



SINTANA
ENERGY

FS|Q2 2021

SEI|TSX-V

SINTANA ENERGY INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2021

(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE STATED)

UNAUDITED

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Sintana Energy Inc. ("Sintana") have been prepared by, and are the responsibility of, management. The unaudited condensed interim consolidated financial statements have not been reviewed by Sintana's auditors.

Exploring a better way™

A Colombia Focused Exploration Company

Sintana Energy Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(Unaudited)

	As at June 30, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash	\$ 68,193	\$ 104,049
Accounts receivable and other assets (note 3)	13,921	27,589
Total assets	\$ 82,114	\$ 131,638
DEFICIT AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 4 and 13)	\$ 367,878	\$ 450,324
Deferred compensation (note 13)	6,005,226	5,636,345
Asset retirement obligation	102,312	102,312
Total current liabilities	6,475,416	6,188,981
Non-current liabilities		
Convertible debentures (note 5)	98,504	90,824
Total liabilities	6,573,920	6,279,805
Shareholders' deficiency	(6,491,806)	(6,148,167)
Total shareholders' deficiency and liabilities	\$ 82,114	\$ 131,638

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

Nature of operations and going concern (note 1)

Contingency (note 15)

Subsequent events (note 16)

Sintana Energy Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating expenses				
Exploration and evaluation expenditures (note 11)	\$ 30,850	\$ 15,885	\$ 75,971	\$ 32,072
General and administrative (notes 12 and 13)	346,954	399,667	770,051	911,354
Finance interest expense (note 5)	3,840	4,110	7,680	8,220
Foreign exchange (gain) loss	(84,938)	(221,468)	(165,852)	227,968
Net loss before gain of accounts payable	(296,706)	(198,194)	(687,850)	(1,179,614)
Gain of accounts payable (note 4)	21,686	23,844	43,688	48,667
Net loss and comprehensive loss for the period	\$ (275,020)	\$ (174,350)	\$ (644,162)	\$ (1,130,947)
Loss per share - basic and diluted (note 10)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (note 10)	133,895,229	130,398,297	133,251,996	129,447,818

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

Sintana Energy Inc.**Condensed Interim Consolidated Statements of Cash Flows**
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

	Six Months Ended	
	June 30,	
	2021	2020
<hr/>		
Operating activities		
Net loss for the period	\$ (644,162)	\$ (1,130,947)
Adjustment for:		
Accretion on convertible debentures (note 5)	3,680	4,220
Accrued interest on convertible debentures (note 5)	4,000	4,000
Share-based compensation (notes 8 and 9)	108,523	188,862
Gain of accounts payable (note 4)	(43,688)	(48,667)
Non-cash working capital items:		
Accounts receivable and other assets	13,668	14,447
Accounts payable and accrued liabilities	(38,758)	(10,867)
Deferred compensation	368,881	785,152
Net cash used in operating activities	(227,856)	(193,800)
<hr/>		
Financing activities		
Options exercised	40,000	-
Warrants exercised	152,000	332,500
Net cash provided by financing activities	192,000	332,500
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Net change in cash	(35,856)	138,700
Cash, beginning of period	104,049	173,975
Cash, end of period	\$ 68,193	\$ 312,675

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

Sintana Energy Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

	Number of common shares #	Share capital	Warrants	Contributed surplus	Conversion feature of convertible debt	Deficit	Total
Balance, December 31, 2019	126,473,297	\$ 78,217,273	\$ 74,233	\$ 5,312,944	\$ 24,891	\$(88,828,046)	\$ (5,198,705)
Restricted shares vested and converted to common shares (note 6(b)(i))	600,000	62,000	-	(62,000)	-	-	-
Warrants exercised (note 7)	3,325,000	375,651	(43,151)	-	-	-	332,500
Share-based compensation - stock options (note 8)	-	-	-	158,596	-	-	158,596
Share-based compensation - restricted shares (note 9)	-	-	-	30,266	-	-	30,266
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,130,947)	(1,130,947)
Balance, June 30, 2020	130,398,297	\$ 78,654,924	\$ 31,082	\$ 5,439,806	\$ 24,891	\$(89,958,993)	\$ (5,808,290)
Balance, December 31, 2020	130,398,297	\$ 78,657,924	\$ 31,082	\$ 5,713,913	\$ 24,891	\$(90,575,977)	\$ (6,148,167)
Restricted shares vested and converted to common shares (note 6(b)(ii))	1,950,000	165,750	-	(165,750)	-	-	-
Warrants exercised (note 7)	1,520,000	171,726	(19,726)	-	-	-	152,000
Options exercised (note 8)	400,000	65,840	-	(25,840)	-	-	40,000
Share-based compensation - stock options (note 8)	-	-	-	69,523	-	-	69,523
Share-based compensation - restricted shares (note 9)	-	-	-	39,000	-	-	39,000
Net loss and comprehensive loss for the period	-	-	-	-	-	(644,162)	(644,162)
Balance, June 30, 2021	134,268,297	\$ 79,061,240	\$ 11,356	\$ 5,630,846	\$ 24,891	\$(91,220,139)	\$ (6,491,806)

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

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended June 30, 2021 (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

1. Nature of operations and going concern

Sintana Energy Inc. ("Sintana" or the "Company") is a public Canadian oil and gas exploration company listed on the TSX Venture Exchange ("TSXV"), with offices in Toronto, Canada; and Dallas, Texas. The trading symbol of the Company is SEI. The Company is targeting assets in Colombia's Magdalena Basin. It's exploration strategy is to acquire, explore, develop and produce superior quality assets with significant reserve potential. The primary office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

Sintana is at an early stage of development and as is common with similar exploration companies, it raises financing for its property acquisition and exploration activities. Sintana has not incurred any operating income in the current and prior years. For the six months ended June 30, 2021, the Company incurred a loss of \$644,162 (six months ended June 30, 2020 - \$1,130,947) and had an accumulated deficit of \$91,220,139 (December 31, 2020 - \$90,575,977). Sintana had a working capital deficit of \$6,393,302 at June 30, 2021 (December 31, 2020 - working capital deficit of \$6,057,343).

These unaudited condensed interim consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. The certainty of funding future exploration expenditures and availability of additional financing sources cannot be assured at this time. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production. These unaudited condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, 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 and / or ability to raise funds. To date, our operations have remained stable but there can be no assurance that our ability to continue to operate our business will not be materially and adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to perform as expected.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 27, 2021, the date the Board of Directors approved these unaudited condensed interim consolidated financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual audited consolidated financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual audited consolidated financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2021
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

3. Accounts receivable and other assets

	As at June 30, 2021	As at December 31, 2020
Accounts receivable	\$ 5,964	\$ 7,697
Prepays and other advances	7,957	19,892
	\$ 13,921	\$ 27,589

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding relating to exploration and evaluation expenditures, general operating and administrative activities and a dormant arbitration of disputed joint venture cash calls:

	As at June 30, 2021	As at December 31, 2020
Accounts payable	\$ 7,256	\$ 8,658
Accrued liabilities	360,622	441,666
	\$ 367,878	\$ 450,324

The following is an aged analysis of accounts payable and accrued liabilities:

	As at June 30, 2021	As at December 31, 2020
Less than 1 month	\$ 60,160	\$ 91,274
Greater than 3 months	307,718	359,050
	\$ 367,878	\$ 450,324

A provision related to the dispute (refer to note 15) is included in accounts payable and accrued liabilities. The Company assesses the probability each year for the likelihood of payment of the alleged liability. Management estimates that the probability of paying the alleged liability will decrease by 15% of the original accrued amount each year.

During the three and six months ended June 30, 2021, the Company recorded a gain of accounts payable of \$21,686 (US\$17,496) and \$43,688 (US\$34,992), respectively (three and six months ended June 30, 2020 - \$23,844 (US\$17,496) and \$48,667 (US\$34,992), respectively) in the unaudited condensed interim consolidated statements of loss and comprehensive loss related to the decrease in the probability of the provision being paid.

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2021
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

5. Convertible debentures

Movement in the convertible debenture was as follows:

	Amount
Balance, December 31, 2020	\$ 90,824
Accrued interest	4,000
Accretion expense	3,680
Balance, June 30, 2021	\$ 98,504

6. Share capital

a) Authorized share capital:

At June 30, 2021, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued:

At June 30, 2021, the issued share capital amounted to \$79,061,240. The change in issued share capital for the periods presented was as follows:

	Number of common shares	Amount
Balance, December 31, 2019	126,473,297	\$ 78,217,273
Restricted shares vested and converted to common shares (i)	600,000	62,000
Exercise of warrants	3,325,000	375,651
Balance, June 30, 2020	130,398,297	\$ 78,654,924

Balance, December 31, 2020	130,398,297	\$ 78,657,924
Restricted shares vested and converted to common shares (ii)	1,950,000	165,750
Exercise of options	400,000	65,840
Exercise of warrants	1,520,000	171,726
Balance, June 30, 2021	134,268,297	\$ 79,061,240

(i) During the six months ended June 30, 2020, 400,000 restricted share units ("RSUs") vested and converted to common shares with a value of \$36,000 and 200,000 RSUs vested and converted to common shares with a value of \$26,000. Refer to note 9.

(ii) During the six months ended June 30, 2021, 1,950,000 RSUs vested and converted to common shares with a value of \$165,750. Refer to note 9.

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2021
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

7. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2019	5,720,000	\$ 0.10
Warrants exercised	(3,325,000)	0.10
Balance, June 30, 2020	2,395,000	\$ 0.10
Balance, December 31, 2020	2,395,000	\$ 0.10
Warrants exercised	(1,520,000)	0.10
Balance, June 30, 2021	875,000	\$ 0.10

The following table reflects the actual warrants issued and outstanding as of June 30, 2021:

Expiry date	Exercise price	Warrants outstanding	Fair value
July 24, 2021	\$ 0.10	875,000	\$ 11,356

8. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2019	10,000,000	\$ 0.13
Granted (i)	2,025,000	0.15
Balance, June 30, 2020	12,025,000	\$ 0.13
Balance, December 31, 2020	10,625,000	\$ 0.11
Exercised	(400,000)	0.10
Balance, June 30, 2021	10,225,000	\$ 0.11

(i) On January 30, 2020, the Company granted a total of 2,025,000 stock options to several directors and officers of the Company and one consultant. The options have an exercise price of \$0.145 and expire on January 30, 2025. Vesting of the stock options is as follows: one-third on day of grant, one-third after one year and one-third after two years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 141.08%; risk-free interest rate of 1.34%; and an expected average life of 5 years. The options were valued at \$261,023. \$10,876 and \$28,963, respectively (three and six months ended June 30, 2020 - \$32,628 and \$141,447, respectively) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during the three and six months ended June 30, 2021.

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended June 30, 2021 (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

8. Stock options (continued)

(ii) Share-based compensation included in salaries and benefits expense includes \$20,280 and \$40,560, respectively (three and six months ended June 30, 2020 - \$8,455 and \$17,149, respectively) relating to stock options granted in previous years in accordance with their respective vesting terms, during the three and six months ended June 30, 2021.

The following table reflects the actual stock options issued and outstanding as of June 30, 2021:

Expiry date	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
July 19, 2021	\$0.100	0.05	1,750,000	1,750,000	-
June 4, 2023	\$0.100	1.94	450,000	450,000	-
December 18, 2023	\$0.100	2.47	3,850,000	3,850,000	-
January 30, 2025	\$0.145	3.59	2,025,000	1,350,000	675,000
December 18, 2025	\$0.100	4.47	2,150,000	716,667	1,433,333
		2.67	10,225,000	8,116,667	2,108,333

9. RSUs

The grant date fair value of RSUs equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in contributed surplus. The total amount expensed is recognized over the vesting period, which is the period over which all specified vesting conditions must be satisfied before RSUs are earned and therefore convertible. RSUs are converted into common shares when vested.

On January 30, 2020, the Company granted 200,000 RSUs to four officers of the Company. These RSUs vested on February 11, 2020. In relation to this grant, compensation for the three and six months ended June 30, 2021, was \$nil (three and six months ended June 30, 2020 - \$nil and \$26,000, respectively).

During the three and six months ended June 30, 2021, nil and 1,950,000 RSUs (three and six months ended June 30, 2020 - nil and 600,000, respectively) vested and converted to common shares with a value of \$nil and \$165,750, respectively (three and six months ended June 30, 2020 - \$nil and \$62,000, respectively).

The portion of the compensation of RSUs granted in the prior years and vested during the three and six months ended June 30, 2021, amounted to \$nil and \$39,000, respectively (three and six months ended June 30, 2020 - \$26,000 and \$30,266, respectively).

As of June 30, 2021, there were nil RSU outstanding (December 31, 2020 - 1,950,000 RSUs).

10. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2021 was based on the loss attributable to common shareholders of \$275,020 and \$644,162, respectively (three and six months ended June 30, 2020 - loss of \$174,350 and \$1,130,947, respectively) and the weighted average number of common shares outstanding of 133,895,229 and 133,251,996, respectively (three and six months ended June 30, 2020 - 130,398,297 and 129,447,818, respectively). Diluted loss per share did not include the effect of options, warrants, RSUs and convertible debentures for the three and six months ended June 30, 2021 and 2020 as they were anti-dilutive or not in the money.

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2021
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

11. Exploration and evaluation expenditures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Magdalena Basin, Colombia				
Administrative and general	\$ 11,671	\$ 12,711	\$ 25,577	\$ 24,847
Professional fees	19,179	3,174	50,394	7,225
	\$ 30,850	\$ 15,885	\$ 75,971	\$ 32,072

12. General and administrative

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Salaries and benefits (notes 8, 9 and 13)	\$ 284,589	\$ 331,338	\$ 636,284	\$ 770,137
Professional fees (note 13)	32,084	36,946	80,288	91,238
Administrative and general	12,807	17,127	22,397	35,371
Reporting issuer costs	17,474	14,256	31,082	14,608
	\$ 346,954	\$ 399,667	\$ 770,051	\$ 911,354

13. Related party transactions and balances

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions occurred in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of directors and key management personnel (officers and vice-president) of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Salaries and benefits ⁽¹⁾⁽³⁾	\$ 254,460	\$ 285,133	\$ 516,330	\$ 562,389
Share-based compensation ⁽²⁾	\$ 26,578	\$ 38,669	\$ 98,832	\$ 178,385

(1) Salaries and benefits include director fees. Balances for deferred compensation due to directors and key management personnel of \$6,005,226 are included in deferred compensation as at June 30, 2021 (December 31, 2020 - \$5,636,345) and include the retiring allowance payable to Lee A. Pettigrew (refer to note 13(a)⁽³⁾).

(2) Share-based compensation is recorded in salaries and benefits under general and administrative.

(3) Effective as of July 31, 2016, the employment by the Company of Lee A. Pettigrew, former Vice President - Canadian Operations, ceased. Pursuant to his employment agreement, Mr. Pettigrew is entitled to 12 months base salary (June 30, 2021 - \$378,741 (US\$305,584); December 31, 2020 - \$389,070 (US\$305,584)) as a retiring allowance. This amount is included as deferred compensation.

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended June 30, 2021 (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

13. Related party transactions and balances (continued)

(b) The Company has entered into the following transactions with related parties:

For the three and six months ended June 30, 2021, the Company paid professional fees and disbursements of \$15,579 and \$31,175, respectively (three and six months ended June 30, 2020 - \$15,603 and \$31,433, respectively) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which the Chief Financial Officer ("CFO") of the Company is a managing director. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. An amount of \$5,790 is included in accounts payable and accrued liabilities as at June 30, 2021 (December 31, 2020 - \$15,292).

For the three and six months ended June 30, 2021, the Company paid professional fees and disbursements of \$175 (three and six months ended June 30, 2020 - \$175) to DSA Corporate Services Inc., an organization of which the CFO of the Company is the corporate secretary and sole director. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions.

For the three and six months ended June 30, 2021, the Company paid professional fees and disbursements of \$685 and \$2,145, respectively (three and six months ended June 30, 2020 - \$150 and \$2,670, respectively) to DSA Filing Services Inc. ("DSA Filing"), an organization of which the CFO of the Company is the corporate secretary and sole director. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2021, DSA Filing was owed \$198 (December 31, 2020 - \$955) and this amount is included in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2021, the Company paid professional fees and disbursements of \$434 (three and six months ended June 30, 2020 - \$nil) to Marrelli Press Release Services Ltd. ("Press Release"), an organization which the CFO of the Company is the corporate secretary and sole director. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2021, Press Release was owed \$nil (December 31, 2020 - \$392) and this amount is included in accounts payable and accrued liabilities.

14. Segmented information

The Company's operations comprise a single reporting operating segment engaged in oil and natural gas exploration and development in Colombia. The Company has administrative offices in Toronto, Canada; and Dallas, Texas. Segmented information on a geographic basis is as follows:

June 30, 2021	Canada	United States	Colombia	Total
Cash	\$ 58,620	\$ 2,468	\$ 7,105	\$ 68,193
Accounts receivable and other assets	13,921	-	-	13,921
Total assets	\$ 72,541	\$ 2,468	\$ 7,105	\$ 82,114
Accounts payable and accrued liabilities	\$ 347,908	\$ 15,756	\$ 4,214	\$ 367,878
Deferred compensation	593,090	5,412,136	-	6,005,226
Asset retirement obligation	102,312	-	-	102,312
Convertible debentures	98,504	-	-	98,504
Total liabilities	\$ 1,141,814	\$ 5,427,892	\$ 4,214	\$ 6,573,920

Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2021
(Expressed in Canadian Dollars, Unless Otherwise Stated)
(Unaudited)

14. Segmented information (continued)

Six Months Ended June 30, 2021	Canada	United States	Colombia	Total
Exploration and evaluation expenditures	\$ -	\$ -	\$ 75,971	\$ 75,971
General and administrative	255,291	514,760	-	770,051
Finance interest expense	7,680	-	-	7,680
Foreign exchange loss (gain)	363,259	(514,437)	(14,674)	(165,852)
Gain of accounts payable	(43,688)	-	-	(43,688)
Net loss and comprehensive loss	\$ 582,542	\$ 323	\$ 61,297	\$ 644,162

December 31, 2020	Canada	United States	Colombia	Total
Cash	\$ 83,916	\$ 12,474	\$ 7,659	\$ 104,049
Accounts receivable and other assets	27,589	-	-	27,589
Total assets	\$ 111,505	\$ 12,474	\$ 7,659	\$ 131,638
Accounts payable and accrued liabilities	\$ 419,828	\$ 25,912	\$ 4,584	\$ 450,324
Deferred compensation	582,888	5,053,457	-	5,636,345
Asset retirement obligation	102,312	-	-	102,312
Convertible debentures	90,824	-	-	90,824
Total liabilities	\$ 1,195,852	\$ 5,079,369	\$ 4,584	\$ 6,279,805

Six Months Ended June 30, 2020	Canada	United States	Colombia	Total
Exploration and evaluation expenditures	\$ -	\$ -	\$ 32,072	\$ 32,072
General and administrative	343,093	568,261	-	911,354
Finance interest expense	8,220	-	-	8,220
Foreign exchange (gain) loss	(676,630)	907,936	(3,338)	227,968
Gain of accounts payable	(48,667)	-	-	(48,667)
Net loss and comprehensive loss	\$ (373,984)	\$ 1,476,197	\$ 28,734	\$ 1,130,947

15. Contingency

Farmout Agreement Arbitration

On March 20, 2015, the operator advised the Company that it had exercised its right to terminate the Farmout Agreement for each of two Middle Magdalena Valley Blocks in Colombia. The Company concurred in writing that the Farmout Agreements had terminated. The operator also contends that it has the right to recover certain historical costs with which the Company disagrees. Management is currently evaluating this matter and, together with legal counsel and other experts, assessing its potential options and alternatives with respect to these costs.

16. Subsequent events

(i) On July 19, 2021, 1,750,000 stock options with an exercise price of \$0.10 expired unexercised.

(ii) On July 21, 2021, 875,000 warrants with an exercise price of \$0.10 and an expiration date of July 24, 2021 were exercised for cash proceeds of \$87,500.

CORPORATE INFORMATION

DIRECTORS

Keith Spickelmier, Executive Chairman
Douglas Manner, CEO & Director
Bruno Maruzzo, Independent Director
Dean Gendron, Independent Director
Robert Bose, Independent Director

OFFICERS

Douglas Manner, Chief Executive Officer
David Cherry, President & COO
Carmelo Marrelli, Chief Financial Officer
Sean Austin, VP, Controller, Secretary & Treasurer

AUDIT COMMITTEE

Bruno Maruzzo, Independent Director (Chair)
Dean Gendron, Independent Director
Robert Bose, Independent Director

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LISTING

Exchange: TSX Venture
Trading Symbol: SEI
Cusip Number: 82938H
Fiscal Year End: Dec 31

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