SHOAL POINT ENERGY LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED APRIL 30, 2021 AND 2020

UNAUDITED – EXPRESSED IN CANADIAN DOLLARS

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

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

“Brian Usher-Jones”	“Mark Jarvis”
Director	CEO, Chairman and Director

SHOAL POINT ENERGY LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	April 30, 2021	January 31, 2021
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 385,473**	$ 104,110
Accounts receivable	**14,750**	15,612
Prepaid expenses	**3,106**	8,530
	403,329	128,252
RECLAMATION DEPOSIT (Note 4)	**50,000**	50,000
OIL & NATURAL GAS PROPERTIES AND EQUIPMENT (Note 5)	**1,300,259**	1,196,458
	$ 1,753,588	$ 1,374,710
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 66,977**	$ 73,882
GOVERNMENT LOAN PAYABLE (Note 6)	**30,000**	40,000
RECLAMATION OBLIGATION	**36,855**	38,340
	133,832	152,222
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**62,675,239**	62,063,986
Warrants (Note 7)	**11,903,439**	12,016,267
Contributed surplus (Note 7)	**4,923,720**	4,746,779
Accumulated other comprehensive loss	**(93,566)**	(46,190)
Deficit	**(77,789,076)**	(77,558,354)
	1,619,756	1,222,488
	$ 1,753,588	$ 1,374,710

GOING CONCERN (Note 1)

COMMITMENTS AND CONTINGENCIES (Note 8)

Approved on behalf of the board:

“Brian Usher-Jones”	*“Mark Jarvis”*
Director	CEO, Chairman and Director

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

SHOAL POINT ENERGY LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED APRIL 30, 2021 AND 2020
(Unaudited – Expressed in Canadian Dollars)

	2021	2020
Expenses		
Depreciation (Note 5)	**$ 392**	$ 380
Exploration and evaluation cost (recoveries)	**7,972**	(16,354)
Foreign exchange loss	**3,160**	1,919
Investor relations	**-**	10,543
Management salaries (Note 9)	**16,398**	26,562
Office, general and administrative	**28,154**	21,577
Professional fees (Note 9)	**89**	13,386
Rent	**7,637**	7,634
Share-based compensation (Notes 7 and 9)	**176,941**	177
Loss from operations	**(240,743)**	(65,824)
Interest and other income (Note 6)	**10,021**	25
Net loss for the period	**(230,722)**	(65,799)
Other comprehensive loss		
Exchange differences on translation of foreign operations	**(47,376)**	52,097
Comprehensive loss for the period	**$ (278,098)**	$ (13,702)
Loss per share		
Basic and diluted (Note 10)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding	**70,903,098**	59,795,827

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

SHOAL POINT ENERGY LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Expressed in Canadian Dollars)

	Share capital		Warrants					
	Number of shares	Amount	Number of warrants	Amount	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, January 31, 2020	59,309,160	61,566,208	12,433,015	12,021,605	4,746,602	(2,410)	(77,231,887)	1,100,118
Exercise of warrants (Note 7)	500,000	75,000	(500,000)	-	-	-	-	75,000
Stock-based compensation (Note 7)	-	-	-	-	177	-	-	177
Comprehensive loss for the period	-	-	-	-	-	52,097	(65,799)	(13,702)
Balance, April 30, 2020	**59,809,160**	**$ 61,641,208**	**11,933,015**	**$ 12,021,605**	**$ 4,746,779**	**$ 49,687**	**$ (77,297,686)**	**$ 1,161,593**
Shares issued for cash (Note 7)	4,257,500	340,600	4,257,500	-	-	-	-	340,600
Less: issuance costs - cash	-	(7,560)	-	-	-	-	-	(7,560)
Less: issuance costs - warrants	-	(4,950)	94,500	4,950	-	-	-	-
Exercise of warrants (Note 7)	1,055,000	94,688	(1,055,000)	(10,288)	-	-	-	84,400
Expired warrants	-	-	(1,741,140)	-	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	(95,877)	(260,668)	(356,545)
Balance, January 31, 2021	**65,121,660**	**$ 62,063,986**	**13,488,875**	**$ 12,016,267**	**$ 4,746,779**	**$ (46,190)**	**$ (77,558,354)**	**$ 1,222,488**
Shares issued for cash (Note 7)	5,335,354	373,475	5,335,354	-	-	-	-	373,475
Less: issuance costs - cash	-	(2,550)	-	-	-	-	-	(2,550)
Less: issuance costs - warrants	-	(1,194)	36,428	1,194	-	-	-	-
Exercise of warrants (Note 7)	2,125,000	241,522	(2,125,000)	(114,022)	-	-	-	127,500
Expired warrants	-	-	(290,000)	-	-	-	-	-
Stock-based compensation (Note 7)	-	-	-	-	176,941	-	-	176,941
Comprehensive loss for the year	-	-	-	-	-	(47,376)	(230,722)	(278,098)
Balance, April 30, 2021	**72,582,014**	**$ 62,675,239**	**16,445,657**	**$ 11,903,439**	**$ 4,923,720**	**$ (93,566)**	**$ (77,789,076)**	**$ 1,619,756**

SHOAL POINT ENERGY LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED APRIL 30, 2021 AND 2020
(Unaudited – Expressed in Canadian Dollars)

		2021		2020
Cash flows from operating activities				
Net loss for the period	**$**	**(230,722)**		$ (65,799)
Adjustments not effecting cash:				
Depreciation		**392**		380
Forgiveness of government loan		**(10,000)**		-
Foreign exchange loss		**1,676**		-
Share-based compensation		**176,941**		177
Changes in non-cash working capital				
Accounts receivable		**862**		(13,720)
Prepaid expenses		**5,424**		3,510
Accounts payable and accrued liabilities		**(10,846)**		(241,683)
Cash flows used in operating activities		**(66,273)**		(317,135)
Cash flows from investing activity				
Oil and natural gas properties		**(150,104)**		(119,099)
Cash flows used in investing activity		**(150,104)**		(119,099)
Cash flows from financing activities				
Proceeds from government loan		**-**		40,000
Proceeds from share issuances		**373,475**		-
Share issuance costs - cash		**(2,550)**		-
Exercise of warrants		**127,500**		75,000
Cash flows provided by financing activities		**498,425**		115,000
Increase (decrease) in cash and cash equivalents		**282,048**		(321,234)
Effect of exchange rate changes on cash		**(685)**		52,097
Cash and cash equivalents, beginning of period		**104,110**		352,889
Cash and cash equivalents, end of period	**$**	**385,473**	$	83,752

The components of cash and cash equivalents are as follows:

Cash	**$**	**374,470**	$	72,719
Term deposit		**11,003**		11,033
	$	**385,473**	$	83,752
Non-cash investing and financing activities				
Fair value transferred upon exercise of warrants	**$**	**114,022**	$	-
Accounts payable related to oil & natural gas properties	**$**	**7,964**	$	-

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

1. REPORTING ENTITY AND GOING CONCERN

Shoal Point Energy Ltd. (the "Company") was incorporated on December 22, 2006 under the Business Corporations Act (Alberta). The Company was incorporated for the purpose of acquisition, exploration and development of oil and natural gas properties. The Company is headquartered at Suite 203 – 700 West Pender Street, Vancouver, B.C. V6E 3V7. On October 26, 2010, the Company filed articles of continuance in Ontario. On November 23, 2010, the Company began trading on the Canadian Securities Exchange ("CSE") under the symbol SHP.

The Company is in the exploration stage of exploring its oil and natural gas properties and has not yet determined whether these properties contain oil and natural gas resources that are economically recoverable, as a result, it is considered an exploration stage company. The recoverability of amounts shown for oil and natural gas properties is dependent upon the existence of economically recoverable reserves, securing and maintaining the title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from disposition of the oil and natural gas properties.

The condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company has incurred operating losses since inception, including $230,722 for the three months ended April 30, 2021 and has accumulated a deficit of $77,789,076 as at April 30, 2021. As at April 30, 2021 the Company has cash and cash equivalents of $385,473 and a working capital of $336,352.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Due to continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. To continue as a going concern, the Company needs to raise the capital necessary to continue in its oil and natural gas exploration business and ultimately to achieve positive cash flow from operations. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its exploration efforts and programs, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. These factors indicate the existence of a material uncertainty that may give rise to significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited annual financial statements for the year ended January 31, 2021. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual financial statements for the year ended January 31, 2021.

These condensed interim consolidated financial statements were authorized for issue by the board of directors on June 28, 2021.

Basis of Measurement

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable.

Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiary, Shoal Point U.S.A. Inc., incorporated in Wyoming, USA on April 2, 2019.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained, and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of expenses during the reporting period and contingent assets and liabilities. Significant estimates include the recoverability of the carrying value of oil and natural gas properties, the fair value measurements and assumptions relating to financial instruments and stock-based transactions, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the classification of expenditures on oil and natural gas assets and the going concern assumption.

3. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. All of the cash is deposited in bank accounts held with major banks in Canada and USA. Since all of the Company's cash is held by two major banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has operations in Canada and the United States and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the American dollar will have an impact upon the results of the Company. A fluctuation in the exchange rates between Canada and the American dollar of 10% would result in a $4,500 change in the Company's profit or loss. The Company does not use any techniques to mitigate foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any significant interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash.

There were no changes in the Company's approach to capital management during the period and no restrictions.

Classification of financial instruments

The following financial assets and liabilities are classified under Amortized cost: cash and cash equivalents, reclamation deposit, accounts payable and accrued liabilities, and government loan payable.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

4. RECLAMATION DEPOSIT

The reclamation deposit consists of a $50,000 deposit with the Department of Natural Resources of Newfoundland and Labrador posted in August 2016.

(Expressed in Canadian Dollars)

5. OIL AND NATURAL GAS PROPERTIES AND EQUIPMENT

	Oil and natural gas properties	Equipment and software	Total
Cost			
Balance at January 31, 2020	$ 1,043,375	$ 29,319	$ 1,072,694
Additions	191,554	1,338	192,892
Impairment	(42,664)	-	(42,664)
Balance at January 31, 2021	1,192,265	30,657	1,222,922
Additions	154,045	-	154,045
Foreign exchange	(49,852)	-	(49,852)
Balance at April 30, 2021	$ 1,296,458	$ 30,657	$ 1,327,115

	Oil and natural gas properties	Equipment and software	Total
Accumulated Depreciation			
Balance at January 31, 2020	$ -	$ 24,945	$ 24,945
Depreciation for the year	-	1,519	1,519
Balance at January 31, 2021	-	26,464	26,464
Depreciation for the period	-	392	392
Balance at April 30, 2021	$ -	$ 26,856	$ 26,856
Carrying Amounts			
As at January 31, 2021	$ 1,192,265	$ 4,193	$ 1,196,458
As at April 30, 2021	$ 1,296,458	$ 3,801	$ 1,300,259

Newfoundland, Canada

The Company currently holds exploration license 1070 ("EL 1070") off the west coast of Newfoundland which totals approximately 150,000 acres. In November of 2013, the Minister of Natural Resources announced that applications for hydraulically fracturing wells would not be accepted which effectively imposed a moratorium. In October 2014, the Government of Newfoundland appointed five members to the Newfoundland and Labrador Hydraulic Fracturing Review Panel ("NLFRP") to study the socio-economic and environmental impacts of hydraulic fracturing in western Newfoundland. The report was made public on May 31, 2016 and recommends, among other things, significant further study before hydraulic fracturing could be considered. The Company originally anticipated that it would use hydraulic fracturing to achieve commercial production. The Company submitted a summary planning document to the applicable regulators in Newfoundland and Labrador ("C-NLOPB") which did not involve hydraulic fracturing. The Board of the C-NLOPB met on July 25, 2017 and voted to reject the Company's application to drill a new well.

After assessing the C-NLOPB decision, the Company, on April 10, 2019, submitted a letter to the Board proposing to do other work on EL 1070 while remaining in diligent pursuit of well 3K-39. The proposal was rejected by the C-NLOPB, and no substantive expenditure on further exploration has been planned; accordingly the previously capitalized cost of $2,176,303 was written off during the year ended January 31, 2020.

Mount Evans, Kansas, USA

On June 7, 2019, the Company entered into a farm in agreement with Shelby Resources LLC in the Mount Evans prospect in Kansas. The farm in agreement has a five-year term.

Pursuant to the terms of the agreement, the Company would earn a 65% working interest of an 80% net revenue interest by paying US$75,000 (paid), financing a 3D seismic shoot over approximately 5,700 acres at an estimated cost of US$420,000 (paid), and drilling the first well to casing point to a depth of approximately 4,700 feet or the bottom of the Arbuckle Formation for an estimated cost of US$135,000 (paid). Completing and equipping the first well and all operations on subsequent wells will be paid for by the Company proportionate to its 65% working interest. The Area of Mutual Interest is

121 square miles. During the year ended January 31, 2020 the Company completed all earn-in requirements earning a 65% working interest in the joint venture.

During the year ended January 31, 2021, the Company determined that its first well in the Mount Evans project has not performed as expected. In February 2021, the Company and its partner have elected to plug and abandon the second well, which commenced drilling in February 2021, at the Mount Evans project. The Company is evaluating the information to help decide what next steps, if any, will be undertaken at the Mount Evans project.

6. GOVERNMENT LOAN PAYABLE

In April 2020 the Company received a loan of $40,000 through the Canadian Emergency Business Account Program ("CEBA Loan"), which provides financial relief for Canadian small businesses during the COVID-19 pandemic. The CEBA Loan has an initial term date on December 31, 2022 (the "Initial Term Date") and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate being 0% per annum prior to the Initial Term Date and 5% per annum thereafter during any extended term, which is calculated daily and paid monthly. The CEBA Loan can be repaid at any time without penalty and, if at least 75% of the CEBA Loan is paid prior to the Initial Term Date, the remaining balance of the CEBA Loan will be forgiven. The Company expects to repay the CEBA Loan prior to the Initial Term Date and therefore has recorded a forgiveness of government loan for $10,000 during the three months ended April 30, 2021, reducing the outstanding balance to $30,000.

7. EQUITY INSTRUMENTS

(a) Share Capital

Shares issued during the three months ended April 30, 2021

On February 24, 2021, the Company closed a non-brokered private placement and issued 5,335,354 units for total gross proceeds of $373,475. Each unit consisted of one share and one share purchase warrant. Each full warrant is exercisable at a price of $0.10 with an expiry on the third anniversary of the date of closing of the transaction. The Company incurred finder's fees of $2,550 associated with the private placement. The Company also issued 36,428 broker warrants. Each warrant is exercisable at $0.10 per share until February 24, 2022. The fair value of these warrants was accounted for as a share issuance cost and has been determined to be $1,194 and was estimated using the Black Scholes Option Pricing Model with the following weighted average assumptions: risk free rate of 0.23%; expected term of 1 year; exercise price of $0.10 per share; volatility of 114%; and expected future dividends of $nil.

During the three months ended April 30, 2021, the Company issued 2,125,000 common shares pursuant to exercise of warrants for total gross proceeds of $127,500. A value of $114,022 was transferred from warrant reserve to share capital as a result. The weighted average share price at the dates the warrants were exercised was $0.08.

Shares issued during the year ended January 31, 2021

On June 17, 2020, the Company closed a non-brokered private placement and issued 4,257,500 units at $0.08 per unit for total gross proceeds of $340,600. Each unit consisted of one share and one share purchase warrant. Each full warrant is exercisable at a price of $0.12 with an expiry on the third anniversary of the date of closing of the transaction. The Company incurred finder's fees of $7,560 associated with the private placement. The Company also issued 94,500 broker warrants, each entitling the holder to subscribe for one common share at $0.10 per share until June 17, 2021. The fair value of these warrants was accounted for as a share issuance cost and has been determined to be $4,950 and was estimated using the Black-Scholes Option Pricing Model with the following weighted-average assumptions: risk free rate of 0.26%; expected term of 1 year; exercise price of $0.10 per share; volatility of 115%; and expected future dividends of $nil.

During the year ended January 31, 2021, the Company issued 1,555,000 common shares pursuant to exercise of warrants for total gross proceeds of $159,400. A value of $10,288 was transferred from warrant reserve to share capital as a result. The weighted average share price at the dates the warrants were exercised was $0.16.

(Expressed in Canadian Dollars)

(b) Stock option plan and stock-based compensation

The Company has a stock option plan to provide employees, directors, officers and others providing consulting services with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of an option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares.

The following table summarizes information concerning the Company's stock options outstanding:

	April 30, 2021		January 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	5,010,000	$ 0.22	5,010,000	$ 0.22
Options granted	2,100,000	0.10	-	-
Options outstanding, ending	7,110,000	$ 0.18	5,010,000	$ 0.22
Options exercisable, ending	7,110,000	$ 0.18	5,010,000	$ 0.22

Details of options outstanding as at April 30, 2021 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding
$0.13	0.30 years	100,000
$1.25	0.30 years	560,000
$0.10	1.12 years	500,000
$0.13	1.30 years	200,000
$0.07	1.87 years	2,350,000
$0.07	2.05 years	100,000
$0.06	2.47 years	200,000
$0.13	3.30 years	1,000,000
$0.10	4.85 years	2,100,000
$0.18	2.76 years	7,110,000

The grant date fair value of share purchase options granted during the three months ended April 30, 2021 has been estimated using the Black-Scholes Option Pricing Model with the following weighted-average assumptions: market value of underlying stock of $0.09; risk free rate of 0.74%; expected term of 5 years; exercise price of the option of $0.10 per share; volatility of 167%; and expected future dividends of nil, for a weighted average grant date fair value of $0.08 per option. These stock options vested upon grant.

During the three months ended April 30, 2021, share-based compensation of $176,941 was recognized (2020 – $177).

(Expressed in Canadian Dollars)

(c) Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the three months ended April 30, 2021 and the year ended January 31, 2021:

	April 30, 2021		**January 31, 2021**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning	13,488,875	$ 0.12	12,433,015	$ 0.16
Warrants issued	5,371,782	0.10	4,352,000	0.12
Warrants exercised	(2,125,000)	0.06	(1,555,000)	0.10
Warrants expired	(290,000)	0.06	(1,741,140)	0.40
Warrants outstanding, ending	16,445,657	$ 0.13	13,488,875	$ 0.12

At April 30, 2021, the following warrants were outstanding:

Exercise price	Number outstanding	Weighted average remaining contractual life (in years)
$0.10	94,500	0.13
$0.10	36,428	0.82
$0.15	6,721,875	1.27
$0.12	4,257,500	2.13
$0.10	5,335,354	2.82
	16,445,657	1.99

8. COMMITMENTS AND CONTINGENCIES

The Company was named as a defendant in a $3,414,000 lawsuit relating to seismic data which the litigant, Geophysical Services Inc., claims was disclosed by NWest Oil & Gas Inc. (“NWest”) to the Company when the Company acquired certain acreage from NWest in a prior year. Management believes the claim to be frivolous towards the Company and without merit. The Company has filed a Summary Dismissal Application with the Alberta Court. A date for hearing of this Application has not been set. No loss provision has been recorded.

9. RELATED PARTY TRANSACTIONS

Key management consists of the Company’s directors and officers. Details of key management compensation are as follows:

	April 30, 2021	April 30, 2020
Management salaries	**$ 11,580**	$ 18,522
Professional fees	**3,422**	-
Share-based compensation	**50,554**	-
	$ 65,556	$ 18,522

10. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of common shares outstanding during the period. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the three months ended April 30, 2021 and 2020, the inclusion of options and warrants in the calculation of diluted earnings per share would be anti-dilutive, and accordingly, were excluded from the diluted loss per share calculation.