NG ENERGY INTERNATIONAL CORP

(FORMERLY CRUZSUR ENERGY CORP.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed financial statements of NG Energy International Corp. have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

NG ENERGY INTERNATIONAL CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in U.S. Dollars)	**March 31, 2021**	December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	**6,111,129**	1,208,765
Accounts receivable and prepaids	**1,149,788**	491,454
Inventory	**3,939**	3,939
	7,264,856	1,704,158
Non-current Assets		
Restricted cash (Note 4)	**2,487,813**	2,706,991
VAT receivable	**1,601,947**	1,651,981
Exploration and evaluation assets (Note 5)	**8,837,044**	8,398,358
Property, plant and equipment (Note 6)	**12,603**	11,801
Total Assets	**20,204,263**	14,473,289
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**2,383,747**	3,177,873
Current portion of debt (Note 7)	**1,905,728**	2,021,823
	4,289,475	5,199,696
Non-current Liabilities		
Non-current portion of debt (Note 7)	**2,086,702**	1,985,941
Decommissioning obligation	**627,935**	626,561
Total Liabilities	**7,004,112**	7,812,198
Shareholders' Equity		
Share capital (Note 8a)	**97,429,954**	89,676,395
Contributed surplus	**9,061,750**	10,179,700
Warrants (Note 8c)	**13,141,063**	11,954,739
Deficit	**(105,602,529)**	(104,303,857)
Accumulated other comprehensive loss	**(830,087)**	(845,886)
Total Shareholders' Equity	**13,200,151**	6,661,091
Total Liabilities and Shareholders' Equity	**20,204,263**	14,473,289

Going concern (Note 2)
Related parties (Note 11)
Commitments (Note 13)
Subsequent events (Note 16)

See accompanying notes to the interim condensed consolidated financial statements.

NG ENERGY INTERNATIONAL CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the three months ended March 31

(Unaudited, expressed in U.S. Dollars)	**2021**	2020
Expenses:		
General and administrative	**766,921**	297,581
Business development	**-**	48,300
Share-based compensation (Note 8b)	**-**	11,678
Depletion and depreciation (Note 6)	**1,536**	3,340
Net finance expense [(1)] (Note 9)	**160,136**	109,652
Fair value gain on derivative liability [(1)] (Note 3)	**-**	(1,658,548)
Foreign exchange loss	**370,079**	1,027,827
	1,298,672	(160,170)
Loss before income taxes	**(1,298,672)**	160,170
Income (loss) from continuing operations	**(1,298,672)**	160,170
Loss from discontinued operations	**-**	(353,039)
Net loss	**(1,298,672)**	(192,869)
Other comprehensive income (loss)		
Foreign currency translation adjustment [(1)]	**15,799**	505,414
Comprehensive income (loss)	**(1,282,873)**	312,545
Income (loss) per share - basic and diluted		
Income (loss) per share from continuing operations (Note 8d)	(0.01)	0.00
Loss per share from discontinued operations (Note 10)	-	(0.01)
	(0.01)	**(0.01)**
Weighted average number of common Shares outstanding	**97,617,824**	30,285,730

(1) Restated comparative period for correction of accounting treatment - see Note 3

See accompanying notes to the interim condensed consolidated financial statements.

NG ENERGY INTERNATIONAL CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31

(Unaudited, expressed in U.S. Dollars)	**2021**	2020
Operating Activities		
Net income (loss)	**(1,298,672)**	160,170
Items not affecting cash:		
Depletion and depreciation (Note 6)	**1,536**	3,340
Share-based compensation (Note 8b)	**-**	11,678
Unrealized foreign exchange loss	**372,094**	783,602
Net finance expense [(1)] (Note 9)	**160,136**	109,652
Fair value gain on derivative liability [(1)] (Note 3)	**-**	(1,658,548)
Change in non-cash working capital (Note 15)	**(295,814)**	252,796
Continuing operations	**(1,060,720)**	(337,310)
Discontinued operations	**-**	(105,737)
Cash used in operating activities	**(1,060,720)**	(443,047)
Investing Activities		
Exploration and evaluation asset additions	**(573,686)**	(442,668)
Property, plant and equipment additions	**(2,338)**	(2,567)
Change in restricted cash	**(7,331)**	(21,244)
Change in non-cash working capital (Note 15)	**(1,106,662)**	(198,036)
Continuing operations	**(1,690,017)**	(664,515)
Discontinued operations	**-**	110,214
Cash used in investing activities	**(1,690,017)**	(554,301)
Financing Activities		
Proceeds on debt issuance, net of transaction costs (Note 7)	**200,000**	-
Proceeds on private placement, net of costs (Note 8a)	**6,992,748**	203,976
Proceeds on warrant exercises	**414,828**	-
Proceeds on option exercises	**25,905**	-
Net finance received	**14,356**	12,730
Continuing operations	**7,647,837**	216,706
Discontinued operations	**-**	(28)
Cash provided by financing activities	**7,647,837**	216,678
Net decrease in cash	**4,897,100**	(780,670)
Foreign exchange gain (loss) on cash	**5,264**	(46,601)
Decrease in cash	**4,902,364**	(827,271)
Cash, beginning of period	**1,208,765**	1,423,184
Cash, end of period	**6,111,129**	595,913

Cash is defined as cash and cash equivalents.

(1) Restated comparative period for correction of accounting treatment - see Note 3

See accompanying notes to the interim condensed consolidated financial statements.

NG ENERGY INTERNATIONAL CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in U.S. Dollars)	**Number of Common Shares**	**Share Capital**	**Contributed Surplus**	**Warrants**	**Deficit**	**AOCL[(2)]**	**Total**
Balance at December 31, 2020	89,597,033	89,676,395	10,179,700	11,954,739	(104,303,857)	(845,886)	6,661,091
Net loss from continuing operations	-	-	-	-	(1,298,672)	-	(1,298,672)
Shares issued through private placement (Note 8a)	8,939,300	5,585,450	-	-	-	-	5,585,450
Warrants issued through private placement (Note 8c)	-	-	-	1,368,882	-	-	1,368,882
Shares issued to service provider (Note 8a)	4,000,000	1,099,592	(1,099,592)	-	-	-	-
Warrants issued to broker (Note 8c)	-	-	-	426,868	-	-	426,868
Shares issued through warrant exercise (Note 8c)	2,758,332	1,024,254	-	(609,426)	-	-	414,828
Shares issued through option exercise (Note 8b)	120,000	44,263	(18,358)	-	-	-	25,905
Foreign currency translation adjustment	-	-	-	-	-	15,799	15,799
Balance at March 31, 2021	**105,414,665**	**97,429,954**	**9,061,750**	**13,141,063**	**(105,602,529)**	**(830,087)**	**13,200,151**

(Expressed in U.S. Dollars - restated [(1)])							
Balance at December 31, 2019	30,175,840	64,997,628	6,956,218	10,297,588	(80,603,452)	(415,762)	1,232,220
Net loss from continuing operations	-	-	-	-	160,170	-	160,170
Net loss from discontinued operations	-	-	-	-	(353,039)	-	(353,039)
Shares issued through private placement	2,000,000	141,820	-	-	-	-	141,820
Warrants issued through private placement	-	-	-	62,156	-	-	62,156
Reserve for future share-based payment	-	-	274,988	-	-	-	274,988
Foreign currency translation adjustment	-	-	-	-	-	505,414	505,414
Share-based compensation	-	-	11,678	-	-	-	11,678
Balance at March 31, 2020	**32,175,840**	**65,139,448**	**7,242,884**	**10,359,744**	**(80,796,321)**	**89,652**	**2,035,407**

(1) Restated comparative period for correction of accounting treatment - see Note 3

(2) Accumulated other comprehensive loss

See accompanying notes to the interim condensed consolidated financial statements.

1. REPORTING ENTITY

NG Energy International Corp. ("NG" or the "Company"), formerly known as CruzSur Energy Corp., is an oil and gas company incorporated in Canada and is engaged in exploration and development activities in Colombia. The Company's registered address is 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3. NG's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "GASX".

2. GOING CONCERN

These Interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future.

During the period ended March 31, 2021, the Company recognized a loss from continuing operations of $1.3 million and used $1.1 million of cash flow in its operating activities for continuing operations. The Company had a working capital balance of $3.0 million as of March 31, 2021, which would suggest that the Company has limited ability to fund administrative budget and capital commitment amounts that exist for the upcoming year and beyond and repay existing debt obligations. As the Company will continue to utilize its financial resources to service debt obligations and fund existing administrative budgets and capital commitments for the foreseeable future, there is material uncertainty as to the future operating ability of the Company as it will be contingent upon the Company's ability to successfully identify and procure necessary capital and develop oil and gas operations that generate positive cash flows. Currently, the Company has contractually committed exploration and development amounts of $25.3 million as outlined in Note 13. These commitments could leave the Company potentially cash deficient depending on the outcome of the Company's ongoing operations. As a result, these conditions give rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

In February 2021, the Company closed a bought deal private placement for aggregate gross proceeds to the Company of $7.7 million (see Note 7). These proceeds are used to fund general working capital needs and capital work programs as well as to settle outstanding liabilities.

Management believes that the going concern assumption is appropriate for these interim condensed consolidated financial statements and that the Company will be able to meet its budgeted capital and administrative costs as well as its other potential capital commitments during the upcoming year and beyond. There is no guarantee that the Company will be successful in its endeavors and no certainty as to the timing of the Company's impending exploration commitments. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, these consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities, and these adjustments could be significant.

3. BASIS OF PRESENTATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These interim condensed consolidated financial statements follow the same accounting policies and method of computation as the Company’s annual audited consolidated financial statements for the year ended December 31, 2020, with the exception of certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted. These interim condensed consolidated financial statements should be read in conjunction with the Company’s annual audited consolidated financial statements for the year ended December 31, 2020.

These interim condensed consolidated financial statements were authorized for issuance by the Company’s Board of Directors on June 30, 2021.

Basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial and non-financial assets and liabilities, which have been measured at fair value. The methods used to measure fair value are consistent with the Company’s December 31, 2020 audited consolidated financial statements.

More than a year after being declared a global pandemic by the World Health Organization in March 2020, COVID-19 continues to impact global economic conditions. Global financial markets, and commodity prices in particular, have experienced significant volatility and uncertainty. The crisis has caused periodic delays in the Company’s Colombian exploration activities planned due to temporary restrictions on exploration activities implemented by the Colombian government. The scale and duration of these developments remain uncertain but could impact the Company's operations, future net earnings, cash flows and financial condition.

Estimates and judgements made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in United States (US) dollars, with the exception of Canadian dollar unit prices (“C$”) where indicated. The Company’s functional currency is the Canadian dollar while each of its subsidiaries with significant activity has US dollar functional currency, which is the primary economic environment in which each subsidiary operates.

Significant accounting policies

The Company’s significant accounting policies can be read in Note 4 to the Company’s annual audited consolidated financial statements as at and for the year ended December 31, 2020.

Correction of accounting treatment for comparative period

Effects of restatement to the interim condensed consolidated statement of financial position as of March 31, 2020:

As of March 31, 2020	**As presented**	**Corrections(i)**	**As restated**
Derivative financial instruments	-	2,362,447	2,362,447
Effects to current liabilities	-	2,362,447	2,362,447
Liability component of convertible debentures	1,590,753	(1,409,374)	181,379
Effects to non-current liabilities	1,590,753	(1,409,374)	181,379
Share capital	65,053,851	85,597	65,139,448
Warrants	10,295,420	64,324	10,359,744
Equity component of convertible debentures	725,854	(725,854)	-
Retained deficit	(80,342,416)	(453,905)	(80,796,321)
Accumulated other comprehensive income (loss)	12,887	76,765	89,652
Effects to shareholders' equity	(4,254,404)	(953,073)	(5,207,477)
Effects to liabilities and shareholders' equity	(2,663,651)	(2,362,447)	(5,026,098)

Effects of restatement to the interim condensed consolidated statement of loss and comprehensive loss for the period ended March 31, 2020:

Period ended March 31, 2020	**As presented**	**Corrections(i)**	**As restated**
Net finance expense	134,058	(24,406)	109,652
Loss (gain) on revaluation of derivative financial instrument	-	(1,658,548)	(1,658,548)
Effects to net loss	134,058	(1,682,954)	(1,548,896)
Foreign currency translation adjustment	357,682	147,732	505,414
Effects to comprehensive loss	491,740	(1,535,222)	(1,043,482)

Effect of restatement to the interim condensed consolidated statement of cash flows for the period ended March 31, 2020:

Period ended March 31, 2020	**As presented**	**Corrections[(i)]**	**As restated**
Net finance expense	134,058	(24,406)	109,652
Loss (gain) on revaluation of derivative financial instrument	-	(1,658,548)	(1,658,548)
Effects to cash flows used in operating activities	134,058	(1,682,954)	(1,548,896)

(i) The Company restated its interim condensed consolidated statement of financial position as of March 31, 2020, and its interim condensed consolidated statement of loss and comprehensive loss for the period ended March 31, 2020. Management has determined that the accounting treatment for its convertible debentures was inappropriate. According to IAS 32 *Financial Instruments: presentation*, an issuer is required to separate convertible debt into liability and equity components based on the fair value of the liability component, unless the equity conversion component must be bifurcated as an embedded derivative. The correction relates to treatment of the embedded derivative as a financial liability instead of as an equity instrument. The conversion feature within the convertible debentures was considered an embedded derivative liability as the contractual right of conversion to units contains an additional contractual right within, in the form of share purchase warrants.

Based on this accounting guidance, the Company has determined the effects of restatement regarding this complex financial instrument, as presented above.

4. RESTRICTED CASH

As of March 31, 2021, funds totaling $2,487,813 (December 31, 2020 - $2,706,991) comprised the balance represented in restricted cash. The composition of this amount is as follows:

	2021	**2020**
SN-9 ANH Guarantee Deposit	2,170,325	2,362,822
Tiburon ANH Guarantee Deposit	317,488	344,169
Restricted Cash	**2,487,813**	**2,706,991**

Term deposits of $2.4 million and $0.3 million were established to secure performance guarantees required by the Colombian National Hydrocarbon Agency ("ANH") under the E&P Contracts for the SN-9 and Tiburon Block. The SN-9 and Tiburon deposits amounts were defined in US dollars by the ANH but are held in Colombian pesos with Colombian banks and are subject to foreign currency fluctuation risks in relation to the US dollar. These deposits are to be released to the Company once current phase commitments under each E&P Contract are completed. As of March 31, 2021, the balances of the SN-9 term deposit and Tiburon term deposit were $2,170,325 and $317,488, respectively.

5. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation ("E&E") assets consists of the following amounts:

Balance as at December 31, 2019	2,659,153
Additions	5,606,624
Asset retirement cost addition	291,191
Revision of asset retirement estimate	21,100
Impairment loss	(179,710)
Balance as at December 31, 2020	8,398,358
Additions	438,686
Balance as at March 31, 2021	**8,837,044**

See Note 11 for details of exploration and evaluation additions associated with related party transactions.

6. PROPERTY, PLANT, AND EQUIPMENT

The Company's property, plant and equipment ("PP&E") consist of development and production assets ("D&P") and corporate assets. D&P assets include the Company's interest in any developed natural gas properties. The components of the Company's PP&E assets are as follows:

Cost	**D&P**	**Corporate**	**Total**
As at December 31, 2019	4,002,333	695,167	4,697,500
Capital additions	-	8,209	8,209
Disposals - Discontinued Operations	(4,002,333)	(471,275)	(4,473,608)
As at December 31, 2020	-	232,101	232,101
Capital additions	-	2,338	2,338
As at March 31, 2021	**-**	**234,439**	**234,439**
Accumulated depletion, depreciation and impairment			
As at December 31, 2019	2,806,626	203,052	3,009,678
Additions	-	17,248	17,248
Additions - Discontinued Operations	203,220	64,170	267,390
Impairment - Discontinued Operations	833,268	341,795	1,175,063
Disposals - Discontinued Operations	(3,843,114)	(405,965)	(4,249,079)
As at December 31, 2020	-	220,300	220,300
Additions	-	1,536	1,536
As at March 31, 2021	**-**	**221,836**	**221,836**
Net book value			
As at December 31, 2020	-	11,801	11,801
As at March 31, 2021	**-**	**12,603**	**12,603**

7. DEBT AND DEBT ISSUANCE COSTS

The Company's debt balances as of March 31, 2021, are as follows:

	Aruchara	Maria Conchita	SN-9	Total
Balance, December 31, 2019	1,087,447	-	-	1,087,447
Issuance, net of transaction costs	-	346,500	1,838,633	2,185,133
Utilized portion of drawdown facility	300,000	-	-	300,000
Accrued interest expense	165,000	30,528	104,500	300,028
Accrued commitment fees	75,000	-	33,000	108,000
Amortization of transaction costs	14,316	3,032	9,808	27,156
Balance, December 31, 2020	1,641,763	380,060	1,985,941	4,007,764
Utilized portion of drawdown facility	200,000	-	-	200,000
Accrued interest expense	57,167	7,924	71,250	136,341
Accrued commitment fees	2,833	-	22,500	25,333
Amortization of transaction costs	3,965	468	7,011	11,444
Loan repayment	-	(388,452)	-	(388,452)
Balance, March 31, 2021	**1,905,728**	**-**	**2,086,702**	**3,992,430**

Current portion of debt	1,905,728	-	-	1,905,728
Non-current portion of debt	-	-	2,086,702	2,086,702
Balance, March 31, 2021	**1,905,728**	**-**	**2,086,702**	**3,992,430**

a) Aruchara Loan

In December 2019, the Company entered a loan in the amount of $1.6 million, secured by the assets of the Company. The loan is denominated in US dollars, matures on December 5, 2021, and bears interest at the rate of 15% per annum. The proceeds of the loan were utilized for the costs of the re-entry project of the Aruchara well in the Maria Conchita block. Under the terms of the loan agreement, the lenders have also been granted a 2.5% overriding royalty derived from the production of the Maria Conchita block. Total interest and principal is payable at the maturity date, although the lenders have an option to convert the loan principal and interest into another 2.5% overriding royalty from the Maria Conchita block at the lenders' discretion at any point prior to the maturity date. Currently, no value has been attributed to the 2.5% overriding royalty or the conversion option for an additional 2.5% overriding royalty as this is contingent upon the successful realization of commercially viable operations within the Maria Conchita block.

Of the principal amount of the Aruchara loan, $0.5 million had been accounted for as a "drawdown" facility given this funding had been made available to the Company for purposes of covering expenditures on the Aruchara well as necessary, in contrast to the other $1.1 million of the principal being provided as cash funds to the Company on the date of issuance. Finance costs incurred in relation to this drawdown component of the loan have been classified as a commitment fee. See Note 11 for details of loan from related parties.

b) Maria Conchita Loan

In July 2020, the Company entered a loan in the amount of $350,000. The loan is denominated in US dollars and bears interest at the rate of 20% per annum. The loan matures at the earlier of six months from the advance date or such time as proceeds to the Company from gross production in the Maria Conchita block total or exceed the principal amount plus accrued interest. The proceeds of the loan are to be utilized to fund exploration activities in the Maria Conchita block. In February 2021, the Company issued 429,300 units by way of non-brokered private placement as repayment of the principal and accrued interest of the Maria Conchita Loan (see Note 8). See Note 11 for details of loan from related parties.

c) SN-9 Loan

In August 2020, the Company entered a loan in the amount of $2.5 million, secured by the assets of the Company. The loan is denominated in US dollars, matures in August 2022, and bears interest at the rate of 15% per annum. The proceeds of the loan are to be utilized for the costs of exploratory activities in the SN-9 block. Under the terms of the loan agreement, the lenders have also been granted a 3% overriding royalty on NG's working interest in the gross production of the SN-9 block. Total interest and principal is payable at the maturity date, although the lenders have an option to convert the loan principal and interest into another 3% overriding royalty on NG's working interest in the gross production of the SN-9 block at the lenders' discretion at any point prior to the maturity date. Currently, no value has been attributed to the 3% overriding royalty or the conversion option for an additional 3% overriding royalty as this is contingent upon the successful realization of commercially viable operations within the SN-9 block.

Of the principal amount of the SN-9 loan, $0.6 million has been accounted for as a "drawdown" facility given this funding has been made available to the Company for purposes of covering expenditures on the SN-9 Block as necessary, in contrast to the other $1.9 million of the principal being provided as cash funds to the Company on the date of issuance. Finance costs incurred in relation to this drawdown component of the loan have been classified as a commitment fee. See Note 11 for details of loan from related parties.

8. SHARE CAPITAL

a) Common shares

As at March 31, 2021, the Company was authorized to issue an unlimited number of common shares, with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared. Outstanding common shares as of March 31, 2021 are as follows:

	Common shares	Amount ($)
Balance, December 31, 2019	30,175,840	64,997,628
Shares issued through private placements (net of costs)	16,072,823	3,287,545
Conversion of debentures	21,666,659	10,657,548
Shares issued through warrant exercise	20,544,992	10,444,789
Shares issued through option exercise	330,000	173,763
Shares issued for interest payment	806,719	115,122
Balance, December 31, 2020	89,597,033	89,676,395
Shares issued through private placements (net of costs)	8,939,300	5,585,450
Shares issued to service provider	4,000,000	1,099,592
Shares issued through warrant exercise	2,758,332	1,024,254
Shares issued through option exercise	120,000	44,263
Balance, March 31, 2021	**105,414,665**	**97,429,954**

February 2021 bought deal and non-brokered private placements

In February 2021, the Company completed a bought deal private placement, pursuant to which a syndicate of underwriters purchased 7,400,000 units and exercised its option to purchase an additional 1,110,000 units for an aggregate of 8,510,000 units at a price of C$1.15 per unit for aggregate gross proceeds to the Company of $7,712,586 (C$9,786,500) before transaction costs. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share at a price of C$1.75 until February 10, 2024.

The Company allocated $6,194,451 (C$7,860,138) of total proceeds from the private placement to share capital and $1,518,135 (C$1,926,362) to warrants. The warrant fair value was determined based on a Black-Scholes option pricing model (see Note 8c). The issuance costs on the private placement totaling $1,146,706 (C$1,455,055) were also allocated to share capital of $920,990 (C$1,168,644) and warrants of $225,716 (C$286,411).

In connection with the offering, the underwriters received 510,600 non-transferable broker warrants equal to 6.0% of the aggregate number of units sold. Each broker warrant is exercisable into one common share at a price of C$1.15 per share for a period of 36 months, from February 10, 2021, the closing of the financing. The net proceeds of the offering will be used for working capital and general corporate purposes.

In parallel with the bought deal financing, the Company completed a non-brokered private placement offering of 429,300 units, on the same terms as those issued pursuant to the bought deal financing, for a deemed value of C$493,695. No fees or commissions were paid to the underwriters in connection with the private placement. The issuance of these units was completed as repayment of the outstanding balance of the Maria Conchita Loan of $350,000 plus accrued interest.

The Company allocated $311,990 (C$396,517) of total proceeds from the private placement to share capital and $76,462 (C$97,178) to warrants. The warrant fair value was determined based on a Black-Scholes option pricing model (see Note 8c). There were no issuance costs on the private placement.

Settlement of services for shares

Pursuant to a Memorandum of Understanding with Panacol Oil and Gas Corp. ("Panacol") and Landsons Investment Corp. ("Landsons"), the Company formalized the definitive agreement in December 2020 to issue an aggregate of 4,000,000 common shares. In February 2021, the terms of that definitive agreement were completed as the Company issued 2,800,000 common shares to Panacol in satisfaction of project management services provided and 1,200,000 common shares to Landsons for services provided towards obtaining the environmental and social licenses for the SN-9 project.

See Note 11 for details of common shares issued to related parties.

b) Stock options

The Company's stock option plan provides for the issue of stock options to directors, officers, employees, charities and consultants, who are all considered related parties to the Company. The plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding shares. Vesting terms are determined by the Board of Directors as they are granted and currently include periods ranging from immediately to one-third on each anniversary date over three years. The options' maximum term is ten years.

As at March 31, 2021, a total of 7,792,600 (December 31, 2020 – 7,912,600) options were issued and outstanding under this plan. Options which are forfeited/expired are available for reissue. See Note 11 for details of stock options to related parties.

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

	Stock options	**Weighted average exercise price (C$)**
Balance, December 31, 2019	2,876,600	1.33
Options issued	5,456,000	0.79
Options exercised	(330,000)	0.42
Options expired	(90,000)	0.45
Balance, December 31, 2020	7,912,600	1.01
Options exercised	(120,000)	0.275
Balance, March 31, 2021	**7,792,600**	**1.02**

The following summarizes information about stock options outstanding as at March 31, 2021:

Exercise prices (C$)	**Number of options outstanding**	**Weighted average term to expiry (years)**	**Number of options exercisable**
0.275	1,376,000	9.23	1,376,000
0.45	2,175,000	8.26	2,175,000
1.00	3,900,000	9.65	3,900,000
6.10	31,600	5.39	31,600
8.00	310,000	6.36	310,000
	7,792,600	**9.04**	**7,792,600**

No stock options were issued during the three months ended March 31, 2021. The value of the stock options vesting in the three months ended March 31, 2021 equated to $nil (March 31, 2020 - $11,678).

c) Warrants

As at March 31, 2021, a total of 23,671,663 (December 31, 2020 - 21,449,745) warrants were issued and outstanding. A summary of the changes in total warrants is presented below:

	Warrants	Weighted average exercise price (C$)
Balance, December 31, 2019	6,291,666	9.40
Warrants issued on convertible debenture conversion	21,666,659	0.15
Warrants issued on private placement, March 2020	2,000,000	0.18
Warrants issued on private placement, May 2020	10,000,000	0.23
Warrants issued on private placement, December 2020	2,036,412	1.50
Warrants exercised	(20,544,992)	0.15
Balance, December 31, 2020	**21,449,745**	**3.03**
Warrants issued on private placement, February 2021	4,469,650	1.75
Broker warrants issued on private placement, February 2021	510,600	1.15
Warrants exercised	(2,758,332)	0.19
Balance, March 31, 2021	**23,671,663**	**3.08**

The following summarizes information about total purchase warrants outstanding as at March 31, 2021:

Exercise prices (C$)	Number of warrants outstanding	Weighted average term to expiry (years)	Number of warrants exercisable
0.15	880,000	3.10	880,000
0.18	2,000,000	0.99	2,000,000
0.23	8,150,001	1.16	8,150,001
1.15	510,600	2.86	510,600
1.50	2,036,412	2.75	2,036,412
1.75	4,469,650	2.86	4,469,650
10.50	5,625,000	1.33	5,625,000
	23,671,663	**1.75**	**23,671,663**

For the warrants issued during the period ended March 31, 2021, the Black-Scholes option pricing model was used to estimate their fair value with the following assumptions:

	Broker Warrants	Warrants
Share price	C$1.78	C$1.78
Exercise price	C$1.15	C$1.75
Expected stock price volatility	75%	75%
Term	3 years	3 years
Expected dividend yield	0%	0%
Risk-free interest rate	0.0023	0.0023
Fair value warrant price	C$1.06	C$0.87

Purchase warrants on private placements

Pursuant to the bought deal and non-brokered private placement of units in February 2021 (see Note 8a), the Company issued 8,510,000 units and 429,300 units respectively, each consisting of one common share and one-half share purchase warrant. Each warrant can be exercised to purchase one additional common share at a price of C$1.75 until February 10, 2024. A fair value of $1,292,419 (C$1,639,951) and $76,462 ($97,178) respectively. In connection with the above, the underwriters received 510,600 non-transferable broker warrants equal to 6.0% of the aggregate number of units sold. Each broker warrant is exercisable into one common share at a price of C$1.15 per share for a period of 36 months, from February 10, 2021, the closing of the financing. A fair value $426,868 (C$541,653) was recognized at the time of the issuance of these purchase warrants. See Note 11 for details of warrants issued to related parties.

d) Loss per share

For the purposes of the loss per share calculations for the periods ended March 31, 2021, and 2020, there is no difference between the basic loss per share and the diluted loss per share amounts. For the period ended March 31, 2021, 7,792,600 stock options and 23,671,663 warrants were excluded as either i) their impact was anti-dilutive for the periods when the Company had a net loss; or ii) the average market price of the common shares of the Company was less than the exercise price of existing stock options and purchase warrants.

9. FINANCE INCOME AND EXPENSE

The components of net finance expense/income for the periods ended March 31, 2021 and 2020, are as follows:

	2021	2020
Interest income	(22,665)	(28,473)
Interest expenses and bank charges	144,650	111,163
Commitment fees	25,333	18,750
Accretion on decommissioning obligations	1,374	1,622
Accretion on liability component of convertible debentures	-	3,230
Amortization of transaction costs on loans	11,444	3,360
Total net finance expense	**160,136**	**109,652**

10. DISCONTINUED OPERATIONS

In October 2020, the Company finalized the sale of Alianza Petrolera Argentina S.A. ("Alianza"), the Argentine subsidiary through which NG previously operated the SRDE Asset and held interest in the Mariposa Asset. Due to the sale, the Company ceased operations in Argentina and, as such, reclassified its entire Argentine segment to discontinued operations.

For the three months ended March 31, 2021 and 2020, income and expenses allocated to net (loss) income from discontinued operations are as follows:

	2021	2020
Revenue		
Net revenue on carried working interest	-	123,473
Expenses		
Inventory revaluation	-	268,250
General and administrative	-	89,041
Depletion and depreciation	-	95,408
Net finance expense	-	488
Foreign exchange loss (gain)	-	23,325
	-	476,512
Net (loss) income from discontinued operations	**-**	**(353,039)**

For the three months ended March 31, 2021 and 2020, operating cash flows related to discontinued operations are as follows:

	2021	2020
Loss from discontinued operations	-	(353,039)
Depletion and depreciation	-	95,408
Unrealized foreign exchange loss	-	24,939
Net finance expense	-	488
Change in non-cash working capital	-	126,467
Cash flows used in operating activities of discontinued operations	**-**	**(105,737)**
Changes in non-cash working capital	-	110,214
Cash flows from investing activities of discontinued operations	**-**	**110,214**
Net financing expense paid	-	(28)
Cash flows used in financing activities of discontinued operations	**-**	**(28)**

11. RELATED PARTIES

During the period ended March 31, 2021 and the 2020 year, there were separate related party transactions as follows:

I. The Company paid a monthly advisory fee to a firm affiliated with a director of NG. As per the consulting agreement with this firm, NG pays a monthly fee of C$10,000 (March 31, 2020 – C$10,000) plus reimbursable expenses. Furthermore, additional fees are to be paid pursuant to the closing of successful financing arrangements, divestitures, or acquisitions for which the firm provides advisory services. In February 2021, administrative success fees were paid upon closing of the bought deal private placement summarized in Note 8 which resulted in the Company paying approximately C$103,000 to the firm. During the year ended December 31, 2020, administrative success fees were paid upon closing of several private placements through units which resulted in the Company paying C$21,000 to the firm. Also, during the year ended December 31, 2020, in conjunction with the completion of the Maria Conchita loan and SN-9 loan, the firm was paid C$28,500 as an administrative success fee for their advisory services. For the year ended December 31, 2020, the Company issued 345,000 stock options to members of the firm. The Black-Scholes fair value recognized in the form of the expense associated with the vesting of these options was $134,329. As at March 31, 2021, there were no outstanding payables owed to the firm.

II. In February 2021, the Company completed the aforementioned non-brokered private placement offering of 429,300, on the same terms as those issued pursuant to the bought deal financing, for a deemed value of $388,452 (C$493,695). The issuance of the non-brokered private placement through units was completed as repayment of the outstanding balance of the Maria Conchita loan of $350,000 plus accrued interest. Of the units issued, 253,000 units were issued to Company directors.

III. In March 2020, the Company completed the aforementioned non-brokered private placement through units for proceeds of C$300,000 before issue costs. Of the total proceeds, approximately C$265,000 were from subscriptions by directors or by investors related to directors of the Company. The full balance of the loan and interest were repaid to the lenders in February 2021 through the issuance of units of the Company.

IV. In May 2020, the Company completed the debt financing arrangement of a bridge loan for proceeds of $100,000. Total loan proceeds were provided by a director of the Company. The full balance of the loan and $3,000 in interest were repaid to the lender in August 2020.

V. In May 2020, the Company completed the aforementioned non-brokered private placement through units for proceeds of C$1,800,000 before issue costs. Of the total proceeds, approximately C$339,480 were from subscriptions by directors or by investors related to directors of the Company.

VI. In July 2020, the Company completed the debt financing arrangement of the Maria Conchita loan for proceeds of $350,000 before transaction costs. Of the total loan proceeds, approximately $206,250 were provided by directors of the Company.

VII. In August 2020, the Company completed the debt financing arrangement of the SN-9 loan for committed proceeds of $2,500,000 before transaction costs. Of the total loan proceeds including the drawdown facility, approximately $1,512,500 were provided by directors of the Company.

VIII. For the year ended December 31, 2020, the Company recognized expenditures on exploration activities of $1,099,592 for technical services provided from certain service providers affiliated with certain directors of the Company. Furthermore, for the year ended December 31, 2020, the Company issued 230,000 stock options, to members of the service providers. The Black-Scholes fair value recognized in the form of the expense associated with the vesting of these options was $100,196. As at March 31, 2021, there were no outstanding payables owed to the service providers.

IX. For the periods ended March 31, 2021 and 2020, the Company incurred expenditures of $76,323 and $93,076 respectively, in professional fees for general corporate services as well as technical services related to exploration activities in Colombia. Such services were provided by a contracted service provider affiliated with a certain director of the Company.

X. For the periods ended March 31, 2021 and 2020, the Company incurred expenditures of $15,816 and $27,300, respectively, in office rental costs in Colombia. The related office space was rented from an entity affiliated with a certain director of the Company.

XI. For the year ended December 31, 2020, the Company issued 205,000 stock options to charitable organizations that have affiliations with certain directors of the Company. The Black-Scholes fair value recognized in the form of the expense associated with the vesting of these options was $32,385.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The carrying amount of cash and cash equivalents, accounts receivable and restricted cash represent the maximum credit exposure. As at March 31, 2021, the Company had $2,487,813 (December 31, 2020 - $2,706,991) in restricted cash towards development activity and joint operations in Colombia.

As at March 31, 2021, the Company had $1,149,788 (December 31, 2020 - $491,454) in accounts receivable and prepaids. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with large purchasers. The Company does not consider any of its receivables past due.

The Company maintained a VAT receivable balance of $1,601,947 as of March 31, 2021 (December 31, 2020 - $1,651,981), which is classified as a non-current asset. The Company considers these VAT balances to be collectible in the future as such VAT amounts will be utilized to offset future VAT charged on sales realized by the Company on future oil and gas production that would otherwise be required to be paid to the Colombian tax authorities.

The Company held cash and cash equivalents of $6,111,129 (December 31, 2020 - $1,208,765) as at March 31, 2021. The Company manages the credit exposure related to cash and cash equivalents and short-term investments by selecting counter parties based on credit ratings and monitors all investments to ensure a stable return.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due, without incurring unacceptable losses or risking harm to the Company's reputation. The Company's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures, and authorization of contractual agreements. The Company seeks additional financing based on the results of these processes. The budgets are updated when required as conditions change.

The following table outlines the contractual maturities of the Company's financial liabilities at March 31, 2021:

	Less than 1 year	**1-2 years**	**Thereafter**	**Total**
Trade accounts payable	2,009,308	-	-	2,009,308
Capital accruals	370,503	-	-	370,503
Convertible debentures - interest	3,936	-	-	3,936
Aruchara loan - principal	1,600,000	-	-	1,600,000
SN-9 loan - principal	-	1,900,000	-	1,900,000
Aruchara loan - finance costs	317,333	-	-	317,333
SN-9 loan - finance costs	-	93,750	-	93,750
	4,301,080	**1,993,750**	**-**	**6,294,830**

Market risk

Market risk is the risk or uncertainty that changes in price, such as commodity prices, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. From time to time, the Company may utilize financial derivative contracts to manage market risks in accordance with the risk management policy that has been approved by the Board of Directors. There were no financial derivative contracts or embedded derivatives outstanding at March 31, 2021.

Commodity price risk

Commodity price risk is the risk that the fair value of the future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are affected not only by the United States dollar, but also by world economic events that dictate the levels of supply and demand.

The Company's oil revenue was previously derived from oil production on the SRDE Asset in Argentina. With the disposal of Argentina operations in October 2020 (see Note 10), the Company currently has no production revenue.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. Some of the Company's business transactions and commitments occur in currencies other than US dollars. A portion of the Company's oil and natural gas activities in Colombia transact in Colombian Peso (COP$), respectively. In addition, the majority of the Company's financing and a portion of the administrative costs will be based and paid in Canadian dollars and COP$. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between US dollars, COP$ and Canadian dollars. As at March 31, 2021, the Company had not entered into any foreign currency derivatives to manage its exposure to currency fluctuations nor were there any foreign currency derivatives as at the previous year ended December 31, 2020.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. Fluctuations of interest rates for the period ending March 31, 2021 would not have had a significant impact on cash and cash equivalents and short-term investments. Furthermore, the Company is not currently exposed to interest rate risk on its interest-bearing loans given these debt instruments are all subject to fixed interest rates.

Capital management

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations, growth, and ongoing exploration and development commitment activities of its oil and gas assets. The Company is dependent upon funding these activities through a combination of available cash, debt, and equity, which it considers to be the components of its capital structure as outlined below. To maintain or adjust the capital structure, from time to time the Company may issue or repurchase common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels.

The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less working capital, as defined above. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

	March 31, 2021	**December 31, 2020**
Aruchara loan (15%)	1,917,333	1,657,333
Maria Conchita loan (20%)	-	380,528
SN-9 loan (15%)	2,131,250	2,037,500
Total debt	4,048,583	4,075,361
Working capital(1)	4,881,109	(1,473,715)
Net debt (net cash)	**(832,526)**	**5,549,076**

1) Calculation of working capital excludes current portion of debt as presented on the consolidated statement of financial position.

The Company regularly monitors its capital structure and, as necessary, adjusts to changing economic circumstances and the underlying risk characteristics of its assets to meet current and upcoming obligations and investments by the Company. The Company frequently reviews alternate financing options and arrangements to meet its current and upcoming commitments and obligations.

The Company's objectives when managing capital are: (i) to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and (ii) to maintain investor, creditor, and market confidence to sustain the future development of the business. The Company's share capital is not subject to external restrictions.

Fair value of financial instruments

The Company's financial instruments as at March 31, 2021, include cash and cash equivalents, accounts receivable, restricted cash, and accounts payable and accrued liabilities. These financial instruments are initially recognized at fair value and subsequently measured at amortized cost. The fair values of the current financial instruments approximate their carrying amounts due to their short terms to maturity. The fair value of the Aruchara loan and the SN-9 loan are $1.6 million and $2.5 million, respectively.

13. COMMITMENTS

A summary of the Company's estimated capital commitments (in millions of dollars) are as follows:

Block	2021	2022	Total
SN-9 Block (1)	22.3	-	**22.3**
Tiburon Block (2)	3.0	-	**3.0**
Total	**25.3**	**-**	**25.3**

1) NG's ANH commitment to carry out the minimum requirement to process and interpret 204.4 km of 2D seismic and drill one exploration well (for which the Company will pay 100% of the costs under the terms of the SN-9 Acquisition) according to Phase 1 of the contractual exploration program, which must be fulfilled by December 2021, pending any extensions granted on account of the ongoing COVID-19 outbreak during which non-essential oil & gas operations were suspended by the Government of Colombia for several months.
2) Relates to NG's share of the ANH commitment to carry out the minimum requirement to acquire, process, and interpret 69.75 km^2 of 3D seismic according to Phase 3 of the contractual exploration program. Currently, operations are delayed due to community disputes in the region, with 148 days to fulfil the commitment after the local disputes are resolved and the activities carried out in the previously proposed area. If an agreement is reached with the ANH in relation to the change in seismic activities in the new proposed area, the Company assumes that activities related to the permits for the new seismic survey will commence in 2021.

The expenditures provided in the above table only represent the Company's estimated cost to satisfy contract requirements. Actual expenditures to satisfy these commitments, initiate production or create reserves may differ from these estimates. The expenditures in the above table are based on the latest possible date required per contract and may be incurred at an earlier date.

In December 2020, the Company entered a memorandum of understanding (the "MOU") with GTX International Corp. ("GTX") pursuant to which GTX is to build and operate production facilities and pipeline (the "Pipeline Facilities") with capacity of 20 million cubic feet per day ("mmcf/d") that will extend from the Company's Maria Conchita field in Colombia to existing national infrastructure. The MOU outlines that the Company and GTX will enter into a take-or-pay agreement (the "ToP Agreement") pursuant to which NGE will agree to transport, or pay for, 16 mmcf/d through the Pipeline Facilities for a period of six years (the "Guaranteed Commitment") at a tariff of $0.90 per thousand cubic feet ("mcf") of gas. The ToP Agreement will have a term of 18 years and the Company's Guaranteed Commitment will convert after six years into payment for only the capacity that is used. Under the terms of the MOU, the execution of the ToP Agreement is conditional upon 1) the successful acquisition by GTX of $10 million in financing, and 2) the construction of the Pipeline Facilities and the satisfactory results of operational trials of the infrastructure by GTX. In February 2021, GTX completed a $10 million brokered offering of senior-secured debentures that bear interest at a rate of 15% per annum, payable monthly, which mature six years from the issuance date. Of the $10 million raised, $2.6 million of the debenture offering was subscribed for by directors or affiliates of directors of NGE. As of the date hereof, construction of the Pipeline Facilities by GTX is still in progress.

14. SEGMENTED INFORMATION

The Company is engaged in the exploration and development of natural gas. Management has defined the operating segments of the Company based on geographical areas, identifying operations held in Colombia as a separate reporting segment. The Corporate segment reflects balances and expenses related to all Company operations outside of Colombia, which collectively represent the corporate operations of the Company. With the sale of Argentina operations in October 2020, Argentina is no longer considered an operating segment of the Company and its net loss for the period ended March 31, 2020 is included in discontinued operations in the interim condensed consolidated statement of loss (see also Note 10). Management finds that each of the defined reporting segments have distinct economic characteristics and regulatory environments.

The following tables show information regarding the Company's segments for periods ended March 31, 2021 and 2020.

For the three months ended March 31, 2021	**Colombia**	**Corporate**	**Total**
Expenses:			
General and administrative	212,753	554,167	766,921
Depletion and depreciation	1,536	-	1,536
Net finance expense (income)	(8,313)	168,449	160,136
Foreign exchange loss (gain)	433,117	(63,037)	370,079
Loss from continuing operations	**(639,093)**	**(659,579)**	**(1,298,672)**
Assets, March 31, 2021	**14,145,924**	**6,058,339**	**20,204,263**
Liabilities, March 31, 2021	**741,258**	**6,262,852**	**7,004,112**

For the three months ended March 31, 2020	**Colombia**	**Corporate**	**Total**
Expenses:			
General and administrative	164,982	132,599	297,581
Business development	-	48,300	48,300
Share-based compensation	-	11,678	11,678
Depletion and depreciation	3,340	-	3,340
Net finance expense (income)	(16,332)	125,984	109,652
Loss (gain) on fair value of derivative liability	-	(1,658,548)	(1,658,548)
Foreign exchange loss (gain)	841,010	186,817	1,027,827
Loss from continuing operations	**(993,000)**	**1,153,170**	**160,170**
Assets, March 31, 2020	**6,965,317**	**640,544**	**7,605,861**
Liabilities, March 31, 2020	**626,552**	**6,182,229**	**6,808,781**

Assets and liabilities of the Argentina segment of $2,142,294 and $903,967, respectively, are included in the consolidated statement of financial position as of March 31, 2020, but are excluded from segmented information.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Information regarding changes in non-cash working capital for the three ended March 31, 2021 and 2020 is as follows:

Continuing Operations	**2021**	2020
Accounts receivable	**(658,334)**	(398,130)
VAT receivable	**50,034**	158,514
Accounts payable and accrued liabilities	**(794,176)**	294,376
Change in non-cash working capital	**(1,402,476)**	54,760
Relating to:		
Operating activities	**(295,814)**	252,796
Investing activities	**(1,106,662)**	(198,036)
Change in non-cash working capital	**(1,402,476)**	54,760

Discontinued Operations	**2021**	2020
Accounts receivable	-	154,458
Inventory	-	(7,472)
Accounts payable and accrued liabilities	-	89,695
Change in non-cash working capital	-	236,681
Relating to:		
Operating activities	-	126,467
Investing activities	-	110,214
Change in non-cash working capital	-	236,681

16. SUBSEQUENT EVENTS

Warrant Exercises

Subsequent to March 31, 2021, warrant holders exercised 880,000 purchase warrants resulting in the issuance of 880,000 common shares. Approximately $109,000 in gross proceeds were received by the Company.