Eco (Atlantic) Oil & Gas Ltd.

Consolidated Financial Statements
(in US Dollars)

March 31, 2021 and 2020

Eco (Atlantic) Oil & Gas Ltd.
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Independent Auditor's Report

To the Shareholders of Eco (Atlantic) Oil & Gas Ltd.:

Opinion

We have audited the consolidated financial statements of Eco (Atlantic) Oil & Gas Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2021, March 31, 2020, and April 1, 2019, and the consolidated statements of operations and comprehensive profit and loss, changes in equity, and cash flows for the years ended March 31, 2021 and March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2021, March 31, 2020, and April 1, 2019 and its consolidated financial performance and its consolidated cash flows for the years ended March 31, 2021 and March 31, 2020, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter - Restated Comparative Information

We draw attention to Notes 3 and 21 to the consolidated financial statements which explains that the Company changed its presentation currency and certain comparative information presented:

- As at and for the year ended March 31, 2020 has been restated.
- As at April 1, 2019 has been derived from the consolidated statement of financial position as at March 31, 2019 (not presented herein).

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits 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. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

July 29, 2021 — Licensed Public Accountants

MNP

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Financial Position
As at March 31, 2021 and 2020 and April 1, 2019
(Expressed in US Dollars)

	March 31, 2021	March 31, 2020 (Note 21)	April 1, 2019 (Note 21)
Assets			
Current assets			
Cash and cash equivalents	**$ 11,807,309**	$ 18,667,016	$ 18,750,453
Short-term investments *(Note 5)*	**1,552,640**	52,737	56,098
Government receivable	**22,697**	19,276	24,821
Amounts owing by license partners, net	**193,655**	45,596	-
Accounts receivable and prepaid expenses (Note 6)	**46,480**	46,262	60,678
	13,622,781	18,830,887	18,892,050
Renewable energy licenses (Note 7)	**1,411,186**	-	-
Right of use assets *(Note 8)*	**332,495**	-	-
Security deposit (*Note 4*)	**490,455**	-	-
Petroleum and natural gas licenses *(Note 9)*	**1,072,260**	1,117,171	1,117,171
Total Assets	**$ 16,929,177**	$ 19,948,058	$ 20,009,221
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities *(Note 10)*	**$ 501,022**	$ 350,242	$ 317,548
Advances from and amounts owing to license partners, net	**97,153**	-	845,524
Short-term portion of lease liability (*Note 11)*	**22,987**	-	-
Total Liabilities	**621,162**	350,242	1,163,072
Long term liabilities			
Lease liability *(Note 11)*	**325,917**	-	-
	947,079	350,242	1,163,072
Equity			
Share capital *(Note 12)*	**59,099,725**	59,099,725	37,509,183
Restricted Share Units reserve	**267,669**	267,669	83,597
Warrants *(Note 13)*	**-**	53,026	39,570
Stock options *(Note 14)*	**2,675,724**	2,542,824	2,387,837
Foreign currency translation reserve	**(1,198,097)**	(1,117,859)	-
Non-controlling interest	**(48,674)**	-	-
Accumulated deficit	**(44,814,249)**	(41,247,569)	(21,174,038)
Total Equity	**15,982,098**	19,597,816	18,846,149
Total Liabilities and Equity	**$ 16,929,177**	$ 19,948,058	$ 20,009,221

Basis of Preparation *(Note 2)*
Commitments *(Notes 18)*
Events After the Reporting Period *(Note 23)*

Approved by the Board of Directors of the Company ("Board")

"Gil Holzman"
Director

"Gadi Levin"
Director

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

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Operations and Comprehensive Profit and Loss
For the years ended March 31, 2021 and 2020
(Expressed in US Dollars)

	Year ended March 31, 2021	Year ended March 31, 2020 (Note 21)
Revenue		
Interest income	**$ 47,097**	$ 378,194
	47,097	378,194
Operating expenses:		
Compensation costs	**712,667**	863,683
Professional fees	**501,349**	503,275
Operating costs *(Note 19)*	**1,706,522**	12,731,068
General and administrative costs *(Note 20)*	**648,749**	1,402,502
Share-based compensation *(Note 14(iii))*	**144,327**	5,740,319
Interest expense	**2,275**	-
Foreign exchange gain (loss)	**11,015**	(789,122)
Total expenses	**3,726,904**	20,451,725
Net loss for the year	**$ (3,679,807)**	$ (20,073,531)
Foreign currency translation adjustment	**(80,238)**	(1,117,859)
Comprehensive loss for the year	**$ (3,760,045)**	$ (21,191,390)
Net loss for the year attributed to:		
Equity holders of the parent	**$ (3,631,133)**	$ (20,073,531)
Non-controlling interests	**(48,674)**	-
	$ (3,679,807)	$ (20,073,531)
Basic and diluted net loss per share attributable to equity holders of the parent	**$ (0.02)**	$ (0.11)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	**184,697,723**	182,829,288

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

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Changes in Equity
For the years ended March 31, 2021 and 2020
(Expressed in US Dollars)

	Number of Shares	Capital $	Restricted Share Units $	Warrant Reserve $	Stock Options $	Deficit $	Foreign Currency Translation Reserve $	Non-controlling Interest $	Total Equity (Note 21) $
Balance, March 31, 2019	**164,375,530**	**$ 37,509,183**	**$ 83,597**	**$ 39,570**	**$ 2,387,837**	**$ (21,174,038)**	**$ -**	**$ -**	**$ 18,846,149**
Issuance of shares	**16,159,695**	15,935,765	-	-	-	-	-	-	15,935,765
Issuance of shares from RSU's	**2,900,000**	5,338,092	184,072	-	-	-	-	-	5,522,164
Issuance of warrants	-	-	-	52,802	-	-	-	-	52,802
Excerise of warrants	**592,498**	159,958	-	(39,346)	-	-	-	-	120,612
Issuance of options	-	-	-	-	52,093	-	-	-	52,093
Exercise of stock options	**420,000**	126,300	-	-	(32,741)	-	-	-	93,559
Exercise of stock options	**250,000**	30,427	-	-	(30,427)	-	-	-	-
Stock options expensed	-	-	-	-	166,062	-	-	-	166,062
FCTR Foreign currency translation	-	-	-	-	-	-	(1,117,859)	-	(1,117,859)
Net loss for the year	-	-	-	-	-	(20,073,531)	-	-	(20,073,531)
Balance, March 31, 2020	**184,697,723**	**59,099,725**	**267,669**	**53,026**	**2,542,824**	**(41,247,569)**	**(1,117,859)**	**-**	**19,597,816**
Expiration of warrants *(Note 13(i))*	-	-	-	(53,026)	-	53,026	-	-	-
Expiration of options *(Note 14(ii))*	-	-	-	-	(11,427)	11,427	-	-	-
Stock options expensed *(Note 14(iii))*	-	-	-	-	144,327	-	-	-	144,327
Net loss for the year	-	-	-	-	-	(3,631,133)	-	(48,674)	(3,679,807)
FCTR Foreign currency translation	-	-	-	-	-	-	(80,238)	-	(80,238)
Balance, March 31, 2021	**184,697,723**	**$ 59,099,725**	**$ 267,669**	**$ -**	**$ 2,675,724**	**$ (44,814,249)**	**$ (1,198,097)**	**$ (48,674)**	**$ 15,982,098**

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

Eco (Atlantic) Oil & Gas Ltd.
Consolidated Statements of Cash Flows
For the years ended March 31, 2021 and 2020
(Expressed in US Dollars)

	Year ended March 31, 2021	Year ended March 31, 2020 (Note 21)
Cash flow from operating activities		
Net loss from operations	**$ (3,679,807)**	$ (20,073,531)
Items not affecting cash:		
Share-based compensation	**144,327**	5,740,319
Depreciation and amortization	**24,204**	-
Accrued interest	**2,672**	-
Changes in non-cash working capital:		
Government receivable	**13,518**	4,326
Accounts payable and accrued liabilities	**41,583**	107,947
Accounts receivable and prepaid expenses	**(218)**	11,492
Advance from and amounts owing to license partners	**(50,906)**	(948,784)
	(3,504,627)	(15,158,231)
Cash flow from investing activities		
Security deposit	**(490,455)**	-
Acquisition of Liversol and Ponsol	**(1,318,931)**	-
Short-term investments	**(1,499,903)**	-
	(3,309,289)	-
Cash flow from financing activities		
Net proceeds from Private Placement	-	15,935,765
Proceeds from the exercise of stock options	-	93,559
Proceeds from the exercise of warrants	-	120,612
	-	16,149,936
Increase (decrease) in cash and cash equivalents	**(6,813,916)**	991,705
Foreign exchange differences	**(45,791)**	(1,075,142)
Cash and cash equivalents, beginning of year	**18,667,016**	18,750,453
Cash and cash equivalents, end of year	**$ 11,807,309**	$ 18,667,016

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

1. Nature of Operations

The Company's primary business is to identify, acquire, explore, and develop petroleum, natural gas, and shale gas properties. The Company primarily operates in the Co-Operative Republic of Guyana ("Guyana") and the Republic of Namibia ("Namibia"). The head office of the Company is located at 7 Coulson Avenue, Toronto, ON, Canada, M4V 143.

On January 26, 2021, the Company announced the formation of a new company to source, acquire, and develop an exclusive pipeline of potential high yield solar energy projects. To give effect to the new venture, the Company's existing subsidiary Eco (BVI) Oil and Gas Ltd, has been renamed Solear Ltd. ("Solear") in which the Company now owns 70% of the outstanding shares and Nepcoe Capital Partners ("Nepcoe") owns 30% of the outstanding shares. Solear completed its first acquisition of a fully contracted, permitted, and build ready project in Greece, known as the Kozani Project (see note 7).

The Company has agreed to provide a secured loan of up to $6 million to Solear (the "Loan"). The Loan will bear 2% annual interest, which will accrue and is expected to be payable from the proceeds of either a public or private financing, through operating cash flow, or a project monetization event. The Board of Directors (the "Board") of the Company will assess the ability for shareholders to participate directly in the financing of Solear when it seeks to raise the necessary funds for capturing more project opportunities and / or the construction of the projects within its pipeline, for which a number of options are being actively considered.

As used herein, the term "Company" means individually and collectively, as the context may require, Eco (Atlantic) Oil and Gas Ltd. and its subsidiaries.

These consolidated financial statements were approved by the Board of Directors of the Company on July 29, 2021.

2. Basis of Preparation

The consolidated financial statements of the Company have been prepared on a historical cost basis with the exception of certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. Summary of Significant Accounting Policies

Statement of compliance

The Company applies International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 31, 2021.

The significant accounting policies followed by the Company are summarized as follows:

3. Summary of Significant Accounting Policies (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries, as follows:

Subsidiary	Proportionate Ownership
Eco (Barbados) Oil & Gas Holdings Ltd. ("EBARB")	100%
Eco Guyana Oil & Gas (Barbados) Ltd	100%
Eco (Atlantic) Guyana Inc. ("Eco Guyana")	100%
Eco (Atlantic) Guyana Offshore Inc.	100%
Eco Namibia Oil & Gas (Barbados) Ltd. ("ENBARB")	100%
Eco Oil and Gas (Namibia) (Pty) Ltd. ("EOGN")	100%
Eco Oil and Gas Services (Pty) Ltd. ("EOGS")	100%
Eco Atlantic Holdings Ltd.	100%
Pan African Oil Namibia Holdings (Pty) Ltd. ("PAONH")	100%
Pan African Oil Namibia (Pty) Ltd. ("PAON")	100%
Solear Ltd. (formerly Eco (BVI) Oil and Gas Ltd) ("Solear")	70%
AA Energy Factory Ltd ("AA Energy") (100% owned by Solear Ltd)	70%
AFOI IOAKEIMIDI IKE ("Liversol") (100% owned by AA Energy)	70%
Scrantix Ltd ("Scrantix") (100% owned and held in trust by Nepcoe on behalf of Solear)	70%
XIOAKEIMIDIS-K.XATZI Ltd ("Ponsol") (100% owned by Scrantix Ltd.)	70%

Foreign currencies

These consolidated financial statements are presented in US dollars. In previous years, the Company reported in Canadian Dollars. The comparative periods in these consolidated financial statements have been restated to be presented in US dollars (see Note 21).

The functional currency of the Company and its subsidiaries was Canadian dollars for the year ended March 31, 2020 and was changed prospectively to US dollars commencing April 1, 2020. Additionally, the functional currency of certain subsidiaries is the European euro.

Translation gains or losses resulting from the translation of the financial statements from the functional currency to the presentation currency US dollars for presentation purposes are recorded as a foreign currency translation reserve in the Statement of Changes in Equity.

Within each entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the end of each reporting period at the period-end exchange rate. Exchange gains and losses on the settlement of transactions and the translation of monetary assets and liabilities to the functional currency are recorded in profit or loss.

3. Summary of Significant Accounting Policies (continued)

Financial instruments

Classification

The following table shows the classification of financial instruments under IFRS 9:

Financial asset/liability	**Classification**
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Amounts owing by license partners	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Amounts owing to license partners	Amortized cost

The Company determines the classification of financial instruments at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as fair value through profit and loss ("FVTPL"). For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at fair value through other comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities:

i) Financial instruments carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statements of net income (loss) in the period in which they arise. Where the Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

ii) For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at fair value through other comprehensive income ("FVTOCI").

iii) Financial instruments carried at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

(Expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

		March 31, 2021		March 31, 2020	
	Fair Value Input Level	Carry Amount	Estimated Fair Value	Carry Amount	Estimated Fair Value
Cash and cash equivalents	1	$ 11,807,309	$ 11,807,309	$ 18,667,016	$ 18,667,016
Amounts owing by license partners, net	1	$ 193,655	$ 193,655	$ 45,596	$ 45,596
Advances from and amounts owing to license partners, net	1	$ 97,153	$ 97,153	$ -	$ -
Short-term investments	1	$ 1,552,640	$ 1,552,640	$ 1,552,640	$ 1,552,640
Short-term portion of lease liability	2	$ 22,987	$ 22,987	$ -	$ -
Lease liability	2	$ 325,917	$ 325,917	$ -	$ -

Exploration and evaluation assets and expenditures

i) Expenditures

For oil and gas prospects not commercially viable and financially feasible, the Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities. Exploration and evaluation expenditures are capitalized only when associated with a business combination or asset acquisition or the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit.

ii) Depletion and depreciation

Capitalized costs related to each cost center from which there is production which will be depleted using the unit-of-production method based on proven petroleum and natural gas reserves, as determined by independent consulting engineers.

3. Summary of Significant Accounting Policies (continued)

Exploration and evaluation assets and expenditures (continued)

iii) Farm-out arrangements

The Company, as farmor, accounts for the farm-out arrangements as follows; the farmor does not record any expenditure made by the farmee on its behalf, and recognizes expenditures which the Company incurs under farm- out arrangements in respect of its own interest when such costs are incurred. Any cash consideration received as reimbursements of expenditures incurred in prior years is recorded as income from farm- out agreements in profit or loss. Any cash consideration received as reimbursements of expenditures incurred in the current year is offset against related expenditures in operating costs and general and administrative costs in profit or loss. Any cash consideration received in advance of underlying expenditures is capitalized to advance from license partners until the applicable expenditures have been incurred, at which point the recovery is transferred to income from farm-out agreements in profit or loss. Any cash received without an underlying commitment to incur expenditures is recorded as income from farm-out agreements in profit or loss.

iv) Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives, to determine whether there are facts and circumstances which suggest that the carrying amount exceeds the recoverable amount. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value, less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

v) Asset retirement obligations

Asset retirement obligations are measured at the present value of the expenditure expected to be incurred using a risk-free discount rate. The associated asset retirement cost is capitalized as part of the cost of the related long-lived asset. Changes in the estimated obligation resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognized as a change in the asset retirement obligation and the related asset retirement cost. Increases in asset retirement obligations resulting from the passage of time are recorded as accretion of asset retirement obligation in the consolidated statement of operations as a financial cost. Actual expenditures incurred are charged against the accumulated asset retirement obligation as incurred.

The Company currently does not have any asset retirement obligations.

Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, excluding capitalized development costs, are recognized in profit or loss when incurred.

Intangible assets with finite useful lives are amortized over their useful lives and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

3. Summary of Significant Accounting Policies (continued)

Intangible assets (continued)

Intangible assets with indefinite useful lives are not systematically amortized and are tested for impairment annually, or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite life is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortized systematically over its useful life.

The useful lives, amortization method, and in-house development or purchases of intangible assets are as follows:

Permits for Solar Projects

Useful life	23 years
Amortization method	Straight-line
In-house development or purchased	Purchased

Impairment of non-financial assets

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash generating unit (“CGU”) to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they related to items recognized in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

3. Summary of Significant Accounting Policies (continued)

Income taxes (continued)

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Revenue recognition

Revenue is recognized based on the five-step model outlined in IFRS 15, Revenue from Contracts with Customers.

Income from farmout agreements is described above.

Revenue from the sale of petroleum and natural gas will be recognized when the risks and rewards of ownership pass to the purchaser, including delivery of the product, the selling price is fixed or determinable and collection is reasonably assured. Oil and natural gas royalty revenue is recognized when received.

Loss per share

Basic loss per share is computed based on the weighted average number of common shares outstanding during the year. In calculating the loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the year. Stock options, warrants, and restricted share units are excluded from the loss per share calculation if their impact is anti-dilutive.

Leases

The Company accounts for a contract as a lease when the contract terms convey the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases in which the Company is the lessee, the Company recognizes, on the commencement date of the lease, a right-of-use asset and a lease liability, excluding leases whose term is up to 12 months and leases for which the underlying asset is of low value. For these excluded leases, the Company has elected to recognize the lease payments as an expense in profit or loss on a straight-line basis over the lease term.

Leases which entitle employees to a company car as part of their employment terms are accounted for as employee benefits in accordance with the provisions of IAS 19 and not as subleases.

On the commencement date, the lease liability includes all unpaid lease payments discounted at the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Company’s incremental borrowing rate. After the commencement date, the Company measures the lease liability using the effective interest rate method.

3. Summary of Significant Accounting Policies (continued)

Leases (continued)

On the commencement date, the right-of-use asset is recognized in an amount equal to the lease liability plus lease payments already made on or before the commencement date and initial direct costs incurred. The right-of-use asset is measured applying the cost model and depreciated over the shorter of its useful life and the lease term.

The Company tests for impairment of the right-of-use asset whenever there are indications of impairment pursuant to the provisions of IAS 36.

Segment reporting

An operating segment is a component of the Company that meets the following three criteria:

i) Is engaged in business activities from which it may earn revenues and incur expenses;

ii) Whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about allocated resources to the segment and assess its performance; and

iii) For which separate financial information is available.

Segment revenue and segment costs include items that are attributable to the relevant segments and items that can be allocated to segments. Items that cannot be allocated to segments include the Company's financial income and expenses and income tax.

Significant accounting judgments and estimates

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, the reported amounts of revenues and expenses and to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties, considered by management.

i) Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset’s recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

ii) Stock Based Compensation

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense. The recognized costs are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

3. Summary of Significant Accounting Policies (continued)

Significant accounting judgments and estimates (continued)

iii) Income Taxes

At the end of each reporting period, the Company assesses whether the realization of deferred tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgment on the part of management with respect to, among other things, benefits that could be realized from available income tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available income tax strategies are lowered, or if changes in current income tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize deferred tax benefits.

The Company's effective income tax rate can vary significantly quarter-to-quarter for various reasons, including the mix and volume of business in lower income tax jurisdictions and in jurisdictions for which no deferred income tax assets have been recognized because management believed it was not probable that future taxable profit would be available against which income tax losses and deductible temporary differences could be utilized. The Company's effective income tax rate can also vary due to the impact of foreign exchange fluctuations.

iv) Change in functional currency assessment

The functional currency of the Company and its subsidiaries represent the currency of the primary economic environment in which each entity operates. Through to March 31, 2020, all entities were considered to have a functional currency of Canadian Dollars. On March 31, 2020, the Company determined the United States Dollar ("USD") to be the functional currency for Eco Guyana based on the increased expenditures incurred in USD which is expected to continue in the foreseeable future. On April 1, 2020, the Company determined the USD to be the functional currency for Eco (Atlantic) Oil and Gas Ltd, based on the increase in USD denominated spending as of April 1, 2020. On April 1, 2020, the Company also determined the USD to be the functional currency of Eco Guyana Oil & Gas (Barbados) Ltd, since this entity is 100% owned by Eco Atlantic, and is the 100% owner of Eco Guyana, both of which have functional currencies denominated in USD. The change in estimate has been applied on a prospective basis effective April 1, 2020. On February 1, 2021, the Company determined the USD to be the functional currency of EOGN, EOGS, PAONH and PAON following the re-issuance of the Namibia Licenses (as defined below).

Effective April 1, 2020, the Company also changed its presentation currency from Canadian Dollars to USD. The change in presentation currency is to better reflect the Company's business activities and to improve investors' ability to compare the Company's results to its peers. This change has been applied retrospectively as if the Company's new presentation currency has always been the Company's presentation currency.

The exchange rates used are as follows:

USD/CAD exchange rate	March 31, 2021	March 31,2020	April 1, 2019
Closing at the reporting date	1.26	1.42	1.33
Average rate for the period	1.32	1.33	1.33

Refer to note 21 for further details of the effect of the translation adjustments to reflect the change in the Company's presentation currency.

3. Summary of Significant Accounting Policies (continued)

Significant accounting judgments and estimates (continued)

v) Intangible assets

Intangible assets are tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangibles with definite lives is reviewed each reporting period to determine whether there is any indication of impairment. If there are indications of impairment the impairment analysis is completed and if the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and impairment loss is recognized.

4. Security Deposit

On January 8, 2021, the Company advanced $490,455 as collateral in respect of the Kozani Project grid connection and will be released and returned to the Company once the solar plants are either constructed or sold.

5. Short-term investments

As of March 31, 2021, the Company's short-term investments comprise interest bearing deposits with its primary bank of $1,552,640 (March 31, 2020 - $52,737).

6. Accounts receivable and prepaid expenses

Accounts receivable balances are reviewed for impairment on a case-by-case basis and are provided for based on the deterioration of credit risk since initial recognition, at which time a provision is recognized in the consolidated statements of operations and comprehensive profit and loss. If the credit risk has not increased significantly, allowances are based on 12 month expected losses. If the credit risk has increased significantly and if the loan receivable is impaired, the allowance is based on lifetime expected losses.

(Expressed in US Dollars)

7. Renewable Energy Licenses

On January 18, 2021, the Company, through two of its subsidiaries, AA Energy and Scrantix, acquired 100% of the shares of AFOI IOAKEIMIDI IKE ("Liversol") and XIOAKEIMIDIS-K.XATZI Ltd ("Ponsol"), both of which have fully licensed, permitted, ready-to-build solar energy projects in Kozani, Greece (the "Kozani SPAs") with a combined 10.6 megawatt capacity.

Pursuant to the Kozani SPAs, the Company paid the vendors $1,318,931.

In accordance with IFRS, the Transaction does not meet the definition of a business combination as Liversol and Ponsol have not yet commenced commercial operations and are in the development stage. Consequently, the transaction has been recorded as an asset acquisition. The purchase price allocation for this acquisition is shown below:

Purchase Price Consideration	**Liversol**	**Ponsol**	**Total**
Fair value of shares purchased	$ 833,817	$ 485,114	$ 1,318,931
Fair Value of Purchase Price Consideration	833,817	485,114	1,318,931
Net Assets Acquired			
Right of Use assets	232,859	113,770	346,629
Lease liability	(232,859)	(113,770)	(346,629)
Amounts receivable	23,311	45,561	68,872
Amounts payable	(57,944)	(113,253)	(171,197)
Renewable Energy Licenses	810,506	439,553	1,421,256
Total Net Assets Acquired	**$ 775,873**	**$ 371,861**	**$ 1,318,931**

The renewable energy licenses acquired through Liversol and Ponsol are being amortized over 23 years, consistent with its accounting policy (Note 3).

The following tables summarize the movement in intangibles assets during the year ended March 31, 2021:

Balance, March 31, 2021:

April 1, 2020	Additions	March 31, 2021	April 1, 2020	Amortization during the year	March 31, 2021	March 31, 2021
$ -	$ 1,421,256	$ 1,421,256	$ -	$ 10,070	$ 10,070	$ 1,411,186

8. Right of use assets

	Kozani land lease	**Total**
Balance - March 31, 2020	$ -	$ -
Acquition of right of use asset changes	346,629	346,629
Depreciation during the year	(14,134)	(14,134)
Balance - March 31, 2021	**$ 332,495**	**$ 332,495**

9. Petroleum and Natural Gas Licenses

The petroleum and natural gas interests of the Company are located offshore in both Guyana and Namibia.

Guyana

The Orinduik License covers the Orinduik block, offshore Guyana. The Orinduik block is situated in shallow to deep water (70m – 1,400m), 170 kilometers offshore Guyana in the Suriname Guyana basin ("Orinduik License") and is located in close proximity to the Exxon's 18 oil discoveries which is estimated by Exxon to contain approximately 9 billion recoverable barrels of oil (BOE).

In accordance with the Guyana Petroleum Agreement, Eco Guyana holds a 15% working interest in the Orinduik License, Total E&P Activitiés Pétrolières' ("Total") and TOQAP Guyana B.V. hold a 25% working interest and Tullow Guyana B.V. ("Tullow Guyana") currently holds a 60% interest (Operator) (together, the "Partners").

On August 12, 2019, the Company announced a major oil discovery on the Orinduik License. The Jethro-1 exploration well was drilled by the Stena Forth drillship to a final depth of 14,331 feet (4,400 meters) in approximately 1,350 meters of water. Evaluation of logging data confirmed that the Jethro-1 was the first discovery on the Orinduik License and comprises high-quality oil-bearing sandstone reservoir of Lower Tertiary age. It encountered 180.5 feet (55 meters) of net oil pay in lower Tertiary sandstone reservoirs, which supports recoverable oil resources. The well was cased and is awaiting further evaluation to determine the appropriate appraisal activity.

On September 16, 2019, the Company announced a second oil discovery on the Orinduik License. The Joe-1 exploration well was drilled by the Stena Forth drillship to a final depth of 7,176 feet (2,175 meters) in approximately 2,546 feet (780 meters) of water. Evaluation of MWD, wireline logging and sampling of the oil confirms that Joe-1 is the second discovery on the Orinduik license and comprises oil-bearing sandstone reservoir with a high porosity of Upper Tertiary age. The Joe-1 well encountered 52 feet (16 meters) of continuous thick sandstone, which supports the presence of recoverable oil resources. Additional thinner sands above and below the main pay are being evaluated for possible incremental pay.

On February 3, 2020, the Company announced the filing of a National Instrument 51-101 compliant Competent Persons Report on the resources on the Orinduik Block, offshore Guyana, which found: (i) a significant increase in Gross Prospective Resources to 5,141 MMBOE (771 MMBOE net to Eco), (ii) 22 identified prospects on Orinduik Block including 11 leads in the Upper Cretaceous horizon, (iii) that a majority of the project leads have over a 30% or better chance of success (COS), enhanced by the recent discovery of light oil on the Kanuku block to the south of Orinduik, and (iv) leads in the Tertiary aged section estimated to contain 1,204 MMBOE, and within the Cretaceous section are estimated to contain approximately 3,936 MMBOE.

The Partners are currently further defining the Orinduik geological modeling, prospects maturation and upgrading of the drilling targets inventory in an ongoing process. The intent is to provide further definition to the Cretaceous targets' selection for drilling in the next drilling campaign.

9. Petroleum and Natural Gas Licenses (continued)

Namibia

The Company holds four offshore petroleum licenses in the Republic of Namibia being petroleum exploration license number 0030 (the “Cooper License”), petroleum exploration license number 0033 (the “Sharon License”), petroleum exploration license number 0034 (the “Guy License”) and petroleum exploration license number 0050 (the “Tamar License”), (together the "Namibia Licenses")

The Cooper License

The Cooper License covers approximately 5,788 square kilometers and is located in license area 2012A offshore in the economical waters of Namibia (the “Cooper Block”). The Company holds a 57.5% working interest in the Cooper License, the National Petroleum Corporation of Namibia (“NAMCOR”) holds a 10% working interest, AziNam Ltd (“AziNam”) holds a 30.7% working interest, and Tangi Trading Enterprise cc holds a 5% working interest (“Tangi”). The Company and AziNam proportionally carry NAMCOR and Tangi’s working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Cooper License received final governmental approval.

The Sharon License

The Sharon License covers approximately 5,700 square kilometers and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the “Sharon Block”). The Company holds a 56.7% working interest in the Sharon License, NAMCOR holds a 10% working interest, AziNam holds a 28.3% working interest and Titan Oil and Gas (Pty) Ltd holds a 5% working interest (“Titan”). The Company and AziNam proportionally carry NAMCOR and Titan’s working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

The Guy License

The Guy License covers 11,457 square kilometers and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the “Guy Block”). The Company holds a 47.2% working interest in the Guy License, NAMCOR holds a 10% working interest, AziNam holds a 37.8% working interest and Lotus Explorations (Pty) Ltd holds a 5% working interest (“Lotus”). The Company and AziNam proportionally carry NAMCOR and Lotus’ working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

The Tamar License

The Tamar License covers approximately 5,648 square kilometers and is located in license areas 2211B and 2311A offshore in the economical waters of Namibia (the “Tamar Block”). The Company holds an 85% working interest in the Tamar Block, NAMCOR holds a 10% working interest and Moonshade Investment (Pty) Ltd holds a 5% working interest (“Moonshade”). The Company and AziNam proportionally carry NAMCOR and Moonshade’s working interest during the exploration period.

On February 5, 2021 a new ten (10) year life cycle for the Sharon License received final governmental approval.

(Expressed in US Dollars)

10. Related Party Transactions and Balances and Director Remuneration

The following are the expenses incurred with related parties for the years ended March 31, 2021 and 2020 and the balances owing as of March 31, 2021 and 2020:

March 31, 2021:

	Directors Fees	Consulting Fees	Stock based awards	Option based awards	Total	Amounts owing at March 31, 2021
Executive Directors						
Gil Holzman - CEO	$ -	$ 377,023	$ -	$ 2,559	$ 379,582	$ -
Colin Kinley - COO (*)	-	$ 445,050	-	2,559	447,609	45,820
Alan Friedman - Executive Vice President	-	38,698	-	2,559	41,257	-
Gadi Levin - Financial Director	-	94,999	-	1,281	96,280	-
Non Executive Directors						
Moshe Peterberg - Chairman of the board	122,400	-	-	2,559	124,959	31,240
Keith Hill	23,426	-	-	2,559	25,985	-
Peter Nicol	35,679	-	-	2,559	38,238	-
Helmut Angula	19,522	-	-	2,559	22,081	5,520
Officers						
Alan Rootenberg - CFO	-	11,346	-	-	11,346	2,837
Total	**$ 201,026**	**$ 967,117**	$ -	$ -	**$ 1,187,338**	**$ 85,417**

(*) Included in Consulting fees to Mr. Kinley is $180,000 in fees paid for technical services provided by Kinley Exploration LLC, a Company controlled by Mr. Kinley.

March 31, 2020:

	Directors Fees	Consulting Fees	Stock based awards(**)	Option based awards(**)	Total	Amounts owing at March 31, 2020
Executive Directors						
Gil Holzman - CEO	$ -	$ 477,678	$ 1,668,054	$ 22,446	$ 2,168,178	$ -
Colin Kinley - COO (*)	-	976,297	1,668,054	22,446	2,666,796	73,110
Alan Friedman - Executive Vice President	-	45,390	231,674	22,446	299,509	3,782
Gadi Levin - Financial Director	-	102,882	370,679	11,223	484,784	-
Non Executive Directors						
Moshe Peterberg - Chairman of the board	121,869	-	648,687	22,446	793,002	38,636
Keith Hill	27,234	-	231,674	22,446	281,353	6,808
Peter Nicol	28,368	-	370,679	22,446	421,493	10,393
Helmut Angula	40,884	-	185,339	22,446	248,669	5,674
Officers						
Alan Rootenberg - CFO	-	13,617	-	-	13,617	1,135
Total	**$ 218,355**	**$ 1,615,864**	**$ 5,374,840**	**$ 168,345**	**$ 7,377,401**	**$ 139,538**

(*) Included in Consulting fees to Mr. Kinley is $180,000 in fees paid for technical services provided by Kinley Exploration LLC, a Company controlled by Mr. Kinley.

(**) Share based awards and option-based awards are based on the value of the Company's shares at the date of the grant of the RSU or option.

(Expressed in US Dollars)

11. Lease Liabilities

	Kozani land lease liability	Total
Balance - March 31, 2020	$ -	$ -
Acquisition of lease liability	346,629	346,629
Interest expenses	2,275	2,275
Lease payments	-	-
Balance - March 31, 2021	**$ 348,904**	**$ 348,904**
Short-term liease liability	22,987	22,987
Long-term lease liability	325,917	325,917
Total	**$ 348,904**	**$ 348,904**

The Company has 16 leases with combined annual lease payments of EUR 19,075 per year, paid in advance, for 23 years. The payments are discounted using a rate of 4%. Upon commencement of construction on one of the properties, the lease rate will be double the base rate for the remainder of the lease term. This will be accounted for prospectively when the rate change is triggered.

(Expressed in US Dollars)

12. Share Capital

Authorized: Unlimited CommonShares

		Common Shares	Amount	Restricted Share Units Reserve
Issued			**$**	**$**
Balance, March 31, 2019		**164,375,530**	**37,509,183**	**83,597**
Private placement	*(i)*	16,159,695	15,935,765	-
Exercise of warrants	*(ii)*	592,498	159,958	-
Exercise of stock options	*(iii)*	420,000	126,300	-
Issuance of shares from RSU's	*(iv)*	2,900,000	5,338,092	184,072
Exercise of stock options	*(v)*	250,000	30,427	-
Balance, March 31, 2020 and March 31, 2021		**184,697,723**	**59,099,725**	**267,669**

(i) On April 10, 2019, the Company completed a private placement equity financing of 16,159,695 shares of the Company at a price of $1.41 CAD per share ($1.06) raising gross proceeds of $22.5 million CAD (net proceeds: $21.2 million CAD ($15.9 million US)).

(ii) On May 21, 2019, 592,498 warrants were exercised at £0.16 per warrant ($0.20) into 592,498 shares of the Company for gross consideration of £94,800 ($120,612). The fair value of the exercised warrants was $39,346.

(iii) On May 22, 2019, 241,250 options were exercised at $0.22 per option into 241,250 shares of the Company for gross consideration of $52,546. The fair value of the exercised options was $18,807 and on October 24, 2019, 178,750 options were exercised at $0.23 per option into 178,750 shares of the Company for gross consideration of $41,013. The fair value of the exercised options was $13,934.

(iv) On August 23, 2019, 3,000,000 RSUs (1.75% on a fully diluted basis) were granted to certain directors, officers and consultants of the Company as part of the Company’s long-term incentive scheme and previous period success in relation with the recent discovery in Guyana. These RSUs vest immediately and had a fair value $7,350,000 CAD ($5,522,164) ($2.45 CAD per unit ($1.86), being the share price on the date of issuance). On September 9, 2019, the Company issued 2,900,000 shares in respect of these RSU’s with a fair value $7,105,000 CAD ($5,388,092) ($2.45 CAD per unit ($1.86)). $7,350,000 CAD ($5,526,316) was charged to Share Based Compensation in the Consolidated Statements of Operations and Comprehensive Profit and Loss, $7,105,000 CAD ($5,388,092) was credited to Capital in the Consolidated Statement of Changes in Equity and the balance of 100,000 RSU’s with a fair value of $245,000 CAD ($184,072) was credited to Restricted Share Units Reserve in the Consolidated Statement of Changes in Equity.

(v) On January 9, 2020, a director of the Company exercised 350,000 options at an exercise price of $0.23 In order to affect a cashless exercise, as permitted under the Company's Stock Option Plan, and minimize dilution to shareholders, the Board agreed to issue 250,000 common shares in lieu of the 350,000 options intended to be exercised.

(Expressed in US Dollars)

13. Warrants

A summary of warrants activity for the years ended March 31, 2021 and 2020 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 31, 2019	**592,498**	**0.28**
Exercised (see Note 12(ii))	(592,498)	0.28
Issuance of warrants (i)	80,000	2.45
Balance, March 31, 2020	**80,000**	**2.45**
Expired	(80,000)	2.45
Balance, March 31, 2021	-	-

(i) On August 23, 2019, the Company granted, to a consultant of the Company, warrants to subscribe for up to 80,000 Common Shares at a price of $2.45 CAD (£1.50) per Common Share (the "Warrants"). The Warrants are exercisable for a period of one year from the date of issue and have a fair value of $52,802 that was determined using the Black-Scholes option pricing model and the following assumptions: share price - $2.45 CAD; exercise price - $2.45 CAD; expected life - 1 year; annualized volatility - 91.7%; dividend yield - 0%; risk free rate – 1.6%. The Warrants expired on August 23, 2020.

14. Stock Options

The Company maintains a stock option plan (the "Plan") for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of options issuable under the Plan shall be equal to ten percent (10%) of the outstanding shares of the Company less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement of the Company.

A summary of the status of the Plan as at March 31, 2021 and changes during the year is as follows:

	Number of Stock options	Weighted average exercise price (US$)	Remaining contractual life - years
Balance, March 31, 2019	**7,520,000**	**$ 0.430**	**3.01**
Exercised (see Note 12 (iii))	(420,000)	0.240	-
Exercised (see Note 12 (v))	(350,000)	0.240	-
Granted (i)	200,000	0.950	-
Balance, March 31, 2020	**6,950,000**	**0.470**	**2.08**
Granted (ii)	400,000	0.640	
Expired (ii)	(130,000)	0.185	
Balance, March 31, 2021	**7,220,000**	**$ 0.380**	**1.22**

(Expressed in US Dollars)

14. Stock Options (continued)

(i) On January 10, 2020, the Company granted to the Company's IR and Marketing manager, options to subscribe for up to 200,000 Common Shares at a price of $1.20 CAD per share. The options vest equally over three years with the first vesting period occurring on the date of issue and expire 5 years from the date of issue. The fair value of the options granted was estimated at $106,000 using the Black-Scholes option pricing model, using the following assumptions: share price - $1.08 CAD; expected life - 5 years; volatility - 84.29%; risk-free rate - 1.5%; dividend yield - 0%.

(ii) On July 9, 2020, the Company granted a consultant, options to subscribe for up to 500,000 Common Shares. 100,000 at a price of £0.25 for a period of six months from the grant date, 200,000 at a price of £0.50 for a period of one year from the grant date and 200,000 at a price of £0.80 for a period of two years from the grant date. The fair value of the options granted was estimated at $42,913 using the Black-Scholes option pricing model, using the following assumptions: share price - CAD$0.40; expected life – up to 2 years; volatility – 106%-119%; risk-free rate – 0.24%-028%; dividend yield - 0%.

The 100,000 options expired on January 9, 2021.

(iii) Stock-based compensation expense is recognized over the vesting period of options. During the year ended March 31, 2021, stock-based compensation in respect of stock option and RSU grants amounted to $144,327 (March 31, 2020 – $5,740,319).

(iv) As at March 31, 2021, outstanding options were as follows:

Number of Options	Exercisable	Exercise Price	Exercise Price (USD)	Expiry Date
4,450,000	4,450,000	C$0.30	$0.24	January 12, 2022
350,000	350,000	C$0.30	$0.24	May 16, 2022
250,000	250,000	C$0.36	$0.29	July 6, 2022
870,000	870,000	C$0.30	$0.24	December 24, 2022
800,000	800,000	C$1.50	$1.19	March 1, 2024
200,000	133,333	C$1.20	$0.95	January 10, 2025
100,000	100,000	£ 0.50	$0.37	July 9, 2021
200,000	200,000	£ 0.80	$0.58	July 9, 2022
7,220,000	**7,153,333**			

(Expressed in US Dollars)

15. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 - 26.5%) to the effective tax rate is as follows:

	March 31, 2021 $	March 31, 2020 $
Net loss before recovery of income taxes	**(3,679,807)**	(20,073,531)
Expected income tax recovery	**(975,150)**	(5,319,490)
Tax rate changes and other adjustments	**(60,320)**	129,580
Stock based compensation and other non-deductible expenses	**40,670**	1,524,290
Share issuance costs booked to equity	**-**	(266,300)
Change in tax benefits not recognized	**994,800**	3,931,920
Income tax recovery reflected in the statements of operations and comprehensive Profit and Loss	**-**	-

Deferred Tax

The following table summarizes the components of deferred tax:

	March 31, 2021 $	March 31, 2020 $
Deferred Tax Assets		
Capital lease obligation	**75,620**	**-**
Deferred Tax Liabilities		
Right of use asset	**(75,620)**	-
Net deferred tax liability	**-**	**-**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	March 31, 2021 $	March 31, 2020 $
Deferred Tax Assets		
Operating tax losses carried forward - Canada	**12,580,100**	10,081,120
Tax attributes – Foreign countries	**13,459,500**	13,459,500
Property plant and equipment	**33,040**	31,970
Intangible assets	**-**	159,690
Share issue costs	**699,260**	1,303,880
Capital losses carried forward - Canada	**576,670**	288,330
Resource pools	**59,130**	-

15. Income Taxes (continued)

The Canadian non-capital losses expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefit therefrom. The Company's Canadian non-capital loss expire as follows (presented in USD):

2031	$	72,650
2032		635,160
2033		1,105,740
2034		951,000
2037		1,315,080
2038		1,718,920
2039		2,017,050
2040		2,415,940
2041		2,348,560
		12,580,100

16. Asset Retirement Obligations ("ARO")

The Company is legally required to restore its properties to their original condition. Estimated future site restoration costs will be based upon engineering estimates of the anticipated method and the extent of site restoration required in accordance with current legislation and industry practices in the various locations in which the Company has properties.

During the year ended March 31, 2020 two wells were drilled, plugged, and abandoned by the operator in accordance with international standards and the Petroleum Regulations and the Government of Guyana, so there is no further liability after the drilling program was completed.

As of March 31, 2021 and 2020, the Company did not operate any properties, accordingly, no ARO was required.

17. Capital and Risk Management

Capital Management

The Company considers its capital structure to consist of share capital, deficit and reserves. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of its licenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is an exploration stage entity; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended March 31, 2021. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

17. Capital and Risk Management (continued)

Risk Management

a) Credit risk

The Company's credit risk is primarily attributable to short-term investments and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of deposits with Schedule 1 banks, from which management believes the risk of loss to be remote. Amounts receivable consist of advances to suppliers and harmonized sales tax due from the Federal Government of Canada. Government receivable consists of value added tax due from the Namibian government which has been collected subsequent to year end. Management believes that the credit risk concentration with respect to amounts receivable is remote. The Company does not hold any non-bank asset backed commercial paper.

b) Interest rate risk

The Company has cash balances, cash on deposit, and no interest-bearing debt. It does not have a material exposure to this risk.

c) Liquidity risk

The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation.

As at March 31, 2021, the Company had cash and cash equivalents and of $11,807,309 (March 31, 2020 - $18,667,016), short-term investments of $1,552,640 (March 31, 2020- $52,737), accounts receivable and prepaid expenses of $46,480 (March 31, 2020 - $46,262), advances from license partners of $193,655 (March 31, 2020 - $45,596), and government receivable of $22,697 (March 31, 2020 - $19,276) to settle current liabilities of $621,162 (March 31, 2019 - $350,242).

The Company utilizes authorization for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources. Accounts payable and accrued liabilities at March 31, 2021 all have contractual maturities of less than 90 days and are subject to normal trade terms.

The Company is dependent on obtaining financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition.

d) Foreign currency risk

In previous years, foreign exchange risk arose because most of the Company's costs are in currencies other than the Canadian dollar (then the functional currency). As a result of the change of the functional currency of most of the operations to the US dollar, the Company has significantly reduced its foreign exchange risk. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

Sensitivity to a plus or minus 10% change in rates would not have a significant effect on the net income (loss) of the Company.

17. Capital and Risk Management (continued)

Risk Management (continued)

e) Environmental Risk (COVID-19)

Since January 2020, the Coronavirus outbreak has dramatically expanded into a worldwide pandemic creating macro-economic uncertainty and disruption in the business and financial markets. Many countries around the world, have been taking measures designated to limit the continued spread of the Coronavirus, including the closure of workplaces, restricting travel, prohibiting assembling, closing international borders and quarantining populated areas. To date there have been minimal disruptions to the Company's operations. Despite reduced travel, the Company has been able to maintain communications and on-going operations with its partners and regulatory bodies, however, such measures present concerns that may dramatically affect the Company’s ability to conduct its business effectively, including, but not limited to, adverse effect relating to negotiations and discussions with regulators, site visits, slowdown and stoppage of work, travel and other activities which are essential and critical for maintaining on-going business activities. Given the uncertainty around the extent and timing of the future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, the Company cannot reasonably estimate the impact to its future results of operations, cash flows or financial condition; infections may become more widespread and the limitation on the ability to work and travel, as well as any closures or supply disruptions, may be extended for longer periods of time and to other locations, all of which would have a negative impact on the Company’s business, financial condition and operating results. In addition, the unknown scale and duration of these developments have macro and micro negative effects on the financial markets, oil prices and the global economy which could result in an economic downturn that could have a material adverse effect on its operations and financial results, earnings, cash flow and financial condition. To mitigate some of these risks, the Company has taken steps to reduce its cash burn by reducing compensation to officers, directors and consultants.

18. Commitments

Licenses

The Company is committed to meeting all of the conditions of its licenses including annual lease renewals, regulatory payments and social responsibility initiatives or extension fees as needed, which the Company estimates to be approximately $600,000 per year.

The Company, together with its partners on each license, submit annual work plans for the development of each license, which are approved by the relevant regulator.

(Expressed in US Dollars)

19. Operating Costs

Operating costs consist of the following:

	Year ended March 31, 2021	2020
Drilling costs, data acquisition and interpretation and technical consulting	**$ 1,291,664**	12,660,166
Exploration license fees	**385,086**	233,946
Solar energy project costs	**81,959**	-
Amortization of intangible assets	**10,070**	-
Depreciation	**14,134**	-
Travel	**53,098**	92,101
Recovered under Joint Operating Agreements	**(129,489)**	(255,145)
	$ 1,706,522	$ 12,731,068

20. General and Administrative Costs

General and administrative costs consist of the following:

	Year ended March 31, 2021	2020
Occupancy and office expenses	**$ 48,017**	70,733
Social corporate responsibility	**48,325**	-
Travel expenses	**28,376**	500,200
Public company costs	**492,134**	803,348
Insurance	**56,223**	57,020
Financial services	**9,805**	13,303
Recovered under Joint Operating Agreements	**(34,131)**	(42,102)
	$ 648,749	$ 1,402,502

21. Change in Presentation Currency

For comparative purposes, the statements of financial position as of March 31, 2020 and April 1, 2019 include adjustments to reflect the change in presentation currency from Canadian Dollar to US Dollars. The amounts previously reported in Canadian Dollar as shown below have been translated in US Dollars at March 31, 2020 and April 1, 2019 (Note 3).

The effect of the translation on the Company's Consolidated Statement of Financial Position as of March 31, 2020 and April 1, 20219 is as follows:

	March 31, 2020		April 1, 2019	
	Previoulsy reported	Translated	Previoulsy reported	Translated
	Canadian Dollars	Us Dollars	Canadian Dollars	Us Dollars
Assets				
Current assets				
Cash and cash equivalents	$ 26,482,896	$ 18,667,016	$ 25,007,479	$ 18,750,453
Short-term investments	74,818	52,737	74,818	56,098
Government receivable	27,347	19,276	33,104	24,821
Amounts owing from license partners, net	64,687	45,596	-	-
Accounts receivable and prepaid expenses	65,632	46,262	80,926	60,678
	26,715,380	18,830,887	25,196,327	18,892,050
Petroleum and natural gas licenses	1,489,971	1,117,171	1,489,971	1,117,171
Total Assets	$ 28,205,351	$ 19,948,058	$ 26,686,298	$ 20,009,221
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	477,289	350,242	423,513	317,548
Amounts owing to license partners, net		-	1,127,675	845,524
Total Liabilities	477,289	350,242	1,551,188	1,163,072
Equity				
Share capital	78,788,877	59,099,725	50,025,998	37,509,183
Restricted Share Units reserve	356,493	267,669	111,493	83,597
Warrants	70,280	53,026	52,775	39,570
Stock options	3,392,285	2,542,824	3,184,658	2,387,837
Foreign currency translation reserve	0	(1,117,859)	0	0
Accumulated deficit	(54,879,873)	(41,247,569)	(28,239,814)	(21,174,038)
Total Equity	27,728,062	19,597,816	25,135,110	18,846,149
Total Liabilities and Equity	$ 28,205,351	$ 19,948,058	$ 26,686,298	$ 20,009,221

(Expressed in US Dollars)

21. Change in Presentation Currency (continued)

The effect of the translation on the Company's Consolidated Statement of Operations and Comprehensive Profit and Loss for the year ended March 31, 2020 is as follows:

	Year ended March 31, 2020	
	As previsouly reported	**Translated**
	Candian Dollars	US Dollars
Revenue		
Interest income	507,913	378,194
	507,913	378,194
Operating expenses:		
Compensation costs	1,147,057	863,683
Professional fees	668,400	503,275
Operating costs	16,908,133	12,731,068
General and administrative costs	1,862,663	1,402,502
Write off of receivable	-	5,740,319
Stock-based compensation	7,640,828	-
Foreign exchange gain	(1,059,509)	(789,122)
Total expenses	27,167,572	20,451,725
Net loss and comprehensive loss	$ (26,659,659)	$(20,073,531)
Basic and diluted net loss per share attributable to equity holders of the parent	$ (0.15)	$ (0.11)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	182,829,288	182,829,288

(Expressed in US Dollars)

21. Change in Presentation Currency (continued)

The effect of the translation on the Company's Consolidated Statement of Cash Flows for the year ended March 31, 2020 is as follows:

	Year ended March 31, 2020	
	As previsouly reported	**Translated**
	Candian Dollars	US Dollars
Cash flow from operating activities		
Net loss for the year	**$ (26,659,659)**	$ (20,073,531)
Items not affecting cash:		
Share-based compensation	**7,640,828**	5,740,319
Changes in non-cash working capital:		
Government receivable	**5,757**	4,326
Accounts payable and accrued liabilities	**143,656**	107,947
Accounts receivable and prepaid expenses	**15,294**	11,492
Advance from and amounts owing to license partners	**(1,192,362)**	(948,784)
	(20,046,486)	(15,158,231)
Cash flow from financing activities		
Net proceeds from private placement	**21,234,127**	15,935,765
Proceeds from the exercise of stock options	**126,000**	93,559
Proceeds from the exercise of warrants	**161,776**	120,612
	21,521,903	16,149,936
Increase in cash and cash equivalents	**1,475,417**	991,705
Foreign exchange differences		(1,075,142)
Cash and cash equivalents, beginning of year	**25,007,479**	18,750,453
Cash and cash equivalents, end of year	**$ 26,482,896**	$ 18,667,016

(Expressed in US Dollars)

22. Operating segments

The Company and its subsidiaries are engaged in the following two segments:

i) Oil and gas exploration

ii) Renewable energy – solar projects

The Corporate Office does not represent an operating segment and is included for informational purposes only. Corporate Office expenses consist of public company costs, office, and administrative costs, as well as salaries, share-based compensation and other expenses pertaining to corporate activities.

	Year ended March 31, 2021			
	O&G Exploration	**Renewables**	**Corporate**	**Total**
Interest earned	$ -	$ -	$ 47,097	$ 47,097
Operating expenses	(1,624,563)	(81,959)	-	(1,706,522)
Other expenses	-	(113,563)	(1,906,819)	(2,020,382)
Segmental loss	$ (1,624,563)	$ (195,522)	$ -	$ (3,679,807)

	Year ended March 31, 2020			
	O&G Exploration	**Renewables**	**Corporate**	**Total**
Interest earned	$ -	$ -	$ 378,194	$ 378,194
Operating expenses	(12,731,068)	-	-	(12,731,068)
Other expenses	-	-	(7,720,657)	(7,720,657)
Segmental loss	$(12,731,068)	$ -	$ -	$(20,073,531)

	As of March 31, 2021			
	O&G Exploration	**Renewables**	**Corporate**	**Total**
Segment assets	$ 1,604,841	$ 2,584,891	$ 12,739,445	$ 16,929,177
Segment liabilities	$ 97,153	$ 348,904	$ 501,022	$ 947,079

	As ofMarch 31, 2020			
	O&G Exploration	**Renewables**	**Corporate**	**Total**
Segment assets	$ 1,162,767	$ -	$ 18,785,291	$ 19,948,058
Segment liabilities	$ -	$ -	$ 350,242	$ 350,242

23. Events After the Reporting Period

a) JHI Transaction

On June 28, 2021, the Company closed a transaction with JHI Associates Inc. ("JHI"), a private company incorporated in Ontario and headquartered in Toronto, Canada, for the Company to acquire up to a 10% interest on a fully diluted basis in JHI (the "Transaction") and to appoint Keith Hill, a non-executive director of the Company, to the JHI Board. The Transaction provides the Company with immediate exposure to a current active drilling program in the Canje Block offshore Guyana. The Canje Block is operated by ExxonMobil and is held by Working Interests partners Esso Exploration & Production Guyana Limited (35%), with Total E&P Guyana B.V. (35%), JHI Associates (BVI) Inc. (17.5%) and Mid-Atlantic Oil & Gas Inc. (12.5%).

Pursuant to the Transaction, the Company subscribed for 5,000,000 new common shares in JHI at a price of US$2.0 per share, representing 6.4% of JHI's enlarged share capital (the 'JHI Investment'), and has been issued a warrant to subscribe for a further 9,155,471 new common shares in JHI at an exercise price of US$2.00 per share for a period of eighteen months (the 'JHI Warrant'). If the JHI Warrant is exercised in full, the Company will hold an interest, ceteris paribus, of 10% in JHI on a fully diluted basis.

b) Private Placement

On July 19, 2021, the Company closed a private placement financing with Africa Oil Corp. and Charlestown Energy Partners LLC issuing a total of 14,945,913 common shares and 14,945,913 share purchase warrants exercisable for 2 years at CAD$0.47.

As a result of the financing, Africa Oil Corp.’s interest in the Company is 19.99%.