NEW STRATUS ENERGY INC.
(formerly RED ROCK ENERGY INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

NEW STRATUS ENERGY INC.

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Independent Auditor's Report

To the Shareholders of New Stratus Energy Inc.

Opinion

We have audited the consolidated financial statements of New Stratus Energy Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $1,621,930 during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by $18,506,881. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is David Langlois.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
July 29, 2020

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in Canadian dollars)

As at March 31,	Note	2020	2019
ASSETS			
Current assets			
Cash		**$252,865**	$29,429
Other receivables		**24,969**	29,219
Prepaid expenses		**5,227**	2,300
		283,061	60,948
Non-current assets			
Restricted Cash	5	**-**	400,867
Deposits		**1,417**	-
Exploration and evaluation assets	6	**658,687**	-
		660,104	400,867
Total assets		**$943,165**	$461,815
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	7	**1,198,375**	1,269,415
Short term loan	8	**111,863**	400,890
Due to shareholders	9	**594,753**	668,150
		1,904,991	2,338,455
Total liabilities		**1,904,991**	2,338,455
Shareholders' equity (deficiency)			
Share capital	10	**16,220,361**	14,163,730
Warrants	10	**670,709**	398,265
Contributed surplus		**662,088**	657,055
Cumulative translation adjustment		**(8,103)**	4,636
Deficit		**(18,506,881)**	(17,100,326)
Total equity (deficiency)		**(961,826)**	(1,876,640)
Total liabilities and equity		**$943,165**	$461,815

Going concern (Note 1)
Contingencies (Note 16)
Subsequent events (Note 18)

Approved by the Board of Directors:

(Signed) Marino Ostos	*(Signed) Jose Francisco Arata*
Marino Ostos, Director	Jose Francisco Arata, Director

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in Canadian dollars)

For the years ended March 31,	Note	2020	2019
Expenses:			
General and administrative	11	**$ 1,203,760**	$ 2,292,206
Interest expense		**189,680**	3,449
Stock-based compensation	10	**5,033**	37,080
Foreign exchange loss		**67,165**	16,509
Gain on settlement of debt	10	**(59,083)**	-
Gain on disposition of assets	6	**-**	(501,160)
Total expenses		**$ 1,406,555**	$ 1,848,084
Net loss		**$ 1,406,555**	$ 1,848,084
Other comprehensive loss:			
Translation reserve		**(5,566)**	(5,361)
Comprehensive loss		**$1,400,989**	$1,842,723
Net loss per share			
Basic and diluted	12	**$0.04**	$0.05

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in Canadian dollars)

	Shares issued	Share capital	Warrants	Contributed surplus	Accumulated deficit	Cumulative translation reserve	Net Shareholders' Equity
As at March 31, 2018	**35,770,332**	**$ 14,163,730**	**$398,265**	**$ 619,975**	**$ (15,252,242)**	**$ (725)**	**$ (70,997)**
Issued options	-	-	-	37,080	-	-	37,080
Net loss for the period	-	-	-	-	(1,848,084)	-	(1,848,084)
Translation reserve	-	-	-	-	-	5,361	5,361
As at March 31, 2019	**35,770,332**	**14,163,730**	**398,265**	**657,055**	**(17,100,326)**	**4,636**	**(1,876,640)**
Issued options	-	-	-	5,033	-	-	5,033
Issued shares at $0.20	10,956,069	2,191,214	-	-	-	-	2,191,214
Shares issued for debt at $0.20	984,718	137,861	-	-	-	-	137,861
Compensation shares	269,280	53,856	-	-	-	-	53,856
Share issue cost	-	(53,856)	-	-	-	-	(53,856)
Issued warrants	-	(272,444)	272,444	-	-	-	-
Net loss for the period	-	-	-	-	(1,406,555)	-	(1,406,555)
Translation reserve	-	-	-	-	-	(5,566)	(5,566)
As at March 31, 2020	**47,980,399**	**$ 16,220,361**	**$670,709**	**$ 662,088**	**$ (18,506,881)**	**$ (930)**	**$ (954,653)**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Canadian dollars)

Years ended March 31,	Note	2020	2019
Operating activities			
Net loss		**$ (1,406,555)**	($1,848,084)
Adjustments:			
Stock based compensation	5	**5,033**	37,080
Gain on sale of assets		**-**	(501,160)
Gain on settlement of debt		**(59,083)**	-
Interest on shareholders loan		**44,751**	-
Share issue cost	10	**(53,856)**	-
Compensation shares issued		**53,856**	-
Issuance of shares on settlement of debt		**196,944**	-
Deposits and prepaid expenses		**(4,344)**	5,419
Other receivable		**4,250**	56,043
Accounts payable and accrued liabilities		**(71,039)**	1,050,162
		(1,290,043)	($1,200,540)
Investing activities			
Investment in exploration and evaluation assets		**(658,687)**	-
Financing activities			
Shareholders loan	9	**860,011**	-
Repayment of shareholders loan	9	**(1,087,442)**	-
Issue (repayment) in short term loan	8	**(289,027)**	1,069,040
Issuance of common shares and warrants	10	**2,191,214**	-
Reduction (investment) in restricted cash account		**400,867**	(400,867)
		2,075,623	668,173
Net increase (decrease) in cash		**126,893**	(532,367)
Impact of foreign exchange on foreign currency-denominated cash balances		**96,543**	(133)
Cash, beginning of the year		**29,429**	561,929
Cash, end of the year		**$ 252,865**	$ 29,429

See accompanying notes to the consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

New Stratus Energy Ltd. and its subsidiary ("the Company") are in the business of acquisition, exploration and development of properties for the purpose of producing oil and gas, principally in South America.

New Stratus Energy Inc. is a publicly traded company, incorporated and domiciled in Canada. Its registered office is located at 372 Bay Street, Suite 301, Toronto, ON. The Company was incorporated on April 12, 2005, pursuant to the Business Corporations Act (Alberta). The Company's principal assets are mineral properties located in Colombia.

At March 31, 2020, the Company had a working capital deficit of $1,621,930 (March 31, 2019 – $2,277,507) and an accumulated deficit of $18,506,881 (March 31, 2019 – $17,100,326). The Company's ability to continue its operations is dependent on the Company's success in developing its oil and gas interests, obtaining required funds to continue exploration activities and attaining profitable operations. The Company plans to meet its future expenditures and obligations by raising funds through a combination of private placements while controlling expenditures over the next twelve months.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. 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 ability to raise funds.

These consolidated financial statements (the "financial statements") have been prepared on the basis that the Company will be able to discharge its obligations and realize its assets in the normal course of business at the values at which they are carried in these financial statements, and that the Company will be able to continue its business activities. The ability of the Company to realize the costs it has incurred to date on these and other properties is dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing and attain profitable operations, or alternatively, upon the disposal of properties, or the Company's interests therein, on an advantageous basis. Management believes that steps being taken will enable the Company to obtain additional capital as its commitments become due. These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

The Board of Directors approved these financial statements for issuance on July 29, 2020.

NOTE 2 - BASIS OF PREPARATION

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS").

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

Functional and presentation currency:
These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Stock options and warrants:
The fair values of stock options and warrants are measured based on a Level 2 fair value measurement using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, forfeiture rate, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

Use of estimates and judgments:
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 4 - Determination of fair values;
- Note 6 - Exploration and evaluation assets;
- Note 10 - Share capital
- Note 17 - Income Taxes

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

Impairment indicators and calculation of impairment:
At each reporting date, the Company assesses whether or not there are circumstances that indicate a possibility that there are indicators of impairment in the exploration and evaluation assets. Such circumstances include incidents of physical damage, deterioration of commodity prices, changes in the regulatory environment, or increases in estimates of costs required to reach technical feasibility and related estimates of proved and probable reserves.

Stock-based Compensation:
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date they are granted. Estimating the fair value requires the determination of the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant. This also requires the determination of the most appropriate inputs to the valuation model including the expected life of the option, risk free interest rates, volatility and dividend yield.

Contingencies:
By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

Non-derivative financial instruments:
Non-derivative financial instruments are comprised of cash, other receivables, trade and other payables, term loan and due to shareholders. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

Financial assets at fair value through profit or loss
An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has classified cash as fair value through profit or loss.

Other
Other non-derivative financial instruments, such as other receivables, trade and other payables, short term loan and due to shareholders are measured at amortized cost using the effective interest method, less any impairment losses. Due to the short-term nature of other receivables and accounts payable, their carrying values approximate fair value.

Derivative financial instruments:
The Company has not entered into any financial derivative contracts.

Share capital:
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Exploration and evaluation assets:
Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the acquisition date fair value of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as exploration and evaluation ("E&E") assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statements of operations and comprehensive loss.

Acquisition costs, including general and administrative costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Where the Company's exploration commitments for an oil and gas property are performed under option agreements with a third party, the proceeds of option payments under such agreements are applied to the property to the extent costs are incurred. The excess, if any, is recorded to the statement of loss.

Impairment:
E&E assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further E&E activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in the taxation and regulatory environment; and
- Adverse changes in variations in commodity prices and markets.

Once the technical feasibility and commercial viability of the extraction of mineral resources and oil and gas properties in an area of interest are demonstrable, E&E assets attributable to that area of interest are first tested for impairment and then reclassified to oil and gas property and development assets within property and equipment. To date, none of the Company's oil and gas properties has demonstrated technical feasibility and commercial viability.

Recoverability of the carrying amount of any E&E assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Financial assets:
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between it carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the consolidated statements of operations and comprehensive loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the consolidated statements of operations and comprehensive loss.

Non-financial assets:
The carrying amounts of the Company's non-financial assets, other than E&E assets, are reviewed at each reporting date to

determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The Company does not have any other non-financial assets.

Stock based compensation:
As the fair value of the services rendered cannot be estimated reliably, the Black-Scholes option valuation model has been used to estimate the fair value of equity instruments granted. The grant date fair value of options granted to employees, warrants, and non-employees is recognized as compensation expense, within general and administrative expenses, with a corresponding increase in contributed surplus over the vesting period.

A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

Income tax:
Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Per share amounts
The Company presents basic and diluted earnings per share data for its common shares. Earnings per share are calculated by dividing the net earnings attributable to equity holders of the Company by the weighted average number of common shares outstanding.

Diluted earnings per share is determined by adjusting the net earnings attributable to equity holders of the Company and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. The calculation of diluted earnings per share assumes that outstanding options which are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share.

Segment reporting:
As at March 31, 2020, the Company operated in one reportable operating segment – the exploration and evaluation of oil and gas properties in Colombia.

New standards and interpretations not yet adopted:

Recent accounting pronouncements
The following are the IFRS pronouncements that have been issued and adopted by the Company during the year ended March 31, 2020. The adoption of these pronouncements did not have a material effect on the Company.

Adoption of new accounting policy – IFRS 16 Leases:

Effective April 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the comparative numbers for 2019 are not restated and the cumulative effect of applying IFRS 16 has been recorded on April 1, 2019 for any differences identified.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IAS 17 and requiring the recognition of a right-of-use asset (“ROU asset”) and a lease liability at the lease commencement for all leases, except for short-term leases (lease term of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measures at the present value of the future lease payment: (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the statement of operations and comprehensive loss: and (iii) separates the total amount of cash paid into a principal portion (presented in financing activities) and interest (presented in operating activities) in the statement of cash flows. For short-term leases and leases of low value assets, the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within general and administrative in the statement of operations and comprehensive loss. The Company has opted to use the following practical expedients available on transition to IFRS 16: (a) Measure the ROU assets equal to the lease liability calculated for each lease; (b) Apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively; and (c) Accounting for non-lease components and lease components as a single lease component. The implementation of this policy did not have any material impact in the Company’s financial records

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 was effective for the Company’s reporting period beginning on April 1, 2019 and its implementation had no material impact.

Future accounting pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

IAS 1 – Classification of Liabilities as Current or Non-current: In January 2020 the International Accounting Standards Board issued amendments to IAS 1 *Presentation of Financial Statements*, to clarify its requirements for the presentation of liabilities in the statement of financial position. The amendments are effective from annual reporting periods beginning on or after 1 January 2023. Earlier application of this January 2020 amendments continues to be permitted.

IAS 37 – In May 2020 the The International Accounting Standards Board (“IASB”) issued *Onerous Contracts Cost of Fulfilling a Contract*, which made amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. An Onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The IASB specifies in IAS 37 that, in assessing whether a contract is onerous, companies should include all costs that relate directly to the contract, not only the incremental costs. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

NOTE 4 – DETERMINATION OF FAIR VALUES

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

- Level 1 Fair Value Measurements – Level 1 fair value measurements are based on unadjusted quoted market prices.
- Level 2 Fair Value Measurements – Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.
- Level 3 Fair Value Measurements – Level 3 fair value measurements are based on unobservable information.

Cash, other receivables, deposits and trade and other payables:
The fair value of cash, other receivables, trade and other payables approximated their carrying value due to their liquidity and relatively short terms to maturity, respectively.

Stock options and warrants:
The fair values of stock options and warrants are measured based on a Level 2 fair value measurement using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, forfeiture rate, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

NOTE 5 – RESTRICTED CASH

Restricted Cash of $400,867 as of March 31, 2019, includes amounts received and held for commitments on exploration block VMM18 in Colombia.

On April 1, 2019, the restricted cash of $400,867 held at year end was delivered to the seller pursuant to the VMM18 farm-in agreement. There was no restricted cash as of March 31, 2020.

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

Block VMM-18:
On November 27, 2018 the Company entered into a farm-in agreement (the "Agreement") with Montajes JM ("JM") where NSE has the right to earn up to 100% interest in Montajes' 100% owe Block VMM-18 (the "Project"), located at Cuenca Valle Medio del Magdalena in Colombia. The Project encompasses the exploration and development of hydrocarbons in the above-mentioned area.

The Agreement contemplated the completion of Phase II by August 21, 2019, which has been deferred due to the delay on the granting of the environmental license by the ANH until August 21,2020. As a condition of the extension of the Agreement, NSE has committed to perform seismic reprocessing valued at USD $250,000 and drill an exploration well valued at USD $3 Million by August 21, 2020 as a work commitment under the contract.

As part of Phase II of the Project, NSE has agreed to finance the exploratory, including all decommissioning costs and payments due to the Colombian National Hydrocarbons Association ("ANH").

The initiation of exploratory well work is subject to the ANH's approval of the environmental license. Once the license is received from the ANH, NSE will become the operator and would have earned-up 100% interest in the Project.
As part of Phase II of the Project, NSE has agreed to fund all exploratory and development activities, including all decommissioning costs and payments due to the Colombian National Hydrocarbons Association ("ANH").

Phase II of the exploration program contemplates:
- The reprocessing of 963 kms. of two-dimensional seismic data;
- The reprocessing of 60 square kilometers of three-dimensional seismic data

- Drilling one exploratory well.

On June 26, 2020, the Company requested from the ANH a one-year time extension for its work commitments invoking Article 2 issued on April 7,2020 by the Colombian Government related to the state of emergency arising from the COVID 19 pandemic, which is currently being processed.

As part of the Agreement, once production starts, NSE will pay to JM a 5% royalty on production revenue after deducting government royalties, adjusted at wellhead.

JM has the option to repossess its interest in the Project, if NSE does not comply with its payments or work obligations, 30 days after issuing a default notice.

The Company has begun capitalizing costs that were directly attributable to the project effectively on April 1, 2019 and as of March 31, 2020, there are $658,687 (March 31, 2019 – nil) capitalized to the project.

Included in trade and other payable are $244,913 (USD$ 172,778) payable to the project operator as part of the funding obligation toward the VMM-18 program.

Uranium put and sale agreement:
On November 28, 2018 the Company exercised its option under its uranium put and sale agreement, originally signed on May 3, 2017, to divest all the Corporation's uranium assets in exchange for cancellation of outstanding debt in the aggregate amount of $1,879,439. The outstanding debt included the term loan of $1,304,050 and $575,389 of shareholder loans. The debt retirement generated a gain of $501,160 recorded in the income statement for fiscal year ended March 31, 2019.

NOTE 7 – TRADE AND OTHER PAYABLES

Trade and other payables include amounts due to related parties as further described in Note 14.

See also Note 6 "Block VMM-18".

NOTE 8 – SHORT TERM LOAN

On March 29, 2019 the Company secured a $400,890 (USD $300,000) loan from a non-arm's length lender. The proceeds of the loan were included as restricted cash as of March 31, 2019. The loan bears interest at 12% for the first 60 days and was due on April 29, 2019 and subject to accelerated maturity date to within 5 days of the release of funds to the Company from any private placement financing. In the event of non-payment of the principal and interest within the terms, the aggregate unpaid balance will accrue interest of 3% per month.

On January 30, 2020 NSE agreed to repay the original loan amount of USD $300,000 plus USD $30,378 of the $USD $108,000 interest accrued at that date. The parties then entered into a new loan agreement (the "New Loan") where the balance of the New Loan, being USD $77,622, carries an interest rate of 12% per year and matures one year from the time it is granted.

The loan is payable, at the option of the lender:

a) In cash;
b) Shares of NSE priced at the five days – weighted average market price of the shares;
c) A combination of (a) and (b) above.

At March 31, 2020 the balance outstanding on the New Loan, including accrued interest is $111,863 (USD $78,915).

NOTE 9 – DUE TO SHAREHOLDERS

During the year ended March 31, 2019, short term loans totaling $668,150 (USD $500,000) were received from a company controlled by directors and shareholders of the Company, bearing interest at 6% with USD $50,000 maturing August 14, 2019 and USD $450,000 due on December 5, 2019.

(in Canadian dollars except as otherwise noted)

On November 2019, directors of the Company advanced USD $450,000 to NSE to satisfy the above-mentioned loan. In addition to this advance, directors of the Company had made additional cash advances to NSE to cover operating expenses while awaiting the closing of a private placement financing that closed on January 29, 2020. The advances carry an annual interest rate of 6% and have no terms of repayment.

The following schedule summarizes the transactions between directors and the Corporation during fiscal 2020:

Years ended March 31,	2020		2019	
	CAD$	US$	CAD$	US$
Balance at March 31, 2019	$668,150	$500,000	$ -	$ -
Interest accrued	44,751	33,586	-	-
Other advances granted to the Corporation	860,011	707,516	657,182	500,000
Repayment of loan from a company controled by shareholders	($668,150)	($500,000)	- -	- -
Repayment of advances from directors	(419,292)	(321,523)	-	-
Foreign exchange	109,283	-	10,968	-
Balance at March 31, 2020	**$594,753**	**$419,579**	$668,150	$500,000

NOTE 10 – SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Issued and Outstanding

	Number	Amount
Balance at March 31, 2018 and 2019	35,770,332	$14,163,730
Shares issued upon conversion of debt	984,718	137,861
Shares issued on private placement	10,956,069	2,191,214
Compensation shares issued	269,280	53,856
Value allocated to warrants		(272,444)
Share issue cost		(53,856)
Balance March 31, 2020	**47,980,399**	**$16,220,361**

Private Placement:
On January 29, 2020, the Corporation completed a non-brokered private placement of 10,956,069 units (“Units”) at a price of $0.20 per Unit for gross proceeds of $2,191,214 (the “Offering”). Each Unit issued pursuant to the Offering was comprised of one Common Share and one warrant, with each warrant entitling the holder to acquire one Common Share at a price of $0.30 per Common Share until January 29, 2022. Finders acting in connection with the Offering received finder’s fees in the aggregate amount of $53,856, which were paid in Common Shares at a price of $0.20 per Common Share for an aggregate of 269,280 Common Shares.

Debt settlement agreements:
On February 18, 2020 the Company announced that it has entered into debt settlement agreements with certain creditors who have provided services to the Corporation. Pursuant to these agreements the Corporation issued an aggregate of 984,718 common shares (“Common Shares”) in the capital of the Corporation valued at $137,861 to settle $196,944 of outstanding debt (collectively, the “Shares for Debt Transactions”). Each of the creditors are arm’s length parties who have provided consulting services to the Corporation. The valuation was based on the fair value of the shares issued. As a result, the Company recorded a gain on settlement of debt of $59,083. All securities issued pursuant to the Shares for Debt Transactions will be subject to a hold period of four months and one day from the date of issuance, in accordance with applicable securities legislation.

(in Canadian dollars except as otherwise noted)

Warrants:
On May 3, 2017, the Company issued 10,000,000 units to certain directors and key management personnel at a discount to the fair market value of $0.08 per share, each unit consisted of one common share and one common share purchase warrant. The amount of $500,000 was recognized as share-based compensation in relation to the private placement. The warrants were valued based upon assumptions including stock volatility, a risk-free interest rate, an expected dividend rate and expected life of the warrants. The warrants originally expired on May 3, 2018. Upon approval to extend the warrant expiry to May 3, 2020, an additional 184,413 was recognized as share-based compensation in relation to the extension.

The Company uses a Black-Scholes valuation methodology to value the warrants at the date of issuance for accounting purposes. The significant inputs into the model were share price of $0.10, exercise price of $0.10, volatility of 53%, dividend yield of 0%, an expected warrant life of one year and an annual risk-free interest rate of 1.08%. Volatility was estimated based on average volatility of a sample of peer companies with public pricing data available.

As part of the January 29, 2020, financing the Company issued 10,956,069 warrants valued at $272,444. Each warrant, will entitle the holder to purchase one common share at an exercise price of $0.30 until the second anniversary of the issuance of the warrant. The Company uses a Black-Scholes valuation methodology to value the warrants at the date of issuance for accounting purposes. The significant inputs into the model were share price of $0.14, exercise price of $0.30, volatility of 70%, dividend yield of 0%, an expected warrant life of two year and an annual risk-free interest rate of 1.47%. Volatility was estimated based on average volatility of a sample of peer companies with public pricing data available.

The following schedule describes the warrants transactions since March 31, 2018:

	Expiry date	Exercise price	Number of warrants	Amount
Balance at March 31, 2018	May 3, 2020	0.10	10,000,000	$ 213,852
Value adjustment due to extention			-	184,413
Balance at March 31, 2019			10,000,000	398,265
Issued on private placement	January 29, 2022	0.30	10,956,069	272,444
Balance at March 31, 2020		**$ 0.20**	**20,956,069**	**$ 670,709**

See also Subsequent Event – Note 18(a), for extension of certain warrants subsequent to year end.

Stock Options:
The Company has a stock option plan for employees, officers, directors and consultants. The Company calculates stock option expense using graded vesting. Stock options typically vest over a two-year period and expire five years from the date of grant. The determination of fair value for recording stock option expense is based upon assumptions including stock volatility, a risk-free interest rate, an expected dividend rate and expected life of the options. The Company uses a Black-Scholes valuation methodology to value the stock options at the date of award for accounting purposes. The maximum number of stock options reserved for issuance under the plan may not exceed 10 percent of the number of common shares issued and outstanding.

As at March 31, 2020 the Company has 3,500,000 stock options are outstanding or 7.3 percent of the number of common shares outstanding.

The weighted average fair value of options, granted on June 7, 2017, was determined using the Black-Scholes valuation model was $0.0463 per option. The significant inputs into the model were share price of $0.10 at the grant date, exercise price of $0.10, volatility of 53%, dividend yield of 0%, an expected option life of five years and an annual risk-free interest rate of 1.08%. Volatility was estimated based on average volatility of a sample of peer companies with public pricing data available.

The number and weighted-average exercise prices of stock options were as follows:

	Number	Weighted-Average Exercise Price
Balance at March 31, 2017	-	$ -
Granted on June 7, 2017	3,500,000	0.10
Balance at March 31, 2018, 2019 & 2020	**3,500,000**	**$ 0.10**

(in Canadian dollars except as otherwise noted)

Information with respect to stock options outstanding at March 31, 2020 is presented below.

Stock Options Outstanding				Stock Options Exercisable	
Exercise Prices	Number of Stock Options	Remaining contractual life Yrs.	Weighted-Average Exercise Price	Number of Stock Options	Weighted-Average Exercise Price
$0.10	3,500,000	2.2	0.1	3,500,000	0.1
	3,500,000	**2.2**	**0.1**	**3,500,000**	**0.1**

Stock-based compensation of $5,033 was expensed during the year ended March 31, 2020 (March 31, 2019 – $37,080).

See also Subsequent Events - Note 18(b) for options granted subsequent to year end.

NOTE 11 – GENERAL AND ADMINISTRATION

The following schedule describes the general and administrative expenses incurred during the years ended March 31, 2020 and 2019:

	2020	2019
Insurances	**$ 9,338**	$ 16,049
Legal and accounting	**424,642**	957,878
Management fees	**128,051**	210,000
Professional fees	**479,630**	757,692
Office and administration	**118,069**	324,147
Shareholders information and investor relations	**44,030**	26,439
	$ 1,203,760	$ 2,292,206

NOTE 12 – NET LOSS PER SHARE

Basic and diluted net loss per share is calculated as follows:

Years ended March 31,	2020	2019
Net loss	$ 1,406,555	$ 1,848,084
Weighted-average common share adjustments:		
Weighted-average common shares outstanding, basic	37,754,960	35,770,332
Effect of stock options	-	-
Weighted-average common shares outstanding, diluted	37,754,960	35,770,332
Basic and diluted net loss per share	$ 0.04	$ 0.05

For the years ended March 31, 2020 and 2019, stock options and warrants were anti-dilutive due to the net loss.

NOTE 13 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

The carrying values and respective fair values of cash, other receivables and trade and other payables approximate their fair values at March 31, 2020, given the short-term nature of these financial instruments.

The Company classifies the fair value of financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either

directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments have been assessed on the fair value hierarchy described above. Cash is classified as Level 1. There has been no reclassification of financial instruments into or out of each fair value hierarchy during the twelve months ended March 31, 2020. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement within the fair value hierarchy level.

Market Risk

Market risk is the risk that changes in market factors, such as commodity prices and foreign exchange rates will affect the Company's cash flows, profit or loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and maximize returns.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for crude oil is impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk through the use of financial derivatives. The Company had no commodity contracts in place during the twelve months ended March 31, 2020.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain expenditures are denominated in Colombian pesos and US dollars. As at March 31, 2020, the Colombian peso to the Canadian dollar exchange rate was 2883:1 (March 31, 2019 – 2389:1) and the United States dollar to Canadian dollar exchange rate was 0.7054:1 (March 31, 2019 – 0.7483:1). Cash held in US dollars at March 31, 2020 was USD $133,529 and a change of 1% in the exchange rate would have impacted the Canadian dollar equivalent by +/- CAD $1,913. The Company had no forward exchange rate contracts in place as at or during the twelve months ended March 31, 2020.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives. As described in Note 1 the Company does not have profitable operations and will need to raise capital to fund commitments.

NOTE 14 – RELATED PARTY TRANSACTIONS

In addition to the transactions with shareholders described under Note 9, the following transactions arise during the fiscal years ended March 31, 2020 and 2019 with directors and shareholders:

A company controlled by an officer and director of the Company provided financial management services to the Company. During the years ended March 31, 2020 fees and disbursements incurred for amounts due to this officer totaled $54,375 (2019 – $90,000). As of March 31, 2020, $Nil (2019 – $52,500) is outstanding in accounts payable.

A company controlled by a shareholder and director provides CEO services to the Company. During the years ended March 31, 2020 and 2019 fees and disbursements incurred for amounts due to this director totaled $60,000 (2019 – $120,000). As of March 31, 2020, $Nil (2019 – $70,000) is outstanding in accounts payable under this service agreement.

Due to shareholders includes $116,385 (2019 – $93,467) due to directors of the company for incurred business development and related travel expenses.

Key management personnel were compensated as follows: The Company's key management personnel include its directors and officers.

(in Canadian dollars except as otherwise noted)

Years ended March 31,	2020	2019
Management fees	$ 114,375	$ 210,000
Share based payments	-	37,080
Total	**$ 114,375**	$ 247,080

All of the above transactions are in the normal course of operations and are measured at fair value which is the price agreed to by the related parties.

NOTE 15 – CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, warrants, contributed surplus and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended March 31, 2020.

NOTE 16 – CONTINGENCIES

Pursuant to the terms of the agreement executed in respect of the VMM-18 E&P contract, New Stratus should fund an exploration commitment for the second phase of the VMM 18 E&P Contract. As per the contract and a recent extension by ANH, NSE has to perform seismic reprocessing valued at USD $250,000 and drill an exploration well valued at USD $3 Million by August 21, 2020 as a work commitment under the contract (see Note 6).

As part of Phase II of the Project, NSE has agreed to finance the exploratory, including all decommissioning costs and payments due to the Colombian National Hydrocarbons Association ("ANH").

On October 8, 2019, the Company received an invoice related to the year ended March 31, 2019 from a service provider in the amount of USD $800,000. The invoice is not substantiated under the terms of the contracts with the service provider, and the Company has requested supporting documentation, which has not been provided. The Company has not adjusted the consolidated statements of operations and comprehensive loss, financial position, cash flows and changes in equity as a result of this invoice.

NOTE 17 – INCOME TAXES

The estimated taxable loss for the year ended March 31, 2020 is $ 1,406,555 (2019: $1,811,520). The tax benefit of tax pools in excess of carrying values has not been recognized to the extent of the future tax renounced for the flow-through shares issued in fiscal 2006, fiscal 2008, fiscal 2009, fiscal 2010 and fiscal 2012. It cannot be reasonably estimated at this time, if it is more likely than not that the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities.

(in Canadian dollars except as otherwise noted)

Years ending March 31,	2020	2019
Loss before provision for current income taxes	**$1,406,555**	$1,811,520
Expected income tax recovery at Canadian statutory income tax rates - 27 % (2018 - 27 %)	**379,770**	489,110
Stock based compensation	**(1,359)**	(10,012)
Gain (Loss) on sale of assets	**-**	135,313
Gain on debt settlement	**(15,952)**	0
Actual income tax recovery (expense)	**362,459**	614,411
Change in Unrecognized Deferred Income Tax Asset	**(362,459)**	(614,411)
Recovery of income taxes	**$ -**	$ -

Years ending March 31,	2020	2019
Non-capital losses	1,657,058	1,630,635
Equipment & Mineral and Oil and gas properties	883,960	1,061,806
Future income tax (liability) asset before valuation allow ance	2,594,875	2,692,441
Unrecognized Deferred Income Tax Asset	(2,594,875)	(2,692,441)
Net future income tax liability	$ -	$ -

Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by a valuation allowance. The estimated valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some portion of or all of the future tax assets or future tax liabilities will be realized

The following table reconciles the income tax recovery at the Canadian statutory income tax rate of 27% (2019 – 27%) to the amounts recognized in the statement of loss:

At March 31, 2020, the Company had non-capital losses in Canada of approximately $6,137,253 ($6,039,389 – March 31, 2019) which are available under certain circumstances to reduce future taxable income. These losses expire between 2026 and 2038.

NOTE 18 – SUBSEQUENT EVENTS

a) On April 22, 2020 the Company announced that it has applied to the TSX Venture Exchange (“TSXV”) for an extension of the expiry date of 10,000,000 common share purchase warrants (the “Warrants”) exercisable at $0.10 and issued on May 3, 2017. The application seeks TSXV approval of the extension of the expiry date from May 3, 2020 to May 3, 2022.

b) On July 7, 2020 the Company granted an aggregate of 800,000 incentive stock options to consultants of the Company, pursuant to the Company’s Plan. The options vested on granting and are exercisable at $0.05 for a five-years period. The fair value of each option was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%, expected volatility of 70%; risk-free interest rate of 0.43%; and an expected average life of 5 years. The fair value of all these options was estimated at $22,832 and are subject to regulatory approval.