectus under which the Company has the option to repurchase such securities or a right of first refusal with respect to the transfer of such securities, provided that if the undersigned is required to file a report under Section 13 or Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of Common Shares during the Lock-Up Period, the undersigned shall include a statement in such schedule or report describing the purpose of the transaction; (h) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Lock-Up Securities, provided that (i) such plan does not provide for the transfer of Lock-Up Securities during the Lock-Up Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment of such plan, such public announcement or filing shall include a statement to the effect that no transfer of Lock-Up Securities may be made under such plan during the Lock-Up Period; (i) the transfer of Lock-Up Securities that occurs by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement, provided that the transferee agrees to sign and deliver a lock-up agreement substantially in the form of this lock-up agreement for the balance of the Lock-Up Period, and provided further, that any filing under Section 13 or Section 16(a) of the Exchange Act that is required to be made during the Lock-Up Period as a result of such transfer shall include a statement that such transfer has occurred by operation of law; and (j) the transfer of Lock-Up Securities pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction made to all holders of the Common Shares involving a change of control (as defined below) of the Company after the closing of the Public Offering and approved by the Company's board of directors; provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the Lock-Up Securities owned by the undersigned shall remain subject to the restrictions contained in this lock-up

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agreement. For purposes of clause (k) above, "change of control" shall mean the consummation of any bona fide third party tender offer, merger, amalgamation, consolidation or other similar transaction the result of which is that any "person" (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of a majority of total voting power of the voting stock of the Company. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Lock-Up Securities except in compliance with this lock-up agreement.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date hereof to and including the 34th day following the expiration of the Lock-Up Period, the undersigned will give notice thereof to the Company and will not consummate any such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period has expired.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any issuer-directed or "friends and family" Securities that the undersigned may purchase in the Public Offering; (ii) the Representative agrees that, at least three (3) business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, the Representative will notify the Company of the impending release or waiver; and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two (2) business days before the effective date of the release or waiver. Any release or waiver granted by the Representative hereunder to any such officer or director shall only be effective two (2) business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer of Lock-Up Securities not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of such transfer.

The undersigned understands that the Company and the Representative are relying upon this lock-up agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by December 31, 2022, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Shares to be sold thereunder, then this lock-up agreement shall be void and of no further force or effect.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Representative.

Very truly yours,

_____
(Name - Please Print)

_____
(Signature)

_____
(Name of Signatory, in the case of entities - Please Print)

_____
(Title of Signatory, in the case of entities - Please Print)

Address: _____

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EXHIBIT D

Form of Press Release

PERMEX PETROLEUM CORPORATION

[Date]

Permex Petroleum Corporation (the "Company"), announced today that ThinkEquity LLC, acting as representative for the underwriters in the Company's recent public offering of _____ common shares of the Company, is [waiving] [releasing] a lock-up restriction with respect to _____ common shares of the Company held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____, 20___, and the shares may be sold on or after such date.

This press release is not an offer or sale of the securities in the United States or in any other jurisdiction where such offer or sale is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act of 1933, as amended.

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Amendment No. 7 to Form S-1 (No. 333-268191) of our report dated July 14, 2022 (February 9, 2023 as to the effect of the reverse stock split discussed in Note 1), relating to the consolidated financial statements of Permex Petroleum Corporation, for the year ended September 30, 2021 which is part of this Registration Statement.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

October 20, 2023

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Exhibit 23.4

CONSENT OF MKM ENGINEERING

We hereby consent to (i) the use of the name MKM Engineering, (ii) references to MKM Engineering as an independent oil and gas engineering consulting firm, and (iii) the use of information from our Appraisal of Certain Oil and Gas Interests owned by Permex Petroleum Corporation located in New Mexico and Texas as of September 30, 2022 (the "2022 Appraisal Report") as well as our Appraisal of Certain Oil and Gas Interests owned by Permex Petroleum Corporation located in New Mexico and Texas as of September 30, 2021 (the "2021 Appraisal Report" and together with the 2022 Appraisal Report, the "Appraisal Reports"), which contain our opinion of the proved reserves and future net revenue of Permex Petroleum as of September 30, 2022 and September 30, 2021, respectively, in the Registration Statement on Form S-1 dated October 20, 2023 of Permex Petroleum Corporation (the "Registration Statement") and the related prospectus that is a part thereof. We further consent to the inclusion of each of the Appraisal Reports as exhibits in the Registration Statement. We further consent to the reference to MKM Engineering under the heading "EXPERTS" in the Registration Statement and related prospectus.

MKM ENGINEERING
Texas Registered Engineering Firm F-009733

By *\/s/ Michele K. Mudrone*
Name: Michele K. Mudrone
Title: Professional Engineer

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Exhibit 23.5

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Permex Petroleum Corporation on Amendment No. 7 to Form S-1 (No. 333-268191) of our report dated February 10, 2023 (which includes an explanatory paragraph as to the Company's ability to continue as a going concern), with respect to our audit of the consolidated financial statements of Permex Petroleum Corporation as of September 30, 2022 and for the year then ended, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP
Houston, Texas
October 20, 2023

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Cover	9 Months Ended Jun. 30, 2023
Cover [Abstract]	
Document Type	S-1/A
Amendment Flag	true
Amendment Description	AMENDMENT NO. 7
Entity Registrant Name	PERMEX PETROLEUM CORPORATION
Entity Central Index Key	0001922639
Entity Primary SIC Number	1381
Entity Tax Identification Number	98-1384682
Entity Incorporation, State or Country Code	A1
Entity Address, Address Line One	2911 Turtle Creek Blvd
Entity Address, Address Line Two	Suite 925
Entity Address, City or Town	Dallas
Entity Address, State or Province	TX
Entity Address, Postal Zip Code	75219
City Area Code	(469)
Local Phone Number	804-1306
Entity Filer Category	Non-accelerated Filer
Entity Small Business	true
Entity Emerging Growth Company	true
Elected Not To Use the Extended Transition Period	false

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Condensed Interim Consolidated Balance Sheets - USD ($)	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Current assets			
Cash and cash equivalents	$ 764,386	$ 3,300,495	$ 25,806
Trade and other receivables, net	96,615	137,214	12,984
Prepaid expenses and deposits	136,400	317,277	46,151
Total current assets	997,401	3,754,986	84,941
Non-current assets			
Reclamation deposits	145,000	145,000	144,847
Property and equipment, net of accumulated depreciation and depletion	10,368,436	8,426,776	6,638,975
Right of use asset, net	166,960	240,796	72,539
Total assets	11,677,797	12,567,558	6,941,302
Current liabilities			
Trade and other payables	3,419,106	1,561,344	402,979
Amounts due to related party			16,628
Convertible debenture		38,291	78,500
Lease liability – current portion	79,866	104,224	51,963
Total current liabilities	3,498,972	1,703,859	550,070
Non-current liabilities			
Asset retirement obligations	260,394	236,412	552,594
Lease liability, less current portion	97,023	140,682	26,986
Loan payable			31,400
Warrant liability		23,500	
Total liabilities	3,856,389	2,104,453	1,161,050
Equity			
Common stock, no par value per share; unlimited shares authorized, 2,206,014 and 1,932,604 shares* issued and outstanding as of June 30, 2023 and September 30, 2022, respectively.	14,989,912	14,337,739	8,976,747
Additional paid-in capital	5,092,665	4,513,194	2,476,717
Accumulated other comprehensive loss	(127,413)	(127,413)	(127,413)
Accumulated deficit	(12,133,756)	(8,260,415)	(5,545,799)
Total equity	7,821,408	10,463,105	5,780,252
Total liabilities and equity	$ 11,677,797	$ 12,567,558	$ 6,941,302

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Condensed Interim Consolidated Balance Sheets (Parenthetical) - $ / shares	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Statement of Financial Position [Abstract]						
Common stock, par value	$ 0		$ 0		$ 0	$ 0
Common stock, shares authorized			Unlimited		Unlimited	Unlimited
Common stock, shares issued	2,206,014 [1]		2,206,014 [1]		1,932,604 [1]	1,103,010
Common stock, shares outstanding	2,206,014 [1]		2,206,014 [1]		1,932,604 [1]	1,103,010
Stockholders equity reverse stock split	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split	

[1] The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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Condensed Interim Consolidated Statements of Loss	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
	USD ($)	USD ($)	USD ($)	USD ($)	USD ($)	USD ($)
	$ / shares	$ / shares	$ / shares	$ / shares	$ / shares	$ / shares
	shares	shares	shares	shares	shares	shares
Revenues						
Oil and gas sales	$ 156,716	$ 258,757	$ 541,459	$ 577,244	$ 815,391	$ 46,703
Royalty income	303	17,965	18,140	47,813	63,068	37,922
Total revenues	157,019	276,722	559,599	625,057	878,459	84,625
Operating expenses						
Production					829,194	59,671
Lease operating expense	235,511	135,467	762,668	332,346		
General and administrative	788,659	1,053,070	3,014,307	2,067,042	2,796,395	496,381
Depletion and depreciation	37,286	73,093	120,459	161,988	105,503	60,479
Accretion on asset retirement obligations	7,994	8,238	23,982	24,714	55,030	19,907
Foreign exchange gain (loss)	3,310	(22,337)	7,690	(13,723)	(7,429)	24,301
Forfeiture of reclamation deposit						50,165
Loss on disposal of property and equipment						613,457
Total operating expenses	(1,072,760)	(1,247,531)	(3,929,106)	(2,572,367)	(3,778,693)	(1,324,361)
Loss from operations	(915,741)	(970,809)	(3,369,507)	(1,947,310)	(2,900,234)	(1,239,736)
Other income (expense)						
Interest income	108		108	2	5,895	
Other income	6,000	4,000	18,000	16,000	24,000	
Forgiveness of loan payable		7,900		7,900	7,800	
Finance expense	(1,026)	(2,598)	(2,208)	(27,246)	(30,586)	(13,506)
Gain on settlement of warrant liability	(930)		(930)			
Change in fair value of warrant liability	136	72,838	22,570	152,869	178,509	
Total other income	6,148	82,140	39,400	149,525	185,618	(13,506)
Net loss and comprehensive loss	(909,593)	(888,669)	(3,330,107)	(1,797,785)	(2,714,616)	(1,253,242)
Deemed dividend arising from warrant modification	(543,234)		(543,234)			
Net loss attributable to common stockholders	$ (1,452,827)	$ (888,669)	$ (3,873,341)	$ (1,797,785)		
Other comprehensive income						
Foreign currency translation adjustment						142,889
Comprehensive loss					$ (2,714,616)	$ (1,110,353)

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Loss per common share, basic | $ / shares	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)	$ (1.76)	$ (1.84)
Loss per common share, diluted | $ / shares	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)	$ (1.76)	$ (1.84)
Gain on settlement of warrant liability	$ 930		$ 930			
Weighted average number of common shares outstanding, basic | shares	1,964,147	[1] 1,932,604	[1] 1,943,118	[1] 1,411,734	[1] 1,543,021	678,958
Weighted average number of common shares outstanding, diluted | shares	[1] 1,964,147	1,932,604	1,943,118	1,411,734		

[1] The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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Condensed Interim Consolidated Statements of Loss (Parenthetical)	3 Months Ended		9 Months Ended		12 Months Ended
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022
Equity [Abstract]					
Stockholders equity reverse stock split	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split

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Condensed Consolidated Statements of Equity - USD ($)		Total	Share Capital [Member]	Additional Paid-in Capital [Member]	AOCI Attributable to Parent [Member]	Retained Earnings [Member]
Balance at Sep. 30, 2020		$ 3,312,657	$ 6,453,039	$ 1,422,477	$ (270,302)	$ (4,292,557)
Balance, shares at Sep. 30, 2020	[1]		667,073			
Acquisition of property		2,468,750	$ 2,468,750			
Acquisition of property, shares	[1]		416,666			
Acquisition of property - warrants		1,051,370		1,051,370		
Shares issued for services		54,958	$ 54,958			
Shares issued for services, shares	[1]		19,271			
Share-based payments		2,870		2,870		
Net loss		(1,253,242)				(1,253,242)
Other comprehensive income		142,889			142,889	
Balance at Sep. 30, 2021		5,780,252	$ 8,976,747	2,476,717	(127,413)	(5,545,799)
Balance, shares at Sep. 30, 2021	[1],[2]		1,103,010			
Share-based payments		604,861		604,861		
Net loss		(1,797,785)				(1,797,785)
Private placements		7,910,331	$ 7,303,161	607,170		
Balance, shares	[2]		829,594			
Share issuance costs		(1,058,703)	$ (1,941,675)	882,972		
Balance at Jun. 30, 2022		11,438,956	$ 14,338,233	4,571,720	(127,413)	(7,343,584)
Balance, shares at Jun. 30, 2022	[2],[3]		1,932,604			
Balance at Sep. 30, 2021		5,780,252	$ 8,976,747	2,476,717	(127,413)	(5,545,799)
Balance, shares at Sep. 30, 2021	[1],[2]		1,103,010			
Share-based payments		546,335		546,335		
Net loss		(2,714,616)				(2,714,616)
Private placements		7,910,331	$ 7,303,161	607,170		
Balance, shares	[1]		829,594			
Share issuance costs		(1,059,197)	$ (1,942,169)	882,972		
Balance at Sep. 30, 2022		10,463,105	$ 14,337,739	4,513,194	(127,413)	(8,260,415)

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Balance, shares at Sep. 30, 2022	[1],[2]		1,932,604			
Balance at Mar. 31, 2022		12,345,742	$ 14,356,535	4,571,535	(127,413)	(6,454,915)
Balance, shares at Mar. 31, 2022	[3]		1,932,604			
Share-based payments		185		185		
Net loss		(888,669)				(888,669)
Share issuance costs		(18,302)	(18,302)			
Balance at Jun. 30, 2022		11,438,956	$ 14,338,233	4,571,720	(127,413)	(7,343,584)
Balance, shares at Jun. 30, 2022	[2],[3]		1,932,604			
Balance at Sep. 30, 2022		10,463,105	$ 14,337,739	4,513,194	(127,413)	(8,260,415)
Balance, shares at Sep. 30, 2022	[1],[2]		1,932,604			
Share-based payments		318		318		
Net loss		(3,330,107)				(3,330,107)
Exercise of warrants		781,953	$ 781,953			
Exercise of warrants, shares	[2]		273,410			
Share issuance costs		(93,861)	$ (129,780)	35,919		
Deemed dividend arising from warrant modification				543,234		(543,234)
Balance at Jun. 30, 2023		7,821,408	$ 14,989,912	5,092,665	(127,413)	(12,133,756)
Balance, shares at Jun. 30, 2023	[2],[3]		2,206,014			
Balance at Mar. 31, 2023		8,042,909	$ 14,337,739	4,513,512	(127,413)	(10,680,929)
Balance, shares at Mar. 31, 2023	[3]		1,932,604			
Share-based payments						
Net loss		(909,593)				(909,593)
Exercise of warrants		781,953	$ 781,953			
Exercise of warrants, shares	[3]		273,410			
Share issuance costs		(93,861)	$ (129,780)	35,919		
Deemed dividend arising from warrant modification				543,234		(543,234)
Balance at Jun. 30, 2023		$ 7,821,408	$ 14,989,912	$ 5,092,665	$ (127,413)	$ (12,133,756)
Balance, shares at Jun. 30, 2023	[2],[3]		2,206,014			

[1] The number of shares has been restated to reflect the 60:1 share consolidation (Note 1).

[2] The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1).

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[3] The number of shares has been restated to reflect the 60:1 share consolidation (Note 1)

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Condensed Consolidated Statements of Equity (Parenthetical)	3 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Condensed Consolidated Statements Of Equity				
Stockholders equity reverse stock split	60:1 share consolidation	60:1 share consolidation	60:1 share consolidation	60:1 share consolidation
Stockholders equity share consolidation	60:1 reverse stock split	60:1 reverse stock split	60:1 reverse stock split	

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Condensed Interim Consolidated Statements of Cash Flows	9 Months Ended		12 Months Ended	
	Jun. 30, 2023 USD ($)	Jun. 30, 2022 USD ($)	Sep. 30, 2022 USD ($)	Sep. 30, 2021 USD ($)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$ (3,330,107)	$ (1,797,785)	$ (2,714,616)	$ (1,253,242)
Adjustments to reconcile net loss to net cash from operating activities:				
Accretion on asset retirement obligations	23,982	24,714	55,030	19,907
Depletion and depreciation	120,459	161,988	105,503	60,479
Foreign exchange loss (gain)		(1,062)	(7,168)	87,747
Forfeiture of reclamation bond				50,165
Forgiveness of loan payable		(7,900)	(7,800)	
Finance expense		14,956	18,031	13,506
Change in fair value of warrant liability	(22,570)	(152,869)	(178,509)	
Gain on settlement of warrant liability	(930)			
Loss on disposal of property and equipment				613,457
Extinguishment of trade and other payables			(4,368)	(9,682)
Share-based payments	318	604,861	546,335	2,870
Shares issued for services				54,958
Changes in operating assets and liabilities:				
Trade and other receivables	40,599	(173,756)	(124,230)	34,092
Prepaid expenses and deposits	180,877	(831,968)	(271,126)	(29,977)
Trade and other payables	1,045,347	695,431	584,216	(234,475)
Amounts due to related parties		(10,618)	(24,536)	(162,598)
Right of use asset and lease liability	5,819	(930)	(785)	3,010
Net cash used in operating activities	(1,936,206)	(1,474,938)	(2,024,023)	(749,783)
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures on property and equipment	(1,249,704)	(201,698)	(1,685,999)	(265,717)
Proceeds from sale of oil and gas interests				1,123,244
Net cash used in investing activities	(1,249,704)	(201,698)	(1,685,999)	857,527
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital			8,112,340	
Proceeds from issuance of private placement units		8,112,340		
Proceeds from exercise of warrants	781,953			
Share issuance costs	(93,861)	(1,067,374)	(1,067,868)	
Convertible debenture repayment	(38,291)	(23,700)	(34,709)	(79,000)
Loan from related party		(3,647)	(1,452)	(8,455)
Loan repayment			(23,600)	
Net cash provided by (used in) financing activities	649,801	7,017,619	6,984,711	(87,455)
Change in cash and cash equivalents during the period	(2,536,109)	5,340,983	3,274,689	20,289
Cash and cash equivalents, beginning of the period	3,300,495	25,806	25,806	5,517
Cash and cash equivalents, end of the period	764,386	5,366,789	3,300,495	25,806

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Supplemental disclosures of non-cash investing and financing activities:				
Common stock issued in connection with property acquisition agreement				2,468,750
Share purchase warrants issued in connection with private placements		1,692,151	1,692,151	1,051,370
Share purchase warrants issued in connection with exercise of warrants	579,153			
Trade and other payables related to property and equipment	1,459,667	93,960	647,252	68,735
Adjustments to asset retirement obligations			(371,212)	376,647
Supplemental cash flow disclosures:				
Interest paid	$ 1,182	$ 18,960	$ 24,536	$ 13,090

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BACKGROUND	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Organization, Consolidation and Presentation of Financial Statements [Abstract]		
BACKGROUND	**1. BACKGROUND**	**1. BACKGROUND**
	Permex Petroleum Corporation (the "Company") was incorporated on April 24, 2017 under the laws of British Columbia, Canada and maintains its head office at Suite 925, 2911 Turtle Creek Blvd, Dallas, Texas, 75219. Its registered office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company is primarily engaged in the acquisition, development and production of oil and gas properties in the United States. The Company's oil and gas interests are located in Texas and New Mexico, USA. The Company is listed on the Canadian Securities Exchange (the "CSE") under the symbol "OIL" and on the OTCQB under the symbol "OILCF".	Permex Petroleum Corporation (the "Company") was incorporated on April 24, 2017 under the laws of British Columbia, Canada and maintains its head office at Suite 925, 2911 Turtle Creek Blvd, Dallas, Texas, 75219. Its registered office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company is primarily engaged in the acquisition, development and production of oil and gas properties in the United States. The Company's oil and gas interests are located in Texas and New Mexico, USA. The Company is listed on the Canadian Securities Exchange (the "CSE") under the symbol "OIL" and on the OTCQB under the symbol "OILCF".
	On October 26, 2022, the Company's board of directors approved a reverse stock split of the Company's issued and outstanding common stock at a 1 for 60 ratio, which was effective November 2, 2022. The par value and authorized shares of common stock were not adjusted as a result of the reverse stock split. All issued and outstanding common stock, options, and warrants to purchase common stock and per share amounts contained in the financial statements have been retroactively adjusted to reflect the reverse stock split for all periods presented.	On October 26, 2022, the Company's board of directors approved a reverse stock split of the Company's issued and outstanding common stock at a 1 for 60 ratio, which was effective November 2, 2022. The par value and authorized shares of common stock were not adjusted as a result of the reverse stock split. All issued and outstanding common stock, options, and warrants to purchase common stock and per share amounts contained in the financial statements have been retroactively adjusted to reflect the reverse stock split for all periods presented.

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SIGNIFICANT ACCOUNTING POLICIES	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Accounting Policies [Abstract]		
SIGNIFICANT ACCOUNTING POLICIES	**2. SIGNIFICANT ACCOUNTING POLICIES**	**2. SIGNIFICANT ACCOUNTING POLICIES**
	Basis of presentation The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) and applicable rules and regulations of the United States Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of the Company’s financial position and of the results of operations and cash flows for the periods presented. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2023 or for any other interim period or for any other future fiscal year. These condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements and footnotes for the fiscal year ended September 30, 2022. **Principles of Consolidation** The accompanying consolidated financial statements include the assets, liabilities, revenue and expenses of the Company’s wholly-owned subsidiary, Permex Petroleum US Corporation. All intercompany balances and transactions have been eliminated.	**Basis of presentation** The Company’s consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). **Principles of Consolidation** These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Permex Petroleum US Corporation. All intercompany balances and transactions have been eliminated. **Going concern of operations** These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred losses since inception in the amount of $8,260,415 and has not yet achieved profitable operations. The Company has been relying on equity financing and loans from related parties to fund its operation in the past. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued. Management plans to fund operations of the Company with its current working capital and through increasing productions from its oil and gas leases.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred losses since inception in the amount of $12,133,756 and has not yet achieved profitable operations. The Company has been relying on equity financing and loans from related parties to fund its operation in the past. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management plans to fund operations of the Company with its current working capital and through increasing production from its oil and gas leases. The Company also expects to raise additional funds through equity financings. There are no written agreements in place for such funding or issuance of securities and there can be no assurance that such will be available in the future. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that

The Company also expects to raise additional funds through equity financings. There are no written agreements in place for such funding or issuance of securities and there can be no assurance that such will be available in the future. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to, meets its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances.

Significant estimates have been used by management in conjunction with the following: (i) petroleum and natural gas reserves; (ii) the fair value of assets when determining the existence of impairment factors and the amount of impairment,

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may be necessary should the Company not continue as a going concern.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) the fair value of assets when determining the existence of impairment factors and the amount of impairment, if any; (ii) the costs of site restoration when determining decommissioning liabilities; (iii) the useful lives of assets for the purposes of depletion and depreciation; (iv) petroleum and natural gas reserves; and (v) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

New accounting standards

There are not currently any new or pending accounting standards that are expected to have a significant impact on the Company's consolidated financial statements.

if any; (iii) the costs of site restoration when determining asset retirement obligations; (iv) income taxes receivable or payable; (v) the useful lives of assets for the purposes of depreciation; (vi) general credit risk associated with receivables and other assets; and (vii) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value.

Trade and other receivables

Trade and other receivables are stated at net realizable value. The majority of customers are not extended credit and the majority of the receivables has payment terms of 30 days or less. On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on a past history of write-offs, collections, and current credit conditions. A receivable is considered past due if the Company has not received payments based on agreed-upon terms. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at September 30, 2022 and September 30, 2021.

Property and equipment

The Company follows the successful efforts method of accounting for its oil and gas properties. All costs for development wells along with related acquisition costs, the costs of drilling development wells, and related asset retirement obligation (ARO) assets are

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capitalized. Exploration costs, such as exploratory geological and geophysical costs, and costs associated with non-productive exploratory wells, delay rentals and exploration overhead are expensed. Costs of drilling exploratory wells are capitalized pending determination of whether the wells found proved reserves. Costs of wells that are assigned proved reserves remain capitalized. Costs also are capitalized for exploratory wells that have found crude oil and natural gas reserves even if the reserves cannot be classified as proved when the drilling is completed, provided the exploratory well has found a sufficient quantity of reserves to justify its completion as a producing well and the Company is making sufficient progress assessing the reserves and the economic and operating viability of the project. The Company groups its oil and gas properties with a common geological structure or stratigraphic condition ("common operating field") for purposes of computing depletion expenses, assessing proved property impairments and accounting for asset dispositions.

Capitalized costs of proved oil and gas properties are depleted by individual field using a unit-of-production method based on proved and probable developed reserves. Proved reserves are estimated using reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Property and equipment (cont'd…)

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Proved oil and natural gas properties are assessed for possible impairment by comparing their carrying values with their associated undiscounted, future net cash flows. Events that can trigger assessments for possible impairments include write-downs of proved reserves based on field performance, significant decreases in the market value of an asset (including changes to the commodity price forecast or carbon costs), significant change in the extent or manner of use of or a physical change in an asset, and a more-likely-than-not expectation that a long-lived asset or asset group will be sold or otherwise disposed of significantly sooner than the end of its previously estimated useful life. Impaired assets are written down to their estimated fair values, generally their discounted, future net cash flows. For proved oil and natural gas properties, the Company performs impairment reviews on a field basis, annually or as appropriate.

Other corporate property and equipment consist primarily of leasehold improvements, vehicle, and office furniture and equipment and are stated at cost less accumulated depreciation. The capitalized costs are generally depreciated on a straight line basis over their estimated useful lives ranging from three to five years.

For property dispositions, measurement is at fair value, unless the transaction lacks commercial substance or fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in net income. Any deferred consideration recorded on property dispositions are recognized as revenue in the statement of loss and comprehensive loss over the reserve life.

Gains or losses are recorded for sales or dispositions of oil and gas properties which constitute an entire common operating field or which result in a significant alteration of the common operating field's depletion rate. These gains and losses are classified as asset dispositions in the accompanying consolidated statements of loss and comprehensive loss. Partial common operating field sales or dispositions deemed not to significantly alter the

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depletion rates are generally accounted for as adjustments to capitalized costs with no gain or loss recognized.

Impairment of long-lived assets

The Company assesses long-lived assets for impairment in accordance with the provisions of the Financial Account Standards Board Accounting Standards Codification ("ASC") regarding long-lived assets. It requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value. As of September 30, 2022 and September 30, 2021, no impairment charge has been recorded.

Asset retirement obligations

The Company recognizes asset retirement obligations ("ARO") associated with tangible assets such as well sites when there is a legal obligation associated with the retirement of such assets and the amount can be reasonably estimated. The ARO are measured at the present value of management's best estimate of the future remediation expenditures at the reporting date. The initial measurement of an ARO is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to the associated property and equipment on the consolidated balance sheet. When the assumption used to estimate a recorded ARO change, a revision is recorded to both the ARO and the asset retirement cost. The ARO is accreted to its then present value each period, and the asset retirement cost is depreciated using a systematic and rational method similar to that used for the associated property and equipment.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Fair value measurement

Fair value accounting is applied for all assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company follows the established framework for measuring fair value and expands disclosures about fair value measurements.

The Company categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially

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the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity′s own assumptions, as there is little, if any, related market activity.

The carrying values of cash and cash equivalents, trade receivable, other current receivables, due from/to related parties, trade payable, other current payables, accrued expenses, convertible debenture and lease liability included in the accompanying consolidated balance sheets approximated fair value at September 30, 2022 and September 30, 2021. The financial statements as of and for the years ended September 30, 2022 and September 30, 2021, do not include any recurring or nonrecurring fair value measurements relating to assets or liabilities.

Subsequent to initial recognition, the Company may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Company has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Earnings (loss) per share

Basic earnings (loss) per share (“EPS”) is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common share equivalents, in the weighted average

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number of common shares outstanding during the period, if dilutive. All of the outstanding convertible securities, stock options and warrants were anti-dilutive for the years ended September 30, 2022 and 2021.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of

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tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Share purchase warrants

The fair value of warrants issued with private placement units is determined using the Black-Scholes option pricing model. Proceeds from the issuance of private placement units are allocated between the private placement warrants and common shares on a relative fair value basis. Share purchase warrants with exercise prices denominated in a currency other than its functional currency are classified as a liability. Proceeds from the issuance of private placement units are first allocated to the warrant liability based on their fair value and the residual is allocated to common shares issued while for equity warrants, proceeds are allocated on a relative fair value basis. The changes in fair value of the warrant liability are recorded in the statement of loss and comprehensive loss.

Warrants issued for oil and gas interests and warrants issued as finder's fees are share-based payments and are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

Share-based payments

The Company issues stock options and other share-based compensation to directors, employees and others service providers. Equity awards including stock options and share purchase warrants are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded vesting approach. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. The Company has elected to account for forfeitures as they occur rather than estimate expected forfeitures.

The fair value of the equity awards is determined using the Black-Scholes option pricing model. Measurement

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inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Revenue

In accordance with ASC 606, *Revenue from Contracts with Customers,* the Company recognizes revenue when the performance obligation is satisfied, which typically occurs at the point in time when control of the product transfer to the customer. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is generally at the time the product is loaded into customer operated transports. Revenue is measured net of discounts, customs duties, royalties and withholding tax. Royalty income represents net revenue interests from certain crude oil and natural gas wells and is recognized upon the operators of the properties producing revenue from subject oil and gas wells.

The Company records revenue in the month production is delivered to the purchaser. However, production statements for oil and gas sales may not be received until the following month end after the products are purchased, and as a result, the Company is required to estimate the amount of revenue to be received. The Company records the differences between its estimates and the actual amounts received for revenue in the month that payment is received from the customer. Identified differences between the Company's revenue estimates and actual revenue received are $1,395 and $nil for years ended

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September 30, 2022 and September 30, 2021, respectively. The Company believes that the pricing provisions of its oil, natural gas and natural gas liquids contracts are customary in the industry. To the extent actual volumes and prices of oil and natural gas sales are unavailable for a given reporting period because of timing or information not received from third parties, the revenue related to sales volumes and prices for those good sold are estimated and recorded.

The Company does not have any contract assets or liabilities, or capitalized contract costs.

Foreign Currency

These consolidated financial statements are presented in United States dollars ("U.S. dollar"). The functional currency of the Company and the subsidiary of the Company is the U.S. dollar. The Company changed its functional currency from Canadian dollars ("CAD") to the U.S. dollars as at October 1, 2021. The change in functional currency from Canadian dollars to U.S. dollars is accounted for prospectively from October 1, 2021. Management determined that the Company's functional currency had changed based on the assessment related to significant changes of the Company's economic facts and circumstances. These significant changes included the fact that the Company's equity financings and the primary economic environment are now in the U.S. as well as the expectation of the majority of the Company's expenses will be denominated in U.S. dollars. Moreover, the Company's place of business and management are now located in the United States.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary

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assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

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New accounting standards

There are not currently any new or pending accounting standards that have a significant impact on the Company's consolidated financial statements.

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REVENUE	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Revenue from Contract with Customer [Abstract]		
REVENUE		

3. REVENUE

Revenue from contracts with customers is presented in "Oil and gas sales" on the Consolidated Statements of Loss.

As of June 30, 2023 and September 30, 2022, receivable from contracts with customers, included in trade and other receivables, were $52,201 and $56,639, respectively.

The following table present our revenue from contracts with customers disaggregated by product type and geographic areas.

Three months ended June 30, 2023	Texas	New Mexico	Total
Crude oil	$113,471	$42,230	$155,701
Natural gas	1,015	-	1,015
Revenue	$114,486	$42,230	$156,716

Three months ended June 30, 2022	Texas	New Mexico	Total
Crude oil	$205,861	$36,562	$242,423
Natural gas	16,334	-	16,334
Revenue	$222,195	$36,562	$258,757

Nine months ended June 30, 2023	Texas	New Mexico	Total
Crude oil	$417,050	$116,285	$533,335
Natural gas	8,124	-	8,124

3. REVENUE

Revenue from contracts with customers is presented in "Oil and gas sales" on the Consolidated Statement of Loss and Comprehensive Loss.

As of September 30, 2022 and September 30, 2021, receivable from contracts with customers, included in trade and other receivables, were $56,639 and $nil, respectively.

The following table present our revenue from contracts with customers disaggregated by product type and geographic areas.

Year ended September 30, 2022	Texas	New Mexico	Total
Crude oil	$621,275	$140,236	$761,511
Natural gas	53,880	-	53,880
Revenue from contracts with customers	$675,155	$140,236	$815,391

Year ended September 30, 2021	Texas	New Mexico	Total
Crude oil	$44,425	$ -	$44,425
Natural gas	2,278	-	2,278
Revenue from contracts with customers	$46,703	$ -	$46,703

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Revenue	$425,174	$116,285	$541,459

Nine months ended June 30, 2022	Texas	New Mexico	Total
Crude oil	$445,769	$84,809	$530,578
Natural gas	46,666	-	46,666
Revenue	$492,435	$84,809	$577,244

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CONCENTRATION OF CREDIT RISK	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Risks and Uncertainties [Abstract]		
CONCENTRATION OF CREDIT RISK		

4. CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash equivalents and trade receivables. The Company's cash balances sometimes exceed the United States' Federal Deposit Insurance Corporation insurance limits. The Company mitigates this risk by placing its cash and cash equivalents with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. To date, the Company has not recognized any losses caused by uninsured balances.

The majority of the Company's receivable balance is concentrated in trade receivables, with a balance of $94,380 as of June 30, 2023 (September 30, 2022 - $91,928). Two customers represented $57,744 (61%) of the trade receivable balance. The Company routinely assesses the financial strength of its customers. The non-trade receivable balance consists of goods and services tax ("GST") recoverable of $2,235. GST recoverable is due from the Canadian Government. It is in management's opinion that the Company is not exposed to significant credit risk. To date, the Company has not recognized any credit losses on its receivables.

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4. CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash equivalents and trade receivables. The Company's cash balances sometimes exceed the United States' Federal Deposit Insurance Corporation insurance limits. The Company mitigates this risk by placing its cash and cash equivalents with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution. To date, the Company has not recognized any losses caused by uninsured balances.

The majority of the Company's receivable balance is concentrated in trade receivables, with a balance of $91,928 as of September 30, 2022. Three customers represented $79,942 (87%) of the trade receivable balance. The Company routinely assesses the financial strength of its customers. The non-trade receivable balance consists of GST recoverable of $39,770 and interest receivable of $5,516. GST recoverable is due from the Canadian Government. Interest receivable is due from a financial institution with high credit rating. It is in management's opinion that the Company is not exposed to significant credit risk. To date, the Company has not recognized any credit losses on its receivables.

PERMEX PETROLEUM CORPORATION
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ACQUISITION AND DISPOSITION	12 Months Ended Sep. 30, 2022
Business Combination and Asset Acquisition [Abstract]	
ACQUISITION AND DISPOSITION	

5. ACQUISITION AND DISPOSITION

Acquisition

During the year ended September 30, 2021, the Company and its wholly owned subsidiary, Permex Petroleum US Corporation, acquired a 100% Working Interest and a 81.75% Net Revenue Interest in the Breedlove "B" Clearfork leases located in Martin County, Texas. The Company issued 416,666 common shares and 208,333 share purchase warrants as consideration for this acquisition. The Company valued the 416,666 common shares issued at a fair value of $2,468,750. The share purchase warrants were valued at $1,051,370 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 1.51%, an expected life of 10-years, annualized volatility of 96.56% and a dividend rate of 0%). The warrants have an exercise price $8.76 per share (CAD$12.00) and are exercisable until September 30, 2031.

Disposition

During the year ended September 30, 2021, the Company sold its interests in the Peavy leases together with reclamation obligations for $10,000 and recognized a loss of $604,687 from the sale. The Company also recognized a loss of $8,770 from the disposal of equipment.

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PROPERTY AND EQUIPMENT	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Property, Plant and Equipment [Abstract]		
PROPERTY AND EQUIPMENT		

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30, 2023	September 30, 2022
Oil and natural gas properties, at cost	$10,473,886	$8,029,234
Construction in progress	-	460,306
Less: accumulated depletion	(267,941)	(184,658)
Oil and natural gas properties, net	10,205,945	8,304,882
Other property and equipment, at cost	205,315	127,542
Less: accumulated depreciation	(42,824)	(5,648)
Other property and equipment, net	162,491	121,894
Property and equipment, net	$10,368,436	$8,426,776

Depletion and depreciation expense was $120,459 and $161,988 for the nine month periods ended June 30, 2023 and June 30, 2022, respectively. Depletion and depreciation expense for the three month periods ended June 30, 2023 and June 30, 2022 was $37,286 and $73,093, respectively.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	September 30, 2022	September 30, 2021
Oil and natural gas properties, at cost	$8,029,234	$6,723,778
Construction in progress	460,306	-
Less: accumulated depletion	(184,658)	(84,803)
Oil and natural gas properties, net	8,304,882	6,638,975
Other property and equipment, at cost	127,542	-
Less: accumulated depreciation	(5,648)	-
Other property and equipment, net	121,894	-
Property and equipment, net	$8,426,776	$6,638,975

Depletion and depreciation expense was $105,503 and $60,479 for the years ended September 30, 2022 and September 30, 2021, respectively.

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LEASES

Leases [Abstract]

LEASES

9 Months Ended Jun. 30, 2023

6. LEASES

All of the Company's right-of-use assets are operating leases related to its office premises. Details of the Company's right-of-use assets and lease liabilities are as follows:

	June 30, 2023	September 30, 2022
Right-of-use assets	$166,960	$ 240,796
Lease liabilities		
Balance, beginning of the year	$244,906	$ 78,949
Addition	-	220,368
Liability accretion	19,111	9,042
Lease payments	(87,128)	(63,453)
Balance, end of the year	$176,889	$ 244,906
Current lease liabilities	$ 79,866	$ 104,224
Long-term lease liabilities	$ 97,023	$ 140,682

The following table presents the Company's total lease cost.

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Operating lease cost	$ 27,704	$ 12,956	$ 92,947	$ 40,730
Variable lease expense	22,516	13,397	48,513	30,823
Sublease income	(12,367)	(10,752)	(32,762)	(26,350)
Rent subsidy	-	-	-	(1,674)
Net lease cost	$ 37,853	$ 15,601	$108,698	$ 43,529

As of June 30, 2023, maturities of the Company's operating lease liabilities are as follows:

Year	
2023 remaining	$ 23,709
2024	82,190
2025	84,664

12 Months Ended Sep. 30, 2022

7. LEASES

All of the Company's right-of-use assets are operating leases related to its office premises. Details of the Company's right-of-use assets and lease liabilities are as follows:

	2022	2021
Right-of-use assets	$240,796	$ 72,539
Lease liabilities		
Balance, beginning of the year	$ 78,949	$ 53,128
Addition	220,368	57,357
Interest expense	9,042	9,812
Lease payments	(63,453)	(43,932)
Foreign exchange movement	-	2,584
Balance, end of the year	$244,906	$ 78,949
Current lease liabilities	$104,224	$ 51,963
Long-term lease liabilities	$140,682	$ 26,986

The following table presents the Company's total lease cost.

	2022	2021
Amortization of right-of-use assets	$ 52,111	$ 37,129
Interest on lease liabilities	9,042	9,812
Variable lease expense	36,216	16,564
Sublease income	(36,633)	(10,191)
Rent subsidy	(1,644)	(9,169)

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2026	14,180
Total lease payments	204,743
Less: imputed interest	(27,854)
Total lease liabilities	$176,889

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Net lease cost	$ 59,092	$ 44,145

As of September 30, 2022, maturities of the Company's operating lease liabilities are as follows:

Year	
2023	$110,593
2024	82,190
2025	84,664
2026	14,180
Total lease payments	291,627
Less: imputed interest	(46,721)
Total lease liabilities	$244,906

PERMEX PETROLEUM CORPORATION
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ASSET RETIREMENT OBLIGATIONS	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Asset Retirement Obligation Disclosure [Abstract]		
ASSET RETIREMENT OBLIGATIONS		

7. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with the Company's oil and gas properties. Changes to the asset retirement obligations are as follows:

	June 30, 2023	September 30, 2022
Asset retirement obligations, beginning of the year	$236,412	$ 552,594
Revisions of estimates	-	(371,212)
Accretion expense	23,982	55,030
	$260,394	$ 236,412

During the year ended September 30, 2022, the Company had revision of estimates totalling $371,212 primarily due to changes in future cost estimates and retirement dates for its oil and gas assets.

Reclamation deposits

As of June 30, 2023, the Company held reclamation deposits of $145,000 (September 30, 2022 - $145,000), which are expected to be released after all reclamation work has been completed with regard to its oil and natural gas interests.

8. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with the Company's oil and gas properties. Changes to the asset retirement obligations are as follows:

	2022	2021
Decommissioning obligations, beginning of the year	$ 552,594	$ 271,402
Obligations recognized	-	258,726
Obligations derecognized	-	(125,511)
Revisions of estimates	(371,212)	117,921
Accretion expense	55,030	19,907
Foreign exchange movement	-	10,149
	$ 236,412	$ 552,594

During the year ended September 30, 2022, the Company had revision of estimates totaling $371,212 (2021 - increase of $117,921) primarily due to changes in future cost estimates and retirement dates for its oil and gas assets.

Reclamation bonds

As of September 30, 2022, the Company held reclamation bonds of $145,000 (September 30, 2021 - $144,847), which are expected to be released after all reclamation work has been completed with regard to its oil and natural gas interests. During the year ended September 30, 2021, the Company wrote off $50,165 of a reclamation deposit forfeited by the Texas State government due to a violation on a previously owned property.

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DEBT	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Debt Disclosure [Abstract]		
DEBT	8. DEBT	9. DEBT

Convertible debenture – Related party

As of September 30, 2022, the Company had a debenture loan of $73,000 (CAD$100,000) from the CEO of the Company outstanding. The debenture loan was secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bore interest at a rate of 12% per annum and had a maturity date of December 20, 2022. The debenture was convertible at the holder's option into units of the Company at $6.57 (CAD$9.00) per unit. Each unit would be comprised of one common share of the Company and one share purchase warrant; each warrant entitled the holder to acquire one additional common share for a period of three years at an exercise price of $8.76 (CAD $12.00).

During the year ended September 30, 2022, the Company repaid $34,709 of the loan (CAD$47,546). In November 2022, the Company repaid the remaining principal loan amount of $38,291 (CAD$52,454).

The Company recorded interest of $nil and $1,182 for the three and nine months ended June 30, 2023. The Company recorded interest of $2,597 and $6,285 for the three and nine months ended June 30, 2022.

Loan payable

In May 2020, the Company opened a Canada Emergency Business Account ("CEBA") and received a loan of $28,640 (CAD$40,000) from the Canadian Government. The CEBA program was established to provide interest-free loans of up to CAD$60,000 to small businesses to help them cover operating costs during the COVID-19 pandemic. The loan was unsecured and non-interest

Convertible debenture

As of September 30, 2022, the Company had a debenture loan of $73,000 (CAD$100,000) (September 30, 2021 - $78,500) from the CEO of the Company outstanding. The debenture loan is secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bears interest at a rate of 12% per annum and has a maturity date of December 20, 2022. The debenture is convertible at the holder's option into units of the Company at $6.57 (CAD$9.00) per unit. Each unit will be comprised of one common share of the Company and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of three years at an exercise price of $8.76 (CAD$12.00).

During the year ended September 30, 2022, the Company repaid $34,709 of the loan (CAD$47,546). Subsequent to September 30, 2022, the Company repaid the remaining principal loan amount of CAD$52,454.

During the years ended September 30, 2022 and September 30, 2021, the Company recorded interest of $9,360 and $13,506, respectively.

Loan payable

In May 2020, the Company opened a Canada Emergency Business Account ("CEBA") and received a loan of $28,640 (CAD$40,000) from the Canadian Government. The CEBA program was established to provide interest-free loans of up to CAD$60,000 to small businesses to help them cover operating costs during the COVID-19 pandemic. The loan was unsecured and non-interest bearing with a repayment deadline of December 31, 2023. During the year ended September 30, 2022, the Company repaid the loan balance of $23,600 (CAD$30,000) and

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bearing with a repayment deadline of December 31, 2023. During the year ended September 30, 2022, the Company repaid the loan balance of $23,600 (CAD$30,000) and recognized a gain of $7,800 (CAD$10,000) on the forgiven amount.

recognized a gain of $7,800 (CAD$10,000) on the forgiven amount.

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RELATED PARTY TRANSACTIONS	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Related Party Transactions [Abstract]		
RELATED PARTY TRANSACTIONS	**9. RELATED PARTY TRANSACTIONS** The convertible debenture loan from the CEO of the Company mentioned in Note 8 was repaid during the nine months ended June 30, 2023.	**10. RELATED PARTY TRANSACTIONS** i) In October 2019, the Company issued $76,000 (CAD$100,000) in convertible debenture to a director of the Company for cash. The debenture loan was secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bore interest at a rate of 12% per annum and had a maturity date of September 30, 2021. During the year ended September 30, 2021, the Company repaid the principal loan amount of CAD$100,000 together with accrued interest of $13,090. During the year ended September 30, 2021, the Company recorded interest of $4,026. ii) In February 2020, the Company issued $76,000 (CAD$100,000) in convertible debenture to the CEO of the Company for cash. The debenture loan is secured by an interest in all of the Company's right, title, and interest in all of its oil and gas assets, bears interest at a rate of 12% per annum and has an original maturity date of February 20, 2022. During the year ended September 30, 2022, the Company extended the maturity date to December 20, 2022 and repaid $34,709 of the loan (CAD$47,546). During the years ended September 30, 2022 and September 30, 2021, the Company recorded interest of $9,360 and $9,480, respectively. As at September 30, 2021, accrued interest of $15,176 was included in amounts due to related parties. iii) The Company has an employment agreement with the CEO of the Company for an annual base salary of $250,000, with no specified term. The CEO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to three years of base salary and a bonus equal to 20% of the annual base salary. During the years ended September 30, 2022 and September 30, 2021, the Company incurred management fees of $220,834 and $149,806, respectively, to the CEO of the Company. The Company considers this a related party transaction, as it relates to key management personnel and entities over which it has control or significant influence. iv) On May 1, 2022, the Company entered into an employment agreement with the CFO of the Company for an annual base salary of $50,000, with no specified term. The CFO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to two months of base salary. During the years ended September 30, 2022, the

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Company incurred salaries of $20,835 to the CFO of the Company. The Company considers this a related party transaction, as it relates to key management personnel and entities over which it has control or significant influence.

Included in amounts due to related parties are $nil (2021 - $1,321) related to accrued management fee to a director of the Company and $nil (2021 - $131) in advances from the CEO of the Company. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

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LOSS PER SHARE	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Earnings Per Share [Abstract]		
LOSS PER SHARE		

10. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine month periods ended June 30, 2023 and 2022 was based on the net losses attributable to common shareholders. The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Net loss	$(1,452,827)	$ (888,669)	$(3,873,341)	$(1,797,785)
Weighted average common shares outstanding	1,964,147	1,932,604	1,943,118	1,411,734
Basic and diluted loss per share	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)

For the three and nine months ended June 30, 2023, 81,250 stock options and 1,118,942 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive. For the three and nine months ended June 30, 2022, 92,917 stock options and 1,097,096 warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

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11. LOSS PER SHARE

The calculation of basic and diluted loss per share for the years ended September 30, 2022 and 2021 was based on the net losses attributable to common shareholders. The following table sets forth the computation of basic and diluted loss per share:

	2022	2021
Net loss	$(2,714,616)	$(1,253,242)
Weighted average common shares outstanding	1,543,021	678,958
Basic and diluted loss per share	$ (1.76)	$ (1.84)

As of September 30, 2022, $73,000 (CAD$100,000) of convertible debentures convertible into 11,111 common shares, 84,583 (2021 - 37,917) stock options and 1,097,096 (2021 - 208,333) warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

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EQUITY	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Equity [Abstract]		
EQUITY	11. EQUITY	12. EQUITY

Common stock

The Company has authorized an unlimited number of common shares with no par value. At June 30, 2023 and September 30, 2022, the Company had 2,206,014 common shares issued and outstanding after giving effect to the 60:1 reverse stock split.

During the nine months ended June 30, 2023, the Company announced a warrant exercise incentive program (the "Program") whereby the Company amended the exercise prices of 1,015,869 warrants (the "Eligible Warrants") from $12.60 per share to $2.86 per share if the holders of the Eligible Warrants exercised the Eligible Warrants before June 30, 2023 (the "Program Period"). In addition to the repricing, the Company offered, to each warrant holder who exercised the Eligible Warrants during the Program Period, the issuance of one additional common share purchase warrant for each warrant exercised during the Program Period (each, an "Incentive Warrant"). Each Incentive Warrant entitles the warrant holder to purchase one common share of the Company for a period of 5 years from the date of issuance, at a price of $4.50 per Share.

On June 30, 2023, the Company issued 273,410 common shares at a price of $2.86 per share from the exercise of the Eligible Warrants pursuant to the Program for gross proceeds of $781,953 (net proceeds of $688,092). In connection with the Program, the Company issued 273,410 Incentive Warrants. The Company also incurred $62,556 and issued 21,872 warrants as a finders' fee to its investment bank. The finder's warrants are on the same terms as the Incentive Warrants. The Incentive Warrants and finder's warrants were valued at $449,005 and $35,919, respectively, using the Black-Scholes option pricing model (assuming a risk-free interest rate of 3.68%, an expected life of 5 years, annualized volatility of 128.81% and a dividend rate of 0%). The repricing of the Eligible Warrants is accounted for as a modification under ASC 815-40-35-14 through 18. The effect of the modification is $544,164, measured as the excess of the fair value of the repriced

Common stock

The Company has authorized an unlimited number of common shares with no par value. At September 30, 2022 and September 30, 2021, the Company had 1,932,604 and 1,103,010 common shares issued and outstanding, respectively.

During the year ended September 30, 2022, the Company:

a) Completed a non-brokered private placement of 44,117 units at a price of $12.96 (CAD$16.20) per unit for gross proceeds of $571,760 (CAD$714,700). Each unit is comprised of one common share and one half of one share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $25.80 (CAD$32.40). $202,009 of the proceeds was allocated to the warrants and recorded as a warrant liability. The Company paid $34,733 and issued 2,680 agent's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at $24,543 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%). The Company also incurred filing and other expenses of $800 in connection with the private placement. $8,671 of issuance costs related to the warrants was recorded in the statement of loss and comprehensive loss.

b) Completed a brokered private placement of 785,477 units at a price of $9.60 per unit for gross proceeds of $7,540,580. Each unit

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warrants over the fair value of the original warrants immediately before it was modified and the fair value of the incentive warrants issued as an additional inducement to exercise the warrants. The fair values were measured using the Black-Scholes option pricing model (assuming a risk-free interest rate of 4.21%, an expected life of 3.75 years, annualized volatility of 137.62% and a dividend rate of 0%). The Company recognized a deemed dividend of $543,234 for the fair value of the Incentive Warrants and the portion of inducement related to the equity-classified warrants. The effect of the repricing of the liability-classified warrants was $930 and was recorded in the statement of loss. The Company also incurred legal and other expenses of $31,305 in connection with the Program.

During the year ended September 30, 2022, the Company:

a) Completed a non-brokered private placement of 44,117 units at a price of $12.96 (CAD$16.20) per unit for gross proceeds of $571,760 (CAD$714,700) on November 4, 2021. Each unit is comprised of one common share and one half of one share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $25.80 (CAD$32.40). $202,009 of the proceeds was allocated to the warrants and recorded as a warrant liability. The Company paid $34,733 and issued 2,680 agent's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at $24,543 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%). The Company also incurred filing and other expenses of $800 in connection with the private placement. $8,671 of issuance costs related to the warrants was recorded in the statement of loss.

b) Completed a brokered private placement of 785,477 units at a price of $9.60 per unit for gross proceeds of $7,540,580 on March 29, 2022. Each unit is comprised of one common share and one common share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 5 years at an exercise price of $12.60. $607,170 of the proceeds was allocated to the warrants. ThinkEquity LLC acted as sole placement agent for the private placement. In connection with the private placement, ThinkEquity received a cash commission of $754,058, 78,548 broker warrants and expense reimbursement of $131,560. The broker's warrants have the same terms as the warrants issued under the private placement. The broker's warrants were valued at $858,429 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 2.45%, an expected life of 5 years, annualized volatility of 134.66% and a dividend rate of 0%). The Company also incurred filing and other expenses of $140,475 in connection with the private placement.

During the year ended September 30, 2021, the Company:

a) Issued 19,271 common shares of the Company for a fair value of $54,958 pursuant to service agreements.

b) Issued 416,666 common shares of the Company for a value of $2,468,750 pursuant to a property acquisition agreement.

Share-based payments

Stock options

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock

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additional common share for a period of 5 years at an exercise price of $12.60. $607,170 of the proceeds was allocated to the warrants. ThinkEquity LLC acted as sole placement agent for the private placement. In connection with the private placement, ThinkEquity received a cash commission of $754,058, 78,548 broker warrants and expense reimbursement of $131,560. The broker's warrants have the same terms as the warrants issued under the private placement. The broker's warrants were valued at $858,429 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 2.45%, an expected life of 5 years, annualized volatility of 134.66% and a dividend rate of 0%). The Company also incurred filing and other expenses of $159,271 in connection with the private placement.

Share-based payments

Stock options

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

11. EQUITY (cont'd…)

Share-based payments (cont'd…)

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price

as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

12. EQUITY (cont'd…)

Share-based payments (cont'd…)

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, September 30, 2020	39,003	$ 18.75
Cancelled	(1,086)	23.70
Balance, September 30, 2021	37,917	$ 19.51
Granted	55,000	10.51
Cancelled	(8,334)	17.34
Balance, September 30, 2022	84,583	$ 13.26
Exercisable at September 30, 2022	83,333	$ 13.42

The aggregate intrinsic value of options outstanding and exercisable as at September 30, 2022 was $nil (2021 - $nil).

The options outstanding as of September 30, 2022 have exercise prices in the range of $2.19 to $21.90 and a weighted average remaining contractual life of 7.72 years. There were no options granted during the year ended September 30, 2021.

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Balance, September 30, 2021	37,917	$ 19.51
Granted	55,000	10.51
Cancelled	(8,334)	17.34
Balance, September 30, 2022	84,583	$ 13.26
Cancelled	(3,333)	10.66
Balance, June 30, 2023	81,250	$ 13.74
Exercisable at June 30, 2023	81,250	$ 74

The aggregate intrinsic value of options outstanding and exercisable as at June 30, 2023 was $nil (September 30, 2022 - $nil).

The options outstanding as of June 30, 2023 have exercise prices in the range of $2.25 to $22.50 and a weighted average remaining contractual life of 6.91 years.

During the nine months ended June 30, 2023 and 2022, the Company recognized share-based payment expense of $318 and $604,861, respectively, for the portion of stock options that vested during the period. The share-based payment expense for the three months ended June 30, 2023 and 2022 was $nil and $185, respectively. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2023	2022
Risk-free interest rate	-	1.5%
Expected life of options	-	10 Years
Expected annualized volatility	-	96.56%
Dividend rate	-	Nil
Weighted average fair value of options granted	-	$ 10.17

As June 30, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Issuance Date	Expiry Date
22,917	$ 22.50	December 4, 2017	December 4, 2027
5,000	$ 13.50	November 1, 2018	November 1, 2028

During the years ended September 30, 2022 and 2021, the Company recognized share-based payment expense of $546,335 and $2,870, respectively, for the portion of stock options that vested during the year. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2022	2021
Risk-free interest rate	1.50%	-
Expected life of options	10 Years	-
Expected annualized volatility	96.56%	-
Dividend rate	Nil	-
Weighted average fair value of options granted	$10.17	$ -

12. EQUITY (cont'd…)

Share-based payments (cont'd…)

As September 30, 2022, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
27,917	$ 21.90	December 4, 2027
5,000	$ 13.14	November 1, 2028
5,000	$ 2.19	March 16, 2030
51,666	$ 10.51	October 6, 2031
84,583		

Warrants

Warrant transactions are summarized as follows:

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5,000 $	2.25	March 16, 2020	March 16, 2030
48,333 $	10.80	October 6, 2021	October 6, 2031
81,250			

PERMEX PETROLEUM CORPORATION
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED JUNE 30, 2023
(UNAUDITED)

11. EQUITY (cont'd…)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2021	208,332	$ 9.42
Granted	888,738	12.91
Balance, September 30, 2022	1,097,070	$ 12.12
Exercised	(273,410)	2.86
Granted	295,282	4.50
Balance, June 30, 2023	1,118,942	9.98

As June 30, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Issuance Date	Expiry Date
17,558 $	24.30	November 4, 2021	November 4, 2023
597,770 $	12.60	March 29, 2022	March 29, 2027
295,282 $	4.50	June 30, 2023	June 30, 2028
208,332 $	9.00	September 30, 2021	September 30, 2031
1,118,942			

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2020	80,087	$ 12.77
Granted	208,333	9.48
Warrants expired	(80,087)	13.46
Balance, September 30, 2021	208,333	$ 9.42
Granted	888,763	12.91
Balance, September 30, 2022	1,097,096	$ 12.12

As September 30, 2022, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
24,739	$ 23.65	November 4, 2023
864,024	$ 12.60	March 29, 2027
208,333	$ 8.76	October 1, 2031
1,097,096		

22,059 warrants issued with private placement units during fiscal 2022 have an exercise price denominated in CAD. These warrants were initially valued at $202,009 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%) and recorded as a warrant liability. These warrants were subsequently revaluated and a gain on fair value adjustment of $178,509 was recorded during the year ended September 30, 2022.

The following weighted average assumptions were used for the Black-Scholes valuation of warrants as at September 30, 2022 and November 4, 2021:

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22,059 warrants issued with private placement units during fiscal 2022 have an exercise price denominated in CAD. These warrants were initially valued at $202,009 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.98%, an expected life of 2 years, annualized volatility of 153.02% and a dividend rate of 0%) and recorded as a warrant liability. The fair value of these warrants were remeasured at each reporting period and a gain on fair value of $178,509 was recorded during the year ended September 30, 2022. During the nine months ended June 30, 2023, a gain on fair value of $23,500 was recorded (2022 - $152,869). During the three months ended June 30, 2023, a gain on fair value of $1,066 was recorded (2022 - $72,838).

The following weighted average assumptions were used for the Black-Scholes valuation of warrants as at June 30, 2023 and September 30, 2022:

	June 30, 2023	September 30, 2022
Risk-free interest rate	4.58%	3.79%
Expected life of options	0.33 Year	1 Year
Expected annualized volatility	73.12%	135.59%
Dividend rate	Nil	Nil
Weighted average fair value of options granted	$ 0.00	$ 1.46

	September 30,2022	November 4, 2021
Risk-free interest rate	3.79%	0.98%
Expected life of options	1 Year	2 Years
Expected annualized volatility	135.59%	153.02%
Dividend rate	Nil	Nil
Weighted average fair value of options granted	$ 1.46	$ 11.45

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INCOME TAXES

Income Tax Disclosure [Abstract]

INCOME TAXES

12 Months Ended Sep. 30, 2022

13. INCOME TAXES

	2022	2021
Loss before income taxes	$ (2,714,616)	$ (1,253,242)
Expected income tax recovery at statutory rates	$ (407,000)	$ (188,000)
Provincial income tax	(244,000)	(137,000)
Effect of income taxes from US operations	(42,000)	(7,000)
Change in statutory, foreign tax, foreign exchange rates and other	(32,000)	(59,000)
Permanent differences	103,000	1,000
Adjustment to prior years provision versus statutory tax returns	(53,000)	(11,000)
Change in valuation allowance	675,000	401,000
Deferred income tax recovery	$ -	$ -

Components of the Company's pre-tax loss and income taxes are as follows:

	2022	2021
Loss for the year		
Canada	$ (2,030,281)	$ (1,144,350)
US	(684,335)	(108,892)
	$ (2,714,616)	$ (1,253,242)
Expected income tax (recovery)		
Canada	$ (549,000)	$ (309,000)
US	(102,000)	(29,000)
	$ (651,000)	$ (338,000)
Deferred income tax (recovery)		
Canada	$ 548,000	$ 309,000
US	103,000	29,000
	$ 651,000	$ 338,000
Deferred income tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Tax loss carryforwards	$ 1,342,000	$ 780,000
Property and equipment	(74,000)	(9,000)
Financing fees	216,000	38,000
	1,484,000	809,000
Deferred tax assets valuation allowance	(1,484,000)	(809,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences include unamortized financing fees and tax loss carryforwards. The valuation allowance reduces the deferred tax assets to amounts that are, in management's assessment, more likely than not to be realized. For the years ended September 30, 2022 and 2021, the Company had financing fees of

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$801,000 and $140,000, respectively, with expiration dates between 2042 and 2047. The Company also had tax loss carryforwards of approximately $4,832,000 in Canada and the United States. For the years ended September 30, 2022 and 2021, the Canada tax losses totaled $4,028,000 and $2,707,000, respectively, with expiration dates ranging from 2037 to 2042 and 2037 to 2041, respectively. The United States tax losses for the years ended September 30, 2022 and 2021 totaled $804,000 and $213,000, respectively, and had no expiration dates.

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SEGMENT INFORMATION	12 Months Ended Sep. 30, 2022
Segment Reporting [Abstract]	
SEGMENT INFORMATION	

14. SEGMENT INFORMATION

Operating segments

The Company operates in a single reportable segment – the acquisition, development and production of oil and gas properties in the United States.

PERMEX PETROLEUM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED)

12 Months Ended

Sep. 30, 2022

Supplemental Information On Oil And Gas Operations
SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED)

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED)

Supplemental unaudited information regarding Permex's oil and gas activities is presented in this note. All of Permex's reserves are located within the U.S.

Costs Incurred in Oil and Gas Producing Activities

	12 Months Ended September 30, 2022	12 Months Ended September 30, 2021
Acquisition of proved properties	$ —	$ 3,699,215
Acquisition of unproved properties	—	—
Development costs	1,676,668	9,403
Exploration costs	—	—
Total costs incurred	$ 1,676,668	$ 3,708,618

Results of Operations from Oil and Gas Producing Activities

	12 Months Ended September 30, 2022	12 Months Ended September 30, 2021
Oil and gas revenues	$ 815,391	$ 46,703
Production costs	(829,194)	(59,671)
Exploration expenses	—	—
Depletion, depreciation and amortization	(99,855)	(52,439)
Impairment of oil and gas properties	—	—
Result of oil and gas producing operations before income taxes	(113,658)	(65,407)
Provision for income taxes	—	—
Results of oil and gas producing activities	$ (113,658)	$ (65,407)

PERMEX PETROLEUM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (cont'd…)

Proved Reserves

The Company's proved oil and natural gas reserves have been estimated by the certified independent engineering firm, MKM Engineering. Proved reserves are the estimated quantities that geologic and engineering data demonstrate with reasonable certainty to be recoverable in

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future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are the quantities expected to be recovered through existing wells with existing equipment and operating methods when the estimates were made. Due to the inherent uncertainties and the limited nature of reservoir data, such estimates are subject to change as additional information becomes available. The reserves actually recovered and the timing of production of these reserves may be substantially different from the original estimate. Revisions result primarily from new information obtained from development drilling and production history; acquisitions of oil and natural gas properties; and changes in economic factors.

Our proved reserves are summarized in the table below:

	Oil (Barrels)	Natural Gas (Mcf)	BOE (Barrels)
Proved developed and undeveloped reserves:			
September 30, 2020	3,706,360	740,180	3,829,723
Revisions (1)	(88,263)	38,640	(81,823)
Purchase of proved reserves (2)	5,408,560	2,859,590	5,885,158
Sale of reserves (3)	(2,826,290)	(618,650)	(2,929,398)
Production	(947)	(1,410)	(1,182)
September 30, 2021	6,199,420	3,018,350	6,702,478
Revisions	48,320	(5,613)	47,385
Purchase of proved reserves	-	-	-
Sale reserves	-	-	-
Production	(10,670)	(11,567)	(12,598)
September 30, 2022	6,237,070	3,001,170	6,737,265
Proved developed reserves:			
September 30, 2020	549,390	82,430	563,128
September 30, 2021	587,450	411,910	656,102
September 30, 2022	1,153,870	864,770	1,297,998
Proved undeveloped reserves:			
September 30, 2020	3,156,970	657,750	3,266,595
September 30, 2019	5,611,970	2,606,440	6,046,377
September 30, 2022	5,083,200	2,136,400	5,439,267

(1) Revisions in 2021 included 120,850 bbls in proved undeveloped reserves being reclassified as probable in the 2021 reserve report, net of other immaterial revisions in several properties.
(2) During 2021, the Company purchased 1,246 net acres in Martin County, Texas.
(3) During 2021, the Company sold ODC and Taylor properties.

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (cont'd…)

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following information is based on the Company's best estimate of the required data for the Standardized Measure of Discounted Future Net Cash Flows as of September 30, 2022 and September 30, 2021 in accordance with ASC 932, "Extractive Activities – Oil and Gas" which requires the use of a 10% discount rate. This information is not the fair market value, nor does

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it represent the expected present value of future cash flows of the Company's proved oil and gas reserves.

Future cash inflows for the years ended September 30, 2022 and September 30, 2021 were estimated as specified by the SEC through calculation of an average price based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for the period from October through September during each respective fiscal year. The resulting net cash flow are reduced to present value by applying a 10% discount factor.

	12 Months Ended	
	September 30, 2022	September 30, 2021
Future cash inflows	$ 589,481,000	$ 355,958,000
Future production costs(1)	(91,630,000)	(69,683,000)
Future development costs	(71,700,000)	(71,700,000)
Future income tax expenses	(113,873,000)	(57,206,000)
Future net cash flows	312,278,000	157,369,000
10% annual discount for estimated timing of cash flows	(167,549,000)	(84,100,000)
Standardized measure of discounted future net cash flows at the end of the fiscal year	$ 144,729,000	$ 73,269,000

(1) Production costs include crude oil and natural gas operations expense, production ad valorem taxes, transportation costs and G&A expense supporting the Company's crude oil and natural gas operations.

Average hydrocarbon prices are set forth in the table below.

	Average Price Crude Oil (Bbl)	Natural Gas (Mcf)
Year ended September 30, 2020 (1)	$ 40.30	$ 1.77
Year ended September 30, 2021 (1)	$ 55.98	$ 2.95
Year ended September 30, 2022 (1)	$ 91.72	$ 5.79

(1) Average prices were based on 12-month unweighted arithmetic average of the first-day-of-the-month prices for the period from October through September during each respective fiscal year.

Future production and development costs, which include dismantlement and restoration expense, are computed by estimating the expenditures to be incurred in developing and producing the Company's proved crude oil and natural gas reserves at the end of the year, based on year-end costs, and assuming continuation of existing economic conditions.

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (cont'd…)

Sources of Changes in Discounted Future Net Cash Flows

Principal changes in the aggregate standardized measure of discounted future net cash flows attributable to the Company's proved crude oil and natural gas reserves, as required by ASC 932, at fiscal year-end are set forth in the table below.

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	12 Months Ended	
	September 30, 2022	September 30, 2021
Standardized measure of discounted future net cash flows at the beginning of the year	$ 73,269,000	$ 20,797,000
Extensions, discoveries and improved recovery, less related costs	—	—
Sales of minerals in place	—	(62,682,000)
Purchase of minerals in place	—	125,927,000
Revisions of previous quantity estimates	1,674,000	(1,751,000)
Net changes in prices and production costs	88,333,000	32,573,000
Accretion of discount	10,077,000	1,498,000
Sales of oil produced, net of production costs	(49,000)	13,000
Changes in future development costs	911,000	(21,339,000)
Changes in timing of future production	(3,099,000)	(2,580,000)
Net changes in income taxes	(26,387,000)	(19,187,000)
Standardized measure of discounted future net cash flows at the end of the year	$ 144,729,000	$ 73,269,000

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SIGNIFICANT ACCOUNTING POLICIES (Policies)	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Accounting Policies [Abstract]		
Basis of presentation	**Basis of presentation** The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and applicable rules and regulations of the United States Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of the Company's financial position and of the results of operations and cash flows for the periods presented. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2023 or for any other interim period or for any other future fiscal year. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and footnotes for the fiscal year ended September 30, 2022.	**Basis of presentation** The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").
Principles of Consolidation	**Principles of Consolidation** The accompanying consolidated financial statements include the assets, liabilities, revenue and expenses of the Company's wholly-owned subsidiary, Permex Petroleum US Corporation. All intercompany balances and transactions have been eliminated.	**Principles of Consolidation** These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Permex Petroleum US Corporation. All intercompany balances and transactions have been eliminated.

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(UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES
(cont'd…)

Going concern of operations

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred losses since inception in the amount of $12,133,756 and has not yet achieved profitable operations. The Company has been relying on equity financing and loans from related parties to fund its operation in the past. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management plans to fund operations of the Company with its current working capital and through increasing production from its oil and gas leases. The Company also expects to raise additional funds through equity financings. There are no written agreements in place for such funding or issuance of securities and there can be no assurance that such will be available in the future. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred losses since inception in the amount of $8,260,415 and has not yet achieved profitable operations. The Company has been relying on equity financing and loans from related parties to fund its operation in the past. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management plans to fund operations of the Company with its current working capital and through increasing productions from its oil and gas leases. The Company also expects to raise additional funds through equity financings. There are no written agreements in place for such funding or issuance of securities and there can be no assurance that such will be available in the future. Management believes that this plan provides an opportunity for the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to, meets its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of Estimates

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) the fair value of assets when determining the existence of impairment factors and the amount of impairment, if any; (ii) the costs of site restoration when determining decommissioning liabilities; (iii) the useful lives of assets for the purposes of depletion and depreciation; (iv) petroleum and natural gas reserves; and (v) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances.

Significant estimates have been used by management in conjunction with the following: (i) petroleum and natural gas reserves; (ii) the fair value of assets when determining the existence of impairment factors and the amount of impairment, if any; (iii) the costs of site restoration when determining asset retirement obligations; (iv) income taxes receivable or payable; (v) the useful lives of assets for the purposes of depreciation; (vi) general credit risk associated with receivables and other assets; and (vii) share-based payments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of

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three months or less when purchased to be cash and cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value.

Trade and other receivables

Trade and other receivables

Trade and other receivables are stated at net realizable value. The majority of customers are not extended credit and the majority of the receivables has payment terms of 30 days or less. On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on a past history of write-offs, collections, and current credit conditions. A receivable is considered past due if the Company has not received payments based on agreed-upon terms. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at September 30, 2022 and September 30, 2021.

Property and equipment

Property and equipment

The Company follows the successful efforts method of accounting for its oil and gas properties. All costs for development wells along with related acquisition costs, the costs of drilling development wells, and related asset retirement obligation (ARO) assets are capitalized. Exploration costs, such as exploratory geological and geophysical costs, and costs associated with non-productive exploratory wells, delay rentals and exploration overhead are expensed. Costs of drilling exploratory wells are capitalized pending determination of whether the wells found proved reserves. Costs of wells that are assigned proved reserves remain capitalized. Costs also are capitalized for exploratory wells that have found crude oil and natural gas reserves even if the reserves cannot be classified as proved when the drilling is completed, provided the exploratory well has found a sufficient quantity of reserves to justify its completion as a producing well and the Company is making sufficient progress assessing the reserves and the economic and operating viability of the project. The Company groups its oil and

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gas properties with a common geological structure or stratigraphic condition ("common operating field") for purposes of computing depletion expenses, assessing proved property impairments and accounting for asset dispositions.

Capitalized costs of proved oil and gas properties are depleted by individual field using a unit-of-production method based on proved and probable developed reserves. Proved reserves are estimated using reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Property and equipment (cont'd…)

Proved oil and natural gas properties are assessed for possible impairment by comparing their carrying values with their associated undiscounted, future net cash flows. Events that can trigger assessments for possible impairments include write-downs of proved reserves based on field performance, significant decreases in the market value of an asset (including changes to the commodity price forecast or carbon costs), significant change in the extent or manner of use of or a physical change in an asset, and a more-likely-than-not expectation that a long-lived asset or asset group will be sold or otherwise disposed of significantly sooner than the end of its previously estimated useful life. Impaired assets are written down to their estimated fair values, generally their discounted, future net cash flows. For proved oil and natural gas properties, the Company performs impairment

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reviews on a field basis, annually or as appropriate.

Other corporate property and equipment consist primarily of leasehold improvements, vehicle, and office furniture and equipment and are stated at cost less accumulated depreciation. The capitalized costs are generally depreciated on a straight line basis over their estimated useful lives ranging from three to five years.

For property dispositions, measurement is at fair value, unless the transaction lacks commercial substance or fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in net income. Any deferred consideration recorded on property dispositions are recognized as revenue in the statement of loss and comprehensive loss over the reserve life.

Gains or losses are recorded for sales or dispositions of oil and gas properties which constitute an entire common operating field or which result in a significant alteration of the common operating field's depletion rate. These gains and losses are classified as asset dispositions in the accompanying consolidated statements of loss and comprehensive loss. Partial common operating field sales or dispositions deemed not to significantly alter the depletion rates are generally accounted for as adjustments to capitalized costs with no gain or loss recognized.

Impairment of long-lived assets

Impairment of long-lived assets

The Company assesses long-lived assets for impairment in accordance with the provisions of the Financial Account Standards Board Accounting Standards Codification ("ASC") regarding long-lived assets. It requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount

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by which the carrying value exceeds the fair value. As of September 30, 2022 and September 30, 2021, no impairment charge has been recorded.

Asset retirement obligations

Asset retirement obligations

The Company recognizes asset retirement obligations ("ARO") associated with tangible assets such as well sites when there is a legal obligation associated with the retirement of such assets and the amount can be reasonably estimated. The ARO are measured at the present value of management's best estimate of the future remediation expenditures at the reporting date. The initial measurement of an ARO is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to the associated property and equipment on the consolidated balance sheet. When the assumption used to estimate a recorded ARO change, a revision is recorded to both the ARO and the asset retirement cost. The ARO is accreted to its then present value each period, and the asset retirement cost is depreciated using a systematic and rational method similar to that used for the associated property and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Fair value measurement

Fair value measurement

Fair value accounting is applied for all assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the

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measurement date. The Company follows the established framework for measuring fair value and expands disclosures about fair value measurements.

The Company categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The carrying values of cash and cash equivalents, trade receivable, other current receivables, due from/to related parties, trade payable, other current payables, accrued expenses, convertible debenture and lease liability included in the accompanying consolidated balance sheets approximated fair value at September 30, 2022 and September 30, 2021. The financial statements as of and

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for the years ended September 30, 2022 and September 30, 2021, do not include any recurring or nonrecurring fair value measurements relating to assets or liabilities.

Subsequent to initial recognition, the Company may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Company has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Earnings (loss) per share

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common share equivalents, in the weighted average number of common shares outstanding during the period, if dilutive. All of the outstanding convertible securities, stock options and warrants were anti-dilutive for the years ended September 30, 2022 and 2021.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases

Leases

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At inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

Share capital

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Share purchase warrants

Share purchase warrants

The fair value of warrants issued with private placement units is determined using the Black-Scholes option pricing model. Proceeds from the issuance of private placement units are allocated between the private placement warrants and common shares on a relative fair value basis. Share purchase warrants with exercise prices denominated in a currency other than its functional currency are classified as a liability. Proceeds from the issuance of private placement units are first allocated to the

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warrant liability based on their fair value and the residual is allocated to common shares issued while for equity warrants, proceeds are allocated on a relative fair value basis. The changes in fair value of the warrant liability are recorded in the statement of loss and comprehensive loss.

Warrants issued for oil and gas interests and warrants issued as finder's fees are share-based payments and are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

Share-based payments

Share-based payments

The Company issues stock options and other share-based compensation to directors, employees and others service providers. Equity awards including stock options and share purchase warrants are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded vesting approach. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. The Company has elected to account for forfeitures as they occur rather than estimate expected forfeitures.

The fair value of the equity awards is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

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Revenue

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Revenue

In accordance with ASC 606, *Revenue from Contracts with Customers,* the Company recognizes revenue when the performance obligation is satisfied, which typically occurs at the point in time when control of the product transfer to the customer. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is generally at the time the product is loaded into customer operated transports. Revenue is measured net of discounts, customs duties, royalties and withholding tax. Royalty income represents net revenue interests from certain crude oil and natural gas wells and is recognized upon the operators of the properties producing revenue from subject oil and gas wells.

The Company records revenue in the month production is delivered to the purchaser. However, production statements for oil and gas sales may not be received until the following month end after the products are purchased, and as a result, the Company is required to estimate the amount of revenue to be received. The Company records the differences between its estimates and the actual amounts received for revenue in the month that payment is received from the customer. Identified differences between the Company's revenue estimates and actual revenue received are $1,395 and $nil for years ended September 30, 2022 and September 30, 2021, respectively. The Company believes that the pricing provisions of its oil, natural gas and natural gas liquids contracts are customary in the industry. To the extent actual volumes and prices of oil and natural gas sales are unavailable for a given reporting period because of timing or information not received from third parties, the revenue related to sales volumes and prices for those good sold are estimated and recorded.

The Company does not have any contract assets or liabilities, or capitalized contract costs.

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Foreign Currency

Foreign Currency

These consolidated financial statements are presented in United States dollars ("U.S. dollar"). The functional currency of the Company and the subsidiary of the Company is the U.S. dollar. The Company changed its functional currency from Canadian dollars ("CAD") to the U.S. dollars as at October 1, 2021. The change in functional currency from Canadian dollars to U.S. dollars is accounted for prospectively from October 1, 2021. Management determined that the Company's functional currency had changed based on the assessment related to significant changes of the Company's economic facts and circumstances. These significant changes included the fact that the Company's equity financings and the primary economic environment are now in the U.S. as well as the expectation of the majority of the Company's expenses will be denominated in U.S. dollars. Moreover, the Company's place of business and management are now located in the United States.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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Income taxes

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New accounting standards

New accounting standards

There are not currently any new or pending accounting standards that are expected to have a significant impact on the Company's consolidated financial statements.

New accounting standards

There are not currently any new or pending accounting standards that have a significant impact on the Company's consolidated financial statements.

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REVENUE (Tables)

Revenue from Contract with Customer [Abstract]

SCHEDULE OF REVENUE DISAGGREGATED BY PRODUCT TYPE AND GEOGRAPHIC AREAS

9 Months Ended Jun. 30, 2023

The following table present our revenue from contracts with customers disaggregated by product type and geographic areas.

Three months ended June 30, 2023	Texas	New Mexico	Total
Crude oil	$113,471	$42,230	$155,701
Natural gas	1,015	-	1,015
Revenue	$114,486	$42,230	$156,716

Three months ended June 30, 2022	Texas	New Mexico	Total
Crude oil	$205,861	$36,562	$242,423
Natural gas	16,334	-	16,334
Revenue	$222,195	$36,562	$258,757

Nine months ended June 30, 2023	Texas	New Mexico	Total
Crude oil	$417,050	$116,285	$533,335
Natural gas	8,124	-	8,124
Revenue	$425,174	$116,285	$541,459

Nine months ended June 30, 2022	Texas	New Mexico	Total
Crude oil	$445,769	$84,809	$530,578
Natural gas	46,666	-	46,666

12 Months Ended Sep. 30, 2022

The following table present our revenue from contracts with customers disaggregated by product type and geographic areas.

Year ended September 30, 2022	Texas	New Mexico	Total
Crude oil	$621,275	$140,236	$761,511
Natural gas	53,880	-	53,880
Revenue from contracts with customers	$675,155	$140,236	$815,391

Year ended September 30, 2021	Texas	New Mexico	Total
Crude oil	$44,425	$ -	$44,425
Natural gas	2,278	-	2,278
Revenue from contracts with customers	$46,703	$ -	$46,703

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Revenue	$492,435	$84,809	$577,244

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PROPERTY AND EQUIPMENT (Tables)

Property, Plant and Equipment [Abstract]

SCHEDULE OF PROPERTY AND EQUIPMENT

9 Months Ended Jun. 30, 2023

Property and equipment consisted of the following:

	June 30, 2023	September 30, 2022
Oil and natural gas properties, at cost	$10,473,886	$8,029,234
Construction in progress	-	460,306
Less: accumulated depletion	(267,941)	(184,658)
Oil and natural gas properties, net	10,205,945	8,304,882
Other property and equipment, at cost	205,315	127,542
Less: accumulated depreciation	(42,824)	(5,648)
Other property and equipment, net	162,491	121,894
Property and equipment, net	$10,368,436	$8,426,776

12 Months Ended Sep. 30, 2022

Property and equipment consisted of the following:

	September 30, 2022	September 30, 2021
Oil and natural gas properties, at cost	$8,029,234	$6,723,778
Construction in progress	460,306	-
Less: accumulated depletion	(184,658)	(84,803)
Oil and natural gas properties, net	8,304,882	6,638,975
Other property and equipment, at cost	127,542	-
Less: accumulated depreciation	(5,648)	-
Other property and equipment, net	121,894	-
Property and equipment, net	$8,426,776	$6,638,975

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LEASES (Tables)

Leases [Abstract]

	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022

SCHEDULE OF RIGHT OF USE OPERATING LEASES

All of the Company's right-of-use assets are operating leases related to its office premises. Details of the Company's right-of-use assets and lease liabilities are as follows:

	June 30, 2023	September 30, 2022
Right-of-use assets	$166,960	$ 240,796
Lease liabilities		
Balance, beginning of the year	$244,906	$ 78,949
Addition	-	220,368
Liability accretion	19,111	9,042
Lease payments	(87,128)	(63,453)
Balance, end of the year	$176,889	$ 244,906
Current lease liabilities	$ 79,866	$ 104,224
Long-term lease liabilities	$ 97,023	$ 140,682

	2022	2021
Right-of-use assets	$240,796	$ 72,539
Lease liabilities		
Balance, beginning of the year	$ 78,949	$ 53,128
Addition	220,368	57,357
Interest expense	9,042	9,812
Lease payments	(63,453)	(43,932)
Foreign exchange movement	-	2,584
Balance, end of the year	$244,906	$ 78,949
Current lease liabilities	$104,224	$ 51,963
Long-term lease liabilities	$140,682	$ 26,986

SCHEDULE OF LEASE COST

The following table presents the Company's total lease cost.

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Operating lease cost	$ 27,704	$ 12,956	$ 92,947	$ 40,730
Variable lease expense	22,516	13,397	48,513	30,823
Sublease income	(12,367)	(10,752)	(32,762)	(26,350)
Rent subsidy	-	-	-	(1,674)
Net lease cost	$ 37,853	$ 15,601	$108,698	$ 43,529

	2022	2021
Amortization of right-of-use assets	$ 52,111	$ 37,129
Interest on lease liabilities	9,042	9,812
Variable lease expense	36,216	16,564
Sublease income	(36,633)	(10,191)
Rent subsidy	(1,644)	(9,169)
Net lease cost	$ 59,092	$ 44,145

SCHEDULE OF FUTURE LEASE PAYMENTS

As of June 30, 2023, maturities of the Company's operating lease liabilities are as follows:

Year	
2023 remaining	$ 23,709

Year	
2023	$110,593
2024	82,190
2025	84,664
2026	14,180

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2024	82,190
2025	84,664
2026	14,180
Total lease payments	204,743
Less: imputed interest	(27,854)
Total lease liabilities	$176,889

Total lease payments	291,627
Less: imputed interest	(46,721)
Total lease liabilities	$244,906

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ASSET RETIREMENT OBLIGATIONS (Tables)

Asset Retirement Obligation Disclosure [Abstract]

SCHEDULE OF ASSET RETIREMENT OBLIGATIONS

9 Months Ended Jun. 30, 2023

	June 30, 2023	September 30, 2022
Asset retirement obligations, beginning of the year	$236,412	$ 552,594
Revisions of estimates	-	(371,212)
Accretion expense	23,982	55,030
	$260,394	$ 236,412

12 Months Ended Sep. 30, 2022

	2022	2021
Decommissioning obligations, beginning of the year	$ 552,594	$ 271,402
Obligations recognized	-	258,726
Obligations derecognized	-	(125,511)
Revisions of estimates	(371,212)	117,921
Accretion expense	55,030	19,907
Foreign exchange movement	-	10,149
	$ 236,412	$ 552,594

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LOSS PER SHARE (Tables)

Earnings Per Share [Abstract]

SCHEDULE OF BASIC AND DILUTED LOSS PER SHARE

9 Months Ended Jun. 30, 2023

The calculation of basic and diluted loss per share for the three and nine month periods ended June 30, 2023 and 2022 was based on the net losses attributable to common shareholders. The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Net loss	$(1,452,827)	$ (888,669)	$(3,873,341)	$(1,797,785)
Weighted average common shares outstanding	1,964,147	1,932,604	1,943,118	1,411,734
Basic and diluted loss per share	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)

12 Months Ended Sep. 30, 2022

	2022	2021
Net loss	$(2,714,616)	$(1,253,242)
Weighted average common shares outstanding	1,543,021	678,958
Basic and diluted loss per share	$ (1.76)	$ (1.84)

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EQUITY (Tables)

Equity [Abstract]

SCHEDULE OF STOCK OPTION TRANSACTIONS

9 Months Ended Jun. 30, 2023

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, September 30, 2021	37,917	$ 19.51
Granted	55,000	10.51
Cancelled	(8,334)	17.34
Balance, September 30, 2022	84,583	$ 13.26
Cancelled	(3,333)	10.66
Balance, June 30, 2023	81,250	$ 13.74
Exercisable at June 30, 2023	81,250	$ 74

12 Months Ended Sep. 30, 2022

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, September 30, 2020	39,003	$ 18.75
Cancelled	(1,086)	23.70
Balance, September 30, 2021	37,917	$ 19.51
Granted	55,000	10.51
Cancelled	(8,334)	17.34
Balance, September 30, 2022	84,583	$ 13.26
Exercisable at September 30, 2022	83,333	$ 13.42

SCHEDULE OF WEIGHTED AVERAGE ASSUMPTIONS USED IN THE FAIR VALUE

	2023	2022
Risk-free interest rate	-	1.5%
Expected life of options	-	10 Years
Expected annualized volatility	-	96.56%
Dividend rate	-	Nil
Weighted average fair value of options granted	-	$ 10.17

	2022	2021
Risk-free interest rate	1.50%	-
Expected life of options	10 Years	-
Expected annualized volatility	96.56%	-
Dividend rate	Nil	-
Weighted average fair value of options granted	$10.17	$ -

SCHEDULE OF STOCK OPTIONS OUTSTANDING

As June 30, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Issuance Date	Expiry Date
22,917	$ 22.50	December 4, 2017	December 4, 2027
5,000	$ 13.50	November 1, 2018	November 1, 2028
5,000	$ 2.25	March 16, 2020	March 16, 2030

As September 30, 2022, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
27,917	$ 21.90	December 4, 2027
5,000	$ 13.14	November 1, 2028
5,000	$ 2.19	March 16, 2030

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48,333	$ 10.80	October 6, 2021	October 6, 2031
81,250			

SCHEDULE OF WARRANTS TRANSACTIONS

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2021	208,332	$ 9.42
Granted	888,738	12.91
Balance, September 30, 2022	1,097,070	$ 12.12
Exercised	(273,410)	2.86
Granted	295,282	4.50
Balance, June 30, 2023	1,118,942	9.98

SCHEDULE OF WARRANTS OUTSTANDING

As June 30, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Issuance Date	Expiry Date
17,558	$ 24.30	November 4, 2021	November 4, 2023
597,770	$ 12.60	March 29, 2022	March 29, 2027
295,282	$ 4.50	June 30, 2023	June 30, 2028
208,332	$ 9.00	September 30, 2021	September 30, 2031
1,118,942			

SCHEDULE OF VALUATION OF WARRANTS

The following weighted average assumptions were used for the Black-Scholes valuation of warrants as at June 30, 2023 and September 30, 2022:

	June 30, 2023	September 30, 2022
Risk-free interest rate	4.58%	3.79%
Expected life of options	0.33 Year	1 Year

51,666	$ 10.51	October 6, 2031	
84,583			

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2020	80,087	$ 12.77
Granted	208,333	9.48
Warrants expired	(80,087)	13.46
Balance, September 30, 2021	208,333	$ 9.42
Granted	888,763	12.91
Balance, September 30, 2022	1,097,096	$ 12.12

As September 30, 2022, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
24,739	$ 23.65	November 4, 2023
864,024	$ 12.60	March 29, 2027
208,333	$ 8.76	October 1, 2031
1,097,096		

The following weighted average assumptions were used for the Black-Scholes valuation of warrants as at September 30, 2022 and November 4, 2021:

	September 30,2022	November 4, 2021
Risk-free interest rate	3.79%	0.98%
Expected life of options	1 Year	2 Years

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Expected annualized volatility	73.12%	135.59%
Dividend rate	Nil	Nil
Weighted average fair value of options granted	$ 0.00	$ 1.46

Expected annualized volatility	135.59%	153.02%
Dividend rate	Nil	Nil
Weighted average fair value of options granted	$ 1.46	$ 11.45

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INCOME TAXES (Tables)

12 Months Ended
Sep. 30, 2022

Income Tax Disclosure [Abstract]

SCHEDULE OF RECONCILIATION OF INCOME TAX

	2022	2021
Loss before income taxes	$(2,714,616)	$(1,253,242)
Expected income tax recovery at statutory rates	$ (407,000)	$ (188,000)
Provincial income tax	(244,000)	(137,000)
Effect of income taxes from US operations	(42,000)	(7,000)
Change in statutory, foreign tax, foreign exchange rates and other	(32,000)	(59,000)
Permanent differences	103,000	1,000
Adjustment to prior years provision versus statutory tax returns	(53,000)	(11,000)
Change in valuation allowance	675,000	401,000
Deferred income tax recovery	$ -	$ -

SCHEDULE OF PRE TAX LOSS AND INCOME TAXES

Components of the Company's pre-tax loss and income taxes are as follows:

	2022	2021
Loss for the year		
Canada	$(2,030,281)	$(1,144,350)
US	(684,335)	(108,892)
	$(2,714,616)	$(1,253,242)
Expected income tax (recovery)		
Canada	$ (549,000)	$ (309,000)
US	(102,000)	(29,000)
	$ (651,000)	$ (338,000)
Deferred income tax (recovery)		
Canada	$ 548,000	$ 309,000
US	103,000	29,000
	$ 651,000	$ 338,000
Deferred income tax recovery	$ -	$ -

SCHEDULE OF DEFERRED TAX ASSETS AND LIABILITIES

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Tax loss carryforwards	$ 1,342,000	$ 780,000
Property and equipment	(74,000)	(9,000)
Financing fees	216,000	38,000
	1,484,000	809,000
Deferred tax assets valuation allowance	(1,484,000)	(809,000)
Net deferred tax assets	$ -	$ -

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SUPPLEMENTAL INFORMATION ON OIL AND GAS OPERATIONS (UNAUDITED) (Tables)

12 Months Ended

Sep. 30, 2022

Supplemental Information On Oil And Gas Operations

SCHEDULE OF COST INCURRED IN PRODUCING ACTIVITIES

	12 Months Ended September 30, 2022	12 Months Ended September 30, 2021
Acquisition of proved properties	$ —	$ 3,699,215
Acquisition of unproved properties	—	—
Development costs	1,676,668	9,403
Exploration costs	—	—
Total costs incurred	$ 1,676,668	$ 3,708,618

Results of Operations from Oil and Gas Producing Activities

	12 Months Ended September 30, 2022	12 Months Ended September 30, 2021
Oil and gas revenues	$ 815,391	$ 46,703
Production costs	(829,194)	(59,671)
Exploration expenses	—	—
Depletion, depreciation and amortization	(99,855)	(52,439)
Impairment of oil and gas properties	—	—
Result of oil and gas producing operations before income taxes	(113,658)	(65,407)
Provision for income taxes	—	—
Results of oil and gas producing activities	$ (113,658)	$ (65,407)

SCHEDULE OF PROVED RESERVES

Our proved reserves are summarized in the table below:

	Oil (Barrels)	Natural Gas (Mcf)	BOE (Barrels)
Proved developed and undeveloped reserves:			
September 30, 2020	3,706,360	740,180	3,829,723
Revisions (1)	(88,263)	38,640	(81,823)
Purchase of proved reserves (2)	5,408,560	2,859,590	5,885,158
Sale of reserves (3)	(2,826,290)	(618,650)	(2,929,398)
Production	(947)	(1,410)	(1,182)
September 30, 2021	6,199,420	3,018,350	6,702,478
Revisions	48,320	(5,613)	47,385
Purchase of proved reserves	-	-	-
Sale reserves	-	-	-
Production	(10,670)	(11,567)	(12,598)
September 30, 2022	6,237,070	3,001,170	6,737,265
Proved developed reserves:			
September 30, 2020	549,390	82,430	563,128
September 30, 2021	587,450	411,910	656,102
September 30, 2022	1,153,870	864,770	1,297,998

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Proved undeveloped reserves:			
September 30, 2020	3,156,970	657,750	3,266,595
September 30, 2019	5,611,970	2,606,440	6,046,377
September 30, 2022	5,083,200	2,136,400	5,439,267

Revisions in 2021 included 120,850 bbls in proved undeveloped reserves being
(1)reclassified as probable in the 2021 reserve report, net of other immaterial revisions in several properties.
(2)During 2021, the Company purchased 1,246 net acres in Martin County, Texas.
(3)During 2021, the Company sold ODC and Taylor properties.

SCHEDULE OF NET CASH FLOWS RELATING TO PROVED OIL AND GAS RESERVES

	12 Months Ended	
	September 30, 2022	September 30, 2021
Future cash inflows	$ 589,481,000	$ 355,958,000
Future production costs(1)	(91,630,000)	(69,683,000)
Future development costs	(71,700,000)	(71,700,000)
Future income tax expenses	(113,873,000)	(57,206,000)
Future net cash flows	312,278,000	157,369,000
10% annual discount for estimated timing of cash flows	(167,549,000)	(84,100,000)
Standardized measure of discounted future net cash flows at the end of the fiscal year	$ 144,729,000	$ 73,269,000

(1) Production costs include crude oil and natural gas operations expense, production ad valorem taxes, transportation costs and G&A expense supporting the Company's crude oil and natural gas operations.

SCHEDULE OF AVERAGE HYDROCARBON PRICES

Average hydrocarbon prices are set forth in the table below.

	Average Price Crude Oil (Bbl)	Natural Gas (Mcf)
Year ended September 30, 2020 (1)	$ 40.30	$ 1.77
Year ended September 30, 2021 (1)	$ 55.98	$ 2.95
Year ended September 30, 2022 (1)	$ 91.72	$ 5.79

(1) Average prices were based on 12-month unweighted arithmetic average of the first-day-of-the-month prices for the period from October through September during each respective fiscal year.

SCHEDULE OF CHANGES IN DISCOUNTED FUTURE NET CASH FLOWS

	12 Months Ended	
	September 30, 2022	September 30, 2021
Standardized measure of discounted future net cash flows at the beginning of the year	$ 73,269,000	$ 20,797,000
Extensions, discoveries and improved recovery, less related costs	—	—
Sales of minerals in place	—	(62,682,000)
Purchase of minerals in place	—	125,927,000
Revisions of previous quantity estimates	1,674,000	(1,751,000)
Net changes in prices and production costs	88,333,000	32,573,000
Accretion of discount	10,077,000	1,498,000
Sales of oil produced, net of production costs	(49,000)	13,000
Changes in future development costs	911,000	(21,339,000)
Changes in timing of future production	(3,099,000)	(2,580,000)

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Net changes in income taxes	(26,387,000)	(19,187,000)
Standardized measure of discounted future net cash flows at the end of the year	$ 144,729,000	$ 73,269,000

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BACKGROUND (Details Narrative)	9 Months Ended Jun. 30, 2023	12 Months Ended Sep. 30, 2022
Organization, Consolidation and Presentation of Financial Statements [Abstract]		
Date of incorporation	Apr. 24, 2017	Apr. 24, 2017

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SIGNIFICANT ACCOUNTING POLICIES (Details Narrative) - USD ($)	12 Months Ended		
	Sep. 30, 2022	Sep. 30, 2021	Jun. 30, 2023
Property, Plant and Equipment [Line Items]			
Retained earnings accumulated deficit	$ 8,260,415	$ 5,545,799	$ 12,133,756
Impairment charge	0	0	
Revenue received	$ 1,395		
Minimum [Member]			
Property, Plant and Equipment [Line Items]			
Estimated useful lives	3 years		
Maximum [Member]			
Property, Plant and Equipment [Line Items]			
Estimated useful lives	5 years		

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SCHEDULE OF REVENUE DISAGGREGATED BY PRODUCT TYPE AND GEOGRAPHIC AREAS (Details) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Disaggregation of Revenue [Line Items]						
Revenue	$ 156,716	$ 258,757	$ 541,459	$ 577,244	$ 815,391	$ 46,703
T X [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	114,486	222,195	425,174	492,435	675,155	46,703
N M [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	42,230	36,562	116,285	84,809	140,236	
Crude Oil [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	155,701	242,423	533,335	530,578	761,511	44,425
Crude Oil [Member] | T X [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	113,471	205,861	417,050	445,769	621,275	44,425
Crude Oil [Member] | N M [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	42,230	36,562	116,285	84,809	140,236	
Natural Gas [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	1,015	16,334	8,124	46,666	53,880	2,278
Natural Gas [Member] | T X [Member]						
Disaggregation of Revenue [Line Items]						
Revenue	1,015	16,334	8,124	46,666	53,880	2,278
Natural Gas [Member] | N M [Member]						
Disaggregation of Revenue [Line Items]						
Revenue						

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REVENUE (Details Narrative) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Revenue	$ 156,716	$ 258,757	$ 541,459	$ 577,244	$ 815,391	$ 46,703
Accounts Receivable [Member]						
Revenue			$ 52,201		$ 56,639	

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CONCENTRATION OF CREDIT RISK (Details Narrative) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Concentration Risk [Line Items]						
Revenue	$ 156,716	$ 258,757	$ 541,459	$ 577,244	$ 815,391	$ 46,703
Non trade receivables current	2,235		2,235		39,770	
Interest receivable					$ 5,516	
Accounts Receivable [Member] | Customer Concentration Risk [Member] | Three Customer [Member]						
Concentration Risk [Line Items]						
Concentration risk percentage					87.00%	
Accounts Receivable [Member] | Customer Concentration Risk [Member] | Customer [Member]						
Concentration Risk [Line Items]						
Trade receivables	$ 94,380		94,380		$ 91,928	
Accounts Receivable [Member] | Customer Concentration Risk [Member] | Two Customer [Member]						
Concentration Risk [Line Items]						
Revenue			$ 57,744			
Concentration risk percentage			61.00%			
Accounts Receivable [Member] | Three Customer [Member]						
Concentration Risk [Line Items]						
Revenue					$ 79,942	

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ACQUISITION AND DISPOSITION (Details Narrative)	9 Months Ended		12 Months Ended		
	Jun. 30, 2023 USD ($) shares	Jun. 30, 2022	Sep. 30, 2022 USD ($) shares	Sep. 30, 2021 USD ($) $ / shares shares	Sep. 30, 2021 $ / shares
Business Acquisition [Line Items]					
Common stock, shares issued | shares	2,206,014 [1]		1,932,604 [1]	1,103,010	
Common stock value	$ 14,989,912		$ 14,337,739	$ 8,976,747	
Risk free interest rate		1.50%	1.50%		
Expected term		10 years	10 years		
Expected volatility rate		96.56%	96.56%		
Expected dividend rate					
Long-term debt and lease obligation, current				$ 10,000	
Gain loss on termination of lease				604,687	
Disposal of equipment				$ 8,770	
Permex Petroleum US Corporation [Member]					
Business Acquisition [Line Items]					
Business acquisition, percentage of voting interests acquired				100.00%	
Net revenue interest rate				81.75%	
Common stock, shares issued | shares				416,666	
Number of shares purchase warrants as consideration | shares				208,333	
Common stock value				$ 2,468,750	
Risk free interest rate				1.51%	
Expected term				10 years	
Expected volatility rate				96.56%	
Expected dividend rate				0.00%	
Exercise price of warrants or rights | (per share)				$ 8.76	$ 12.00
Permex Petroleum US Corporation [Member] | Valuation Technique, Option Pricing Model [Member]					
Business Acquisition [Line Items]					
Share purchase warrants				$ 1,051,370	

[1] The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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SCHEDULE OF PROPERTY AND EQUIPMENT (Details) - USD ($)	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Property, Plant and Equipment [Abstract]			
Oil and natural gas properties, at cost	$ 10,473,886	$ 8,029,234	$ 6,723,778
Construction in progress		460,306	
Less: accumulated depletion	(267,941)	(184,658)	(84,803)
Oil and natural gas properties, net	10,205,945	8,304,882	6,638,975
Other property and equipment, at cost	205,315	127,542	
Less: accumulated depreciation	(42,824)	(5,648)	
Other property and equipment, net	162,491	121,894	
Property and equipment, net	$ 10,368,436	$ 8,426,776	$ 6,638,975

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PROPERTY AND EQUIPMENT (Details Narrative) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Property, Plant and Equipment [Abstract]						
Depletion and depreciation	$ 37,286	$ 73,093	$ 120,459	$ 161,988	$ 105,503	$ 60,479

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SCHEDULE OF RIGHT OF USE OPERATING LEASES (Details) - USD ($)	9 Months Ended	12 Months Ended	
	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Lessee, Lease, Description [Line Items]			
Right-of-use assets	$ 166,960	$ 240,796	$ 72,539
Beginning balance	244,906		
Ending balance	176,889	244,906	
Current lease liabilities	79,866	104,224	51,963
Long-term lease liabilities	97,023	140,682	26,986
Office Premises [Member]			
Lessee, Lease, Description [Line Items]			
Right-of-use assets	166,960	240,796	72,539
Beginning balance	244,906	78,949	53,128
Addition		220,368	57,357
Interest expense		9,042	9,812
Lease payments	(87,128)	(63,453)	(43,932)
Foreign exchange movement			2,584
Ending balance	176,889	244,906	78,949
Current lease liabilities	79,866	104,224	51,963
Long-term lease liabilities	97,023	140,682	$ 26,986
Liability accretion	$ 19,111	$ 9,042	

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SCHEDULE OF LEASE COST (Details) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Leases [Abstract]						
Amortization of right-of-use assets					$ 52,111	$ 37,129
Interest on lease liabilities					9,042	9,812
Variable lease expense	$ 22,516	$ 13,397	$ 48,513	$ 30,823	36,216	16,564
Sublease income	(12,367)	(10,752)	(32,762)	(26,350)	(36,633)	(10,191)
Rent subsidy				(1,674)	(1,644)	(9,169)
Net lease cost	37,853	15,601	108,698	43,529	$ 59,092	$ 44,145
Operating lease cost	$ 27,704	$ 12,956	$ 92,947	$ 40,730		

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SCHEDULE OF FUTURE LEASE PAYMENTS (Details) - USD ($)	Jun. 30, 2023	Sep. 30, 2022
Leases [Abstract]		
2024	$ 82,190	$ 110,593
2025	84,664	82,190
2026	14,180	84,664
2026		14,180
Total lease payments	204,743	291,627
Less: imputed interest	(27,854)	(46,721)
Total lease liabilities	176,889	$ 244,906
2023 remaining	$ 23,709	

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SCHEDULE OF ASSET RETIREMENT OBLIGATIONS (Details) - USD ($)	9 Months Ended	12 Months Ended	
	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Asset Retirement Obligation Disclosure [Abstract]			
Asset retirement obligations, beginning of the year	$ 236,412	$ 552,594	$ 271,402
Obligations recognized			258,726
Obligations derecognized			(125,511)
Revisions of estimates		(371,212)	117,921
Accretion expense	23,982	55,030	19,907
Foreign exchange movement			10,149
Asset retirement obligations, ending of the year	$ 260,394	$ 236,412	$ 552,594

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ASSET RETIREMENT OBLIGATIONS (Details Narrative) - USD ($)	9 Months Ended	12 Months Ended	
	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Asset Retirement Obligation Disclosure [Abstract]			
Asset retirement obligation, revision of estimate		$ 371,212	$ (117,921)
Asset Retirement Obligation, Revision of Estimate		(371,212)	117,921
Reclamation deposits	$ 145,000	145,000	144,847
Forfeiture of reclamation deposit			$ 50,165

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DEBT (Details Narrative)	1 Months Ended				3 Months Ended		9 Months Ended		12 Months Ended					
	May 31, 2020 USD ($)	May 31, 2020 CAD ($)	May 30, 2020 USD ($)	May 30, 2020 CAD ($)	Jun. 30, 2023 USD ($)	Jun. 30, 2022 USD ($)	Jun. 30, 2023 USD ($)	Jun. 30, 2022 USD ($)	Sep. 30, 2022 USD ($) $ / shares	Sep. 30, 2022 CAD ($)	Sep. 30, 2021 USD ($)	Nov. 30, 2022 USD ($)	Nov. 30, 2022 CAD ($)	Sep. 30, 2022 CAD ($) $ / shares
Short-Term Debt [Line Items]														
Debenture loan									$ 73,000					$ 100,000
Repayments of loan							$ 38,291	$ 23,700	34,709	$ 47,546	$ 79,000			
Principal loan amount									52,454			$ 38,291	$ 52,454	
Interest expenses						$ 2,597	1,182	6,285	9,360		13,506			
Repayments of short term debt									23,600	30,000				
Forgiveness of loan payable						$ 7,900		$ 7,900	$ 7,800	$ 10,000				
Loans Payable [Member]														
Short-Term Debt [Line Items]														
Loans payable to bank, current		$ 60,000												
Loans Payable [Member] | CEBA [Member]														
Short-Term Debt [Line Items]														
Proceeds from loans	$ 28,640	$ 40,000	$ 28,640	$ 40,000										
Convertible Debt [Member]														
Short-Term Debt [Line Items]														
Interest rate									12.00%					12.00%
Debt instrument, maturity date, description									maturity date of December 20, 2022	maturity date of December 20, 2022				
Debt conversion price | (per share)									$ 6.57					$ 9.00
Debt instrument term									3 years	3 years				
Exercise price | (per share)									$ 8.76					$ 12.00
Repayments of loan									$ 34,709	$ 47,546				
CEO [Member] | Convertible Debt [Member]														
Short-Term Debt [Line Items]														
Debenture loan									73,000		$ 78,500			$ 100,000
Chief Executive Officer [Member] | Convertible Debt [Member]														

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Short-Term Debt [Line Items]		
Debenture loan	$ 73,000	$ 100,000

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RELATED PARTY TRANSACTIONS (Details Narrative)	May 01, 2022 USD ($)	1 Months Ended May 31, 2022	Feb. 29, 2020 USD ($)	Oct. 31, 2019 USD ($)	9 Months Ended Jun. 30, 2023 USD ($)	Jun. 30, 2022 USD ($)	12 Months Ended Sep. 30, 2022 USD ($)	Sep. 30, 2022 CAD ($)	Sep. 30, 2021 USD ($)	Sep. 30, 2021 CAD ($)	Sep. 30, 2022 CAD ($)	Feb. 29, 2020 CAD ($)	Oct. 31, 2019 CAD ($)
Short-Term Debt [Line Items]													
Convertible debenture							$ 73,000				$ 100,000		
Repayment of debt							23,600	$ 30,000					
Repayments of loan					$ 38,291	$ 23,700	34,709	$ 47,546	79,000				
Due from related parties									16,628				
Employee Agreement [Member]													
Short-Term Debt [Line Items]													
Management fee expense							220,834		149,806				
Director [Member]													
Short-Term Debt [Line Items]													
Due from related parties									1,321				
Chief Executive Officer [Member]													
Short-Term Debt [Line Items]													
Advances from the CEO									131				
Chief Executive Officer [Member] | Employee Agreement [Member]													
Short-Term Debt [Line Items]													
Annual base salary							$ 250,000						
Description of officer annual bonus							The CEO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to three years of base salary and a bonus equal to 20% of the annual base salary	The CEO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to three years of base salary and a bonus equal to 20% of the annual base salary					
Chief Financial Officer [Member] | Employee Agreement [Member]													

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Short-Term Debt [Line Items]							
Annual base salary	$ 50,000						
Description of officer annual bonus		The CFO is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to two months of base salary					
Annual base salary				$ 20,835			
Convertible Debentures [Member] | Director [Member]							
Short-Term Debt [Line Items]							
Convertible debenture			$ 76,000				$ 100,000
Interest rate			12.00%				12.00%
Maturity date			maturity date of September 30, 2021				
Repayment of debt						$ 100,000	
Interest expense, debt				13,090	4,026		
Convertible Debentures [Member] | Chief Executive Officer [Member]							
Short-Term Debt [Line Items]							
Convertible debenture		$ 76,000					$ 100,000
Interest rate		12.00%					12.00%
Maturity date		maturity date of February 20, 2022.					
Interest expense, debt				$ 9,360	9,480		
Due from related parties					$ 15,176		

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SCHEDULE OF BASIC AND DILUTED LOSS PER SHARE (Details) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Earnings Per Share [Abstract]						
Net loss	$ (909,593)	$ (888,669)	$ (3,330,107)	$ (1,797,785)	$ (2,714,616)	$ (1,253,242)
Weighted average common shares outstanding, basic	1,964,147 [1]	1,932,604 [1]	1,943,118 [1]	1,411,734 [1]	1,543,021	678,958
Basic loss per share	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)	$ (1.76)	$ (1.84)
Net loss	$ (1,452,827)	$ (888,669)	$ (3,873,341)	$ (1,797,785)		
Weighted average common shares outstanding, diluted	[1] 1,964,147	1,932,604	1,943,118	1,411,734		
Diluted loss per share	$ (0.74)	$ (0.46)	$ (1.99)	$ (1.27)	$ (1.76)	$ (1.84)

[1] The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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LOSS PER SHARE (Details Narrative)	12 Months Ended Sep. 30, 2022 USD ($) shares	Jun. 30, 2023 shares	Sep. 30, 2022 CAD ($) shares	Jun. 30, 2022 shares	Sep. 30, 2021 shares	Sep. 30, 2020 shares
Earnings Per Share [Abstract]						
Convertible Debt	$ 73,000		$ 100,000			
Stock Issued During Period, Shares, Conversion of Convertible Securities	11,111					
Number of options	84,583	81,250	84,583	92,917	37,917	
Number of warrants	1,097,096		1,097,096		208,332	
Number of warrants					208,333	
Number of warrants	1,097,070	1,118,942	1,097,070	1,097,096	208,333	80,087

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SCHEDULE OF STOCK OPTION TRANSACTIONS (Details) - $ / shares	9 Months Ended	12 Months Ended	
	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Equity [Abstract]			
Number of options, beginning balance	84,583	37,917	39,003
Weighted average exercise price, beginning balance	$ 13.26	$ 19.51	$ 18.75
Cancelled		(8,334)	(1,086)
Weighted average exercise price, cancelled		$ 17.34	$ 23.70
Granted	3,333	55,000	0
Weighted average exercise price, granted		$ 10.51	
Number of options, Ending balance	81,250	84,583	37,917
Weighted average exercise price, ending balance	$ 13.74	$ 13.26	$ 19.51
Exercisable	81,250	83,333	
Weighted average exercise price, exercisable	$ 74	$ 13.42	
Cancelled		(8,334)	
Weighted average exercise price, cancelled	$ 10.66	$ 17.34	
Granted	(3,333)	(55,000)	0

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SCHEDULE OF WEIGHTED AVERAGE ASSUMPTIONS USED IN THE FAIR VALUE (Details) - $ / shares	9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Equity [Abstract]				
Risk-free interest rate		1.50%		1.50%
Expected life of options		10 years		10 years
Expected annualized volatility		96.56%		96.56%
Dividend rate				
Weighted average option granted				$ 10.17
Weighted average option granted		$ 10.17		

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SCHEDULE OF STOCK OPTIONS OUTSTANDING (Details) - $ / shares	9 Months Ended	12 Months Ended		
	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021	Sep. 30, 2020
Offsetting Assets [Line Items]				
Number of options	81,250	84,583	37,917	39,003
Exercise Price	$ 13.74	$ 13.26	$ 19.51	$ 18.75
Stock Option One [Member]				
Offsetting Assets [Line Items]				
Number of options	22,917	27,917		
Exercise Price	$ 22.50	$ 21.90		
Expiry date	Dec. 04, 2027	Dec. 04, 2027		
Issuance date	Dec. 04, 2017			
Stock Option Two [Member]				
Offsetting Assets [Line Items]				
Number of options	5,000	5,000		
Exercise Price	$ 13.50	$ 13.14		
Expiry date	Nov. 01, 2028	Nov. 01, 2028		
Issuance date	Nov. 01, 2018			
Stock Option Three [Member]				
Offsetting Assets [Line Items]				
Number of options	5,000	5,000		
Exercise Price	$ 2.25	$ 2.19		
Expiry date	Mar. 16, 2030	Mar. 16, 2030		
Issuance date	Mar. 16, 2020			
Stock Option Four [Member]				
Offsetting Assets [Line Items]				
Number of options	48,333	51,666		
Exercise Price	$ 10.80	$ 10.51		
Expiry date	Oct. 06, 2031	Oct. 06, 2031		
Issuance date	Oct. 06, 2021			

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SCHEDULE OF WARRANTS TRANSACTIONS (Details) - $ / shares	9 Months Ended	12 Months Ended	
	Jun. 30, 2023	Sep. 30, 2022	Sep. 30, 2021
Equity [Abstract]			
Number of warrants, beginning balance	1,097,070	208,333	80,087
Weighted Average Exercise Price, beginning balance	$ 12.12	$ 9.42	$ 12.77
Granted	295,282	888,763	208,333
Weighted average exercise price, granted	$ 4.50	$ 12.91	$ 9.48
Warrants expired			(80,087)
Weighted average exercise price, warrants expired			$ 13.46
Number of warrants, ending balance		1,097,096	208,332
Weighted Average Exercise Price, ending balance	$ 9.98	$ 12.12	$ 9.42
Number of warrants, beginning balance	1,097,096	208,332	
Granted		888,738	
Exercised	(273,410)		
Weighted average exercise price, exercised	2.86		
Number of warrants, ending balance	1,118,942	1,097,070	208,333

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SCHEDULE OF WARRANTS OUTSTANDING (Details) - $ / shares	9 Months Ended	12 Months Ended	
	Jun. 30, 2023	Sep. 30, 2022	Mar. 31, 2023
Class of Warrant or Right [Line Items]			
Number of warrants		1,097,096	1,118,942
Warrant One [Member]			
Class of Warrant or Right [Line Items]			
Number of warrants	17,558	24,739	
Exercise price	$ 24.30	$ 23.65	
Expiry date	Nov. 04, 2023	Nov. 04, 2023	
Issuance date	Nov. 04, 2021		
Warrant Two [Member]			
Class of Warrant or Right [Line Items]			
Number of warrants	597,770	864,024	
Exercise price	$ 12.60	$ 12.60	
Expiry date	Mar. 29, 2027	Mar. 29, 2027	
Issuance date	Mar. 29, 2022		
Warrant Three [Member]			
Class of Warrant or Right [Line Items]			
Number of warrants	295,282	208,333	
Exercise price	$ 4.50	$ 8.76	
Expiry date	Jun. 30, 2028	Oct. 01, 2031	
Issuance date	Jun. 30, 2023		
Warrant Four [Member]			
Class of Warrant or Right [Line Items]			
Number of warrants	208,332		
Exercise price	$ 9.00		
Expiry date	Sep. 30, 2031		
Issuance date	Sep. 30, 2021		

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SCHEDULE OF VALUATION OF WARRANTS (Details)	Nov. 04, 2021 $ / shares	9 Months Ended Jun. 30, 2023 $ / shares	9 Months Ended Jun. 30, 2022 $ / shares	12 Months Ended Sep. 30, 2022 $ / shares	12 Months Ended Sep. 30, 2021
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Risk-free interest rate			1.50%	1.50%	
Expected life of options			10 years	10 years	
Expected annualized volatility			96.56%	96.56%	
Dividend rate					
Weighted average fair value of options granted			$ 10.17		
Measurement Input, Risk Free Interest Rate [Member]					
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Dividend rate		4.58		3.79	
Measurement Input, Expected Term [Member]					
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Expected life of options		3 months 29 days		1 year	
Measurement Input, Price Volatility [Member]					
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Dividend rate		73.12		135.59	
Measurement Input, Expected Dividend Rate [Member]					
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Dividend rate					
Measurement Input, Share Price [Member]					
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Weighted average fair value of options granted		$ 0.00		$ 1.46	
Warrant [Member]					
Accumulated Other Comprehensive Income (Loss) [Line Items]					
Risk-free interest rate	0.98%	0.98%		3.79%	
Expected life of options	2 years	2 years		1 year	
Expected annualized volatility	153.02%	153.02%		135.59%	
Dividend rate	0.00%	0.00%			
Weighted average fair value of options granted	$ 11.45			$ 1.46	

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EQUITY (Details Narrative)	Jun. 30, 2023 USD ($) $ / shares shares	Jun. 30, 2023 USD ($) $ / shares shares	Mar. 29, 2022 USD ($) $ / shares shares	Nov. 04, 2021 USD ($) $ / shares shares	Nov. 04, 2021 CAD ($) shares	Nov. 04, 2021 USD ($) $ / shares	3 Months Ended Jun. 30, 2023 USD ($) $ / shares shares	3 Months Ended Jun. 30, 2022 USD ($) $ / shares	6 Months Ended Jun. 30, 2023 USD ($) $ / shares shares	9 Months Ended Jun. 30, 2023 USD ($) $ / shares shares	9 Months Ended Jun. 30, 2022 USD ($) $ / shares	12 Months Ended Sep. 30, 2022 USD ($) $ / shares shares	12 Months Ended Sep. 30, 2022 CAD ($) shares	Sep. 30, 2021 USD ($) $ / shares shares	Sep. 30, 2022 $ / shares	Nov. 04, 2021 $ / shares
Subsidiary, Sale of Stock [Line Items]																
Common stock, shares authorized										Unlimited		Unlimited	Unlimited	Unlimited		
Common stock, par value | $ / shares	$ 0	$ 0					$ 0		$ 0	$ 0		$ 0		$ 0		
Common stock, shares issued | shares	2,206,014 [1]	2,206,014 [1]					2,206,014 [1]		2,206,014 [1]	2,206,014 [1]		1,932,604 [1]		1,103,010		
Common stock, shares outstanding | shares	2,206,014 [1]	2,206,014 [1]					2,206,014 [1]		2,206,014 [1]	2,206,014 [1]		1,932,604 [1]		1,103,010		
Proceeds from allocated warrants										$ 781,953						
Warrants issued							$ (93,861)	$ (18,302)		$ (93,861)	$ (1,058,703)	$ (1,059,197)				
Risk free interest rate											1.50%	1.50%	1.50%			
Expected life											10 years	10 years	10 years			
Volatility rate											96.56%	96.56%	96.56%			
Dividend rate																
Issuance costs										$ 93,861	$ 1,067,374	$ 1,067,868				
Fair value of common stock														54,958		
Fair value of common stock														2,468,750		
Percentage issued and outstanding for common stock	10.00%	10.00%					10.00%		10.00%	10.00%		10.00%				
Vested term										10 years		10 years	10 years			
Aggregate intrinsic value of options outstanding and exercisable																
Exercise price range, minimum | $ / shares										$ 2.25		$ 2.19				
Exercise price range, maximum | $ / shares										$ 22.50		$ 21.90				
Weighted average remaining contractual life										6 years 10 months 28 days		7 years 8 months 19 days	7 years 8 months 19 days			
Options granted | shares										3,333		55,000	55,000	0		
Share-based payment expense										$ 318	604,861	$ 546,335		$ 2,870		
Warrant liability							$ (136)	$ (72,838)	$ 930	(22,570)	(152,869)	(178,509)				
Gain on fair value adjustment of warrants										$ 23,500	$ 152,869	$ 178,509				
Common stock, shares outstanding												60:1 reverse stock split				
Price per share | $ / shares								$ 10.17			$ 10.17					
Payments for repurchase of warrants	$ 544,164															
Deemed dividend							$ (543,234)		$ 543,234	$ (543,234)						
Recognized share-based payment expense								185		$ 318	$ 604,861					
Loss on fair value adjustment of warrants							$ 1,066	$ 72,838								
Service Agreement [Member]																
Subsidiary, Sale of Stock [Line Items]																
Common stock, shares issued | shares														19,271		
Fair value of common stock														$ 54,958		
Property Acquisition Agreement [Member]																
Subsidiary, Sale of Stock [Line Items]																
Common stock, shares issued | shares														416,666		
Fair value of common stock														$ 2,468,750		
Warrant Exercise Incentive Program [Member]																
Subsidiary, Sale of Stock [Line Items]																
Stock shares new issue | shares		273,410														

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Common stock, gross proceeds		$ 781,953									
Issuance costs		$ 62,556									
Number of warrants for which exercise price amended | shares							1,015,869				
Shares Issued, Price Per Share | $ / shares	$ 2.86	$ 2.86			$ 2.86	$ 2.86	$ 2.86				
Proceeds from issuance of common stock		$ 688,092									
Number of warrants issued as a finders fee | shares		21,872									
Value of incentive warrants		$ 449,005									
Value of finders warrants		35,919									
Legal Fees		$ 31,305									
Warrant Exercise Incentive Program [Member] | Maximum [Member]											
Subsidiary, Sale of Stock [Line Items]											
Warrant exercise price | $ / shares							12.60				
Warrant Exercise Incentive Program [Member] | Minimum [Member]											
Subsidiary, Sale of Stock [Line Items]											
Warrant exercise price | $ / shares							$ 2.86				
Think Equity LLC [Member]											
Subsidiary, Sale of Stock [Line Items]											
Other expenses								131,560			
Cash commission								$ 754,058			
Broker warrants | shares								78,548			
Broker warrants								$ 858,429			
Warrant [Member]											
Subsidiary, Sale of Stock [Line Items]											
Risk free interest rate				0.98%			0.98%	3.79%	3.79%		
Expected life				2 years			2 years	1 year	1 year		
Volatility rate				153.02%			153.02%	135.59%	135.59%		
Dividend rate				0.00%			0.00%				
Price per share | $ / shares			$ 11.45	$ 11.45				$ 1.46			
Incentive Warrants [Member]											
Subsidiary, Sale of Stock [Line Items]											
Risk free interest rate		4.21%									
Expected life		3 years 9 months									
Volatility rate		137.62%									
Dividend rate		0.00%									
Incentive Warrants [Member] | Warrant Exercise Incentive Program [Member]											
Subsidiary, Sale of Stock [Line Items]											
Warrants term	5 years	5 years			5 years	5 years	5 years				
Price per share | $ / shares	$ 4.50	$ 4.50			$ 4.50	$ 4.50	$ 4.50				
Finder Warrants [Member]											
Subsidiary, Sale of Stock [Line Items]											
Risk free interest rate		3.68%									
Expected life		5 years									
Volatility rate		128.81%									
Dividend rate		0.00%									
Non Brokered Private Placement [Member]											
Subsidiary, Sale of Stock [Line Items]											
Stock shares new issue | shares			44,117	44,117				44,117	44,117		
Sale of stock price per share | (per share)			$ 12.96	$ 12.96				$ 12.96		$ 16.20	$ 16.20
Common stock, gross proceeds			$ 571,760	$ 714,700				$ 571,760	$ 714,700		
Exercise price | (per share)								$ 25.80		$ 32.40	
Proceeds from allocated warrants								$ 202,009			
Warrants and rights outstanding								$ 34,733			
Risk free interest rate								0.98%	0.98%		
Expected life								2 years	2 years		

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Volatility rate				153.02%	153.02%
Dividend rate				0.00%	0.00%
Other expenses				$ 800	
Issuance costs				$ 8,671	
Non Brokered Private Placement [Member] | Warrant [Member]					
Subsidiary, Sale of Stock [Line Items]					
Stock shares new issue | shares				2,680	2,680
Warrants issued				$ 24,543	
Brokered Private Placement [Member]					
Subsidiary, Sale of Stock [Line Items]					
Stock shares new issue | shares	785,477			785,477	785,477
Sale of stock price per share | $ / shares	$ 9.60			$ 9.60	
Common stock, gross proceeds	$ 7,540,580			$ 7,540,580	
Exercise price | $ / shares				$ 12.60	
Proceeds from allocated warrants				$ 607,170	
Risk free interest rate				2.45%	2.45%
Expected life				5 years	5 years
Volatility rate				134.66%	134.66%
Dividend rate				0.00%	0.00%
Other expenses				$ 159,271	
Warrants term				5 years	
Private Placement [Member]					
Subsidiary, Sale of Stock [Line Items]					
Number of shares issued with private placement | shares				22,059	
Warrant liability		$ 202,009	$ 202,009		

[1] The number of shares has been restated to reflect the 60:1 reverse stock split (Note 1)

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SCHEDULE OF RECONCILIATION OF INCOME TAX (Details) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Income Tax Disclosure [Abstract]						
Loss before income taxes	$ (909,593)	$ (888,669)	$ (3,330,107)	$ (1,797,785)	$ (2,714,616)	$ (1,253,242)
Expected income tax recovery at statutory rates					(407,000)	(188,000)
Provincial income tax					(244,000)	(137,000)
Effect of income taxes from US operations					(42,000)	(7,000)
Change in statutory, foreign tax, foreign exchange rates and other					(32,000)	(59,000)
Permanent differences					103,000	1,000
Adjustment to prior years provision versus statutory tax returns					(53,000)	(11,000)
Change in valuation allowance					675,000	401,000
Deferred income tax recovery						

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SCHEDULE OF PRE TAX LOSS AND INCOME TAXES (Details) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended	
	Jun. 30, 2023	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2022	Sep. 30, 2022	Sep. 30, 2021
Loss for the year	$ (909,593)	$ (888,669)	$ (3,330,107)	$ (1,797,785)	$ (2,714,616)	$ (1,253,242)
Expected income tax (recovery)					(651,000)	(338,000)
Deferred income tax (recovery)					651,000	338,000
Deferred income tax recovery						
CANADA						
Loss for the year					(2,030,281)	(1,144,350)
Expected income tax (recovery)					(549,000)	(309,000)
Deferred income tax (recovery)					548,000	309,000
UNITED STATES						
Loss for the year					(684,335)	(108,892)
Expected income tax (recovery)					(102,000)	(29,000)
Deferred income tax (recovery)					$ 103,000	$ 29,000

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SCHEDULE OF DEFERRED TAX ASSETS AND LIABILITIES (Details) - USD ($)	Sep. 30, 2022	Sep. 30, 2021
Income Tax Disclosure [Abstract]		
Tax loss carryforwards	$ 1,342,000	$ 780,000
Property and equipment	(74,000)	(9,000)
Financing fees	216,000	38,000
Total gross deferred tax assets	1,484,000	809,000
Deferred tax assets valuation allowance	(1,484,000)	(809,000)
Net deferred tax assets		

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INCOME TAXES (Details Narrative) - USD ($)	12 Months Ended Sep. 30, 2022	Sep. 30, 2021
Financing fees	$ 801,000	$ 140,000
Tax loss carryforward	$ 1,342,000	780,000
Expiration date	with expiration dates ranging from 2037 to 2042 and 2037 to 2041	
CA and US [Member]		
Tax loss carryforward	$ 4,832,000	
CANADA		
Tax loss carryforward	4,028,000	2,707,000
UNITED STATES		
Tax loss carryforward	$ 804,000	$ 213,000

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SCHEDULE OF COST INCURRED IN PRODUCING ACTIVITIES (Details) - USD ($)	12 Months Ended	
	Sep. 30, 2022	Sep. 30, 2021
Supplemental Information On Oil And Gas Operations		
Acquisition of proved properties		$ 3,699,215
Acquisition of unproved properties		
Development costs	1,676,668	9,403
Exploration costs		
Total costs incurred	1,676,668	3,708,618
Oil and gas revenues	815,391	46,703
Production costs	(829,194)	(59,671)
Exploration expenses		
Depletion, depreciation and amortization	(99,855)	(52,439)
Impairment of oil and gas properties		
Result of oil and gas producing operations before income taxes	(113,658)	(65,407)
Provision for income taxes		
Results of oil and gas producing activities	$ (113,658)	$ (65,407)

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SCHEDULE OF PROVED RESERVES (Details)	12 Months Ended															
	Sep. 30, 2022 bbl	Sep. 30, 2022 Boe bbl	Sep. 30, 2022 bbl Mcf	Sep. 30, 2021 bbl	Sep. 30, 2021 Boe bbl	Sep. 30, 2021 bbl Mcf	Sep. 30, 2022 Boe	Sep. 30, 2022 Mcf	Sep. 30, 2021 Boe	Sep. 30, 2021 Mcf	Sep. 30, 2020 bbl	Sep. 30, 2020 Boe	Sep. 30, 2020 Mcf	Sep. 30, 2019 bbl	Sep. 30, 2019 Boe	Sep. 30, 2019 Mcf
Supplemental Information On Oil And Gas Operations																
Beginning balance	6,199,420		3,018,350	3,706,360		740,180										
Beginning balance, BOE (Barrels)		6,702,478			3,829,723											
Revisions	48,320 [1]		(5,613) [1]	(88,263) [2]		38,640 [2]										
Revisions, BOE (Barrels)		47,385 [1]			(81,823) [2]											
Purchase of proved reserves				5,408,560 [3]		2,859,590 [3]										
Purchase of proved reserves [3]					5,885,158											
Sale reserves				(2,826,290) [1]		(618,650) [1]										
Sale reserves, BOE (Barrels)					(2,929,398) [1]											
Production	(10,670)		(11,567)	(947)		(1,410)										
Production, BOE (Barrels)		(12,598)			(1,182)											
Purchase of proved reserves, BOE (Barrels)																
Ending balance	6,237,070		3,001,170	6,199,420		3,018,350										
Ending balance, BOE (Barrels)		6,737,265			6,702,478											
Proved developed reserves	1,153,870	1,153,870	1,153,870	587,450	587,450	587,450		864,770		411,910	549,390		82,430			
Proved developed reserves, BOE (Barrels)							1,297,998		656,102			563,128				
Proved undeveloped reserves	5,083,200	5,083,200	5,083,200					2,136,400			3,156,970		657,750	5,611,970		2,606,440
Proved undeveloped reserves, BOE (Barrels)							5,439,267					3,266,595			6,046,377	

[1] During 2021, the Company sold ODC and Taylor properties.

[2] Revisions in 2021 included 120,850 bbls in proved undeveloped reserves being reclassified as probable in the 2021 reserve report, net of other immaterial revisions in several properties.

[3] During 2021, the Company purchased 1,246 net acres in Martin County, Texas.

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SCHEDULE OF PROVED RESERVES (Details) (Paranthetiacal)	Sep. 30, 2022 Boe	Sep. 30, 2021 a Boe	Sep. 30, 2020 Boe	Sep. 30, 2019 Boe
Reserve Quantities [Line Items]				
Proved Undeveloped Reserves (Energy)	5,439,267		3,266,595	6,046,377
Area of Land | a		1,246		
Other Nonrenewable Natural Resources [Member]				
Reserve Quantities [Line Items]				
Proved Undeveloped Reserves (Energy)		120,850		

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SCHEDULE OF NET CASH FLOWS RELATING TO PROVED OIL AND GAS RESERVES (Details) - USD ($)	Sep. 30, 2022	Sep. 30, 2021	Sep. 30, 2020
Supplemental Information On Oil And Gas Operations			
Future cash inflows	$ 589,481,000	$ 355,958,000	
Future production costs(1)	[1] (91,630,000)	(69,683,000)	
Future development costs	(71,700,000)	(71,700,000)	
Future income tax expenses	(113,873,000)	(57,206,000)	
Future net cash flows	312,278,000	157,369,000	
10% annual discount for estimated timing of cash flows	(167,549,000)	(84,100,000)	
Standardized measure of discounted future net cash flows at the end of the fiscal year	$ 144,729,000	$ 73,269,000	$ 20,797,000

[1] Production costs include crude oil and natural gas operations expense, production ad valorem taxes, transportation costs and G&A expense supporting the Company's crude oil and natural gas operations.

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SCHEDULE OF AVERAGE HYDROCARBON PRICES (Details) - $ / shares		Sep. 30, 2022	Sep. 30, 2021	Sep. 30, 2020
Oil [Member]				
Reserve Quantities [Line Items]				
Average Price	[1]	$ 91.72	$ 55.98	$ 40.30
Natural Gas [Member]				
Reserve Quantities [Line Items]				
Average Price	[1]	$ 5.79	$ 2.95	$ 1.77

[1] Average prices were based on 12-month unweighted arithmetic average of the first-day-of-the-month prices for the period from October through September during each respective fiscal year.

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SCHEDULE OF CHANGES IN DISCOUNTED FUTURE NET CASH FLOWS (Details) - USD ($)	12 Months Ended	
	Sep. 30, 2022	Sep. 30, 2021
Supplemental Information On Oil And Gas Operations		
Standardized measure of discounted future net cash flows at the beginning of the year	$ 73,269,000	$ 20,797,000
Extensions, discoveries and improved recovery, less related costs		
Sales of minerals in place		(62,682,000)
Purchase of minerals in place		125,927,000
Revisions of previous quantity estimates	1,674,000	(1,751,000)
Net changes in prices and production costs	88,333,000	32,573,000
Accretion of discount	10,077,000	1,498,000
Sales of oil produced, net of production costs	(49,000)	13,000
Changes in future development costs	911,000	(21,339,000)
Changes in timing of future production	(3,099,000)	(2,580,000)
Net changes in income taxes	(26,387,000)	(19,187,000)
Standardized measure of discounted future net cash flows at the end of the year	$ 144,729,000	$ 73,269,000

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[Epic] - [Backend] - [Auth] - [Google Authentication]

Type: Epic
Key: SCRUM-1
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2, security
Components: Backend
Sprint: None
Parent: None
Linked issues:
- blocks SCRUM-2 [Story] - [Backend] - [Auth] - [Google Authentication] - [Initiate Google OAuth2 Flow] (Backlog, Medium, Unassigned)
- blocks SCRUM-3 [Story] - [Backend] - [Auth] - [Google Authentication] - [Handle Google OAuth2 Callback] (Backlog, Medium, Unassigned)
- blocks SCRUM-4 [Story] - [Backend] - [Auth] - [Google Authentication] - [Generate JWT Tokens] (Backlog, Medium, Unassigned)
- blocks SCRUM-5 [Story] - [Backend] - [Auth] - [Google Authentication] - [Refresh Access Token] (Backlog, Medium, Unassigned)
- blocks SCRUM-6 [Story] - [Backend] - [Auth] - [Google Authentication] - [Logout] (Backlog, Medium, Unassigned)
- blocks SCRUM-7 [Story] - [Backend] - [Auth] - [Google Authentication] - [Protected Route Middleware] (Backlog, Medium, Unassigned)
- blocks SCRUM-8 [Story] - [Backend] - [Auth] - [Google Authentication] - [Error Handling] (Backlog, Medium, Unassigned)
- blocks SCRUM-9 [Story] - [Backend] - [Auth] - [Google Authentication] - [Unit Tests] (Backlog, Medium, Unassigned)
- blocks SCRUM-10 [Story] - [Backend] - [Auth] - [Google Authentication] - [Integration Tests] (Backlog, Medium, Unassigned)
- blocks SCRUM-11 [Story] - [Backend] - [Auth] - [Google Authentication] - [Documentation] (Backlog, Medium, Unassigned)

Description

Implement Google OAuth2 authentication for the backend. Users should be able to sign in with their Google accounts, receive JWT access and refresh tokens, and access protected routes.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Initiate Google OAuth2 Flow]

Type: Story
Key: SCRUM-2
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-3 [Story] - [Backend] - [Auth] - [Google Authentication] - [Handle Google OAuth2 Callback] (Backlog, Medium, Unassigned)

Description

Implement the endpoint that redirects users to Google's OAuth2 consent screen.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Handle Google OAuth2 Callback]

Type: Story
Key: SCRUM-3
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-4 [Story] - [Backend] - [Auth] - [Google Authentication] - [Generate JWT Tokens] (Backlog, Medium, Unassigned)

Description

Implement the callback endpoint that receives the authorization code from Google, exchanges it for tokens, and fetches user profile information.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Generate JWT Tokens]

Type: Story
Key: SCRUM-4
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-5 [Story] - [Backend] - [Auth] - [Google Authentication] - [Refresh Access Token] (Backlog, Medium, Unassigned)

Description

Implement JWT token generation for access and refresh tokens.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Refresh Access Token]

Type: Story
Key: SCRUM-5
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-6 [Story] - [Backend] - [Auth] - [Google Authentication] - [Logout] (Backlog, Medium, Unassigned)

Description

Implement the endpoint that allows users to refresh their access token using a valid refresh token.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Logout]

Type: Story
Key: SCRUM-6
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-7 [Story] - [Backend] - [Auth] - [Google Authentication] - [Protected Route Middleware] (Backlog, Medium, Unassigned)

Description

Implement the logout endpoint that invalidates the user's refresh token.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Protected Route Middleware]

Type: Story
Key: SCRUM-7
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-8 [Story] - [Backend] - [Auth] - [Google Authentication] - [Error Handling] (Backlog, Medium, Unassigned)

Description

Implement middleware to protect routes that require authentication.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Error Handling]

Type: Story
Key: SCRUM-8
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-9 [Story] - [Backend] - [Auth] - [Google Authentication] - [Unit Tests] (Backlog, Medium, Unassigned)

Description

Implement comprehensive error handling for all authentication endpoints.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Unit Tests]

Type: Story
Key: SCRUM-9
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-10 [Story] - [Backend] - [Auth] - [Google Authentication] - [Integration Tests] (Backlog, Medium, Unassigned)

Description

Write unit tests for all authentication services and utilities.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Integration Tests]

Type: Story
Key: SCRUM-10
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]
Linked issues:
- blocks SCRUM-11 [Story] - [Backend] - [Auth] - [Google Authentication] - [Documentation] (Backlog, Medium, Unassigned)

Description

Write integration tests for the complete authentication flow.

Comments

(0 total)

[Story] - [Backend] - [Auth] - [Google Authentication] - [Documentation]

Type: Story
Key: SCRUM-11
Status: Backlog
Priority: Medium
Assignee: Unassigned
Reporter: Ankit Jain
Created: 2026-02-11 11:07:00
Updated: 2026-02-11 11:07:00
Resolution: Unresolved
Labels: backend, google-oauth, oauth2
Components: Backend
Sprint: None
Parent: SCRUM-1 [Epic] - [Backend] - [Auth] - [Google Authentication]

Description

Write documentation for the authentication API.

Comments

(0 total)

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      "Thumbnail": "https://cdn.farmacia.local/medicamentos/thumb/acetaminofen-500-mg.jpg",
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Generated by Facebook
Data categories: Your activity off Meta technologies
Interactions: Clicks, taps, and interactions with advertisements
Number of entries: 1
Timestamp: 1 January 2024 at 00:00 UTC
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Generated by Wikipedia Offline

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