AUREX ENERGY CORP

(formerly Canadian Platinum Corp.)

Consolidated Financial Statements

For the years ended December 31, 2019 and December 31, 2018

(expressed in Canadian Dollars)

101A-2366 Avenue C

North Saskatoon, SK S7L

5X5

TSX.V: AURX

This revised Management Discussion and Analysis ("MD&A") of the financial condition and results of operations for Aurex Energy Corp. (formerly Canadian Platinum Corp.) (the "Corporation") is dated December 29, 2020 and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2019, together with the accompanying notes thereto.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management quarterly to review the consolidated financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

Forward-looking Statements

This MD&A may contain certain forward-looking statements with respect to the Corporation. These forward-looking statements are subject to both known and unknown risks and uncertainties which may cause actual results, performances or achievements to be materially different from those contemplated by such forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The Corporation does not, except as required by law, undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Aurex Energy Corp. (formerly Canadian Platinum Corp.) is a Canadian-based, publicly listed company that trades on the TSX.V under the symbol "AURX".

On November 15, 2018 the Shareholders of the Corporation, at a Special Meeting of Shareholders, approved the consolidation of all of its issued and outstanding common shares on the basis of twenty-six (26) pre-consolidation Common Shares into one (1) Common Share. The consolidation occurred during the current period, along with the concurrent name change. All references to share, per share amounts, warrants and options in this MD&A have been retroactively restated to reflect the share consolidation.

The Corporation has incorporated a US subsidiary called Desert Strike Resources (US) Inc. At December 31, 2019, the subsidiary was not active.

On February 20, 2019, the Corporation acquired 100% of the issued and outstanding common shares of a privately-held US company with substantial natural gas reserves in the Barnett Shale, in the state of Texas.

The Corporation is an exploration stage company and has no revenues. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary approval and financing to complete the development, and future profitable production from the properties or proceeds from disposition. The

Corporation has, in the past, been dependent on raising cash through the sale of its common shares, either by way of private placement or through the exercise of warrants or options. The Corporation fully anticipates undertaking further private placements or public offerings in the future in order to finance business opportunities as they may arise.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Corporation has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

Performance Summary

The Corporation has written down the value of its properties to the current assessed value of the projects and will continue to focus on developing its project portfolio to achieve near-term and longer-term goals. The Corporation has acquired a 70% working interest in the Cook Gold Project in Humboldt County, Nevada and entered into an agreement to option a 50% working interest in the Whiskey Flats Project in Mineral County, Nevada. In addition, the Corporation has acquired 100% of the common shares of a privately-held company with substantial natural gas reserves in the Barnett Shale, Texas.

Subject to the availability of capital, the Corporation will continue to carry out exploration and development work on its projects as warranted. The Corporation may also seek out joint ventures and other opportunities to enhance shareholder value.

Assets of the Corporation

In addition to cash, prepaid expenses, deposits, and GST recoverable, the Corporation's major asset is its investment in mineral properties. As of December 31, 2019, the Corporation's investment in exploration and evaluation assets totaled $9,768,002 as compared to $1,304,572 at December 31, 2018.

Exploration & Evaluation Assets

The Corporation continues to focus on strengthening its portfolio of natural resource exploration projects through strategic acquisitions and dispositions. The mineral project portfolio currently consists of the Cook Gold Project in Nevada, USA; the Peter Lake Cu-Ni-PGE-Co Project in Northern Saskatchewan; and the Craig Lake Base Metal Project in Northern Saskatchewan. The oil and gas assets consist of shut-in natural gas wells in the US operated by the corporation’s wholly owned subsidiary Gas Tap Corp. Management continues to actively seek out and evaluate other projects that would be a good corporate fit and could be of interest to potential investors in the Corporation.

Peter Lake Cu-Ni-PGE-Co Project

The Peter Lake Property, located in northern Saskatchewan, approximately 110km south of Points North Landing, consists of 6 active mineral claims totaling 26,437 hectares. Additional mineral claims were allowed to expire since 2013 as management has determined the exploration activities in this area are no longer being pursued. The Corporation recognized a full impairment loss on this project and the carrying amount at December 31, 2019 is $nil.

Cook Gold Project

The Corporation has acquired a 70% working interest in the Cook Gold Project in Humboldt County Nevada. The property consists of 88 lode claims covering 7.4 sq km and is located 100km northwest of Winnemucca, Nevada. There are no work commitments, but the Corporation does commit to keep the mineral claims in good standing by making the required annual fee payments of US$13,640 to the Bureau of Land Management. The property is subject to a 2.5% Net Smelter Royalty in favour of arm's length third parties. In 2018, the Corporation engaged Axiom Exploration, of Saskatoon, SK, to commence the first phase of exploration work on the project. Work completed by the date of this report includes an airborne magnetometer survey, an airborne hyperspectral survey, orthomosaic photogrammetry, initial geologic mapping and surface sampling. Assay results from the surface sampling confirmed high-grade gold and copper mineralization on the property.

Whiskey Flats Copper-Zinc Project

On February 21, 2018 the Corporation signed a formal option agreement (the "Option") with Silver Reserve Corp ("Optionor") to earn a 50% interest in the Whiskey Flats Copper-Zinc Project, a former-producing copper-zinc property in Mineral County, Nevada. The terms of the acquisition required the Corporation to issue 7,500,000 common shares of the Corporation and will require cash payments totaling US$200,000 over a 24-month period. The Corporation is required to incur US$250,000 in exploration expenditures over a 24-month period. The property consists of 12 patented lode claims and 47 unpatented lode claims covering approximately 1,200 acres and the Corporation has recorded an additional 30 mineral lode claims. Exploration work completed by the date of this report includes an airborne hyperspectral survey, and underground mapping and sampling of the historic mine workings. Assays results were reported in a news release dated March 14, 2019. The results confirmed significant copper-zinc-silver mineralization on the property. On April 28, 2020, the Corporation announced that the option agreement was terminated pursuant to the terms of the Agreement. As a result, the Corporation recorded an impairment loss during the current year of $453,065.

Craig Lake/Flin Flon South

The Craig Lake/Flin Flon South property consists of 2 mining claim covering 3,505 hectares. The claims are subject to a 3% net smelter royalty which may be acquired by the Corporation, at any time, for a cash payment of $5,000,000. Management has not actively explored this property since 2014 and recorded a full impairment loss on this project to December 31, 2019. Subsequently, the Corporation re-evaluated previous work and concluded that 2 DPEM targets warranted drilling. The Corporation is actively looking for a partner on the project.

Gas Tap Corp.-Barnett Shale, Texas, USA

On February 27, 2019, the Corporation acquired Gas Tap Corp. by issuing 12,705,000 common shares of the Corporation with an estimated fair value of $8,258,250, in exchange for 100% of the issued and outstanding common shares of Gas Tap Corp. The subsidiary is the operator of 10 shut-in natural gas wells (8 horizontal wells and 2 vertical wells) on 1,400 acres located in the Fort Worth Basin with substantial natural gas reserves in the Barnett Shale.

Total Proved Plus Probable Reserves are 25.6 Billion Cubic Feet ("BCF") of natural gas. The estimated Net Present Value ("NPV") of the net revenue (after all operating costs, royalties and taxes) from the Proved Plus Probable Reserves, using forecast pricing, discounted at 10%, is US$20.4 million. Peak operating cash-flow (before income taxes), after reworking all wells, is estimated at US$8.5 million per year. Estimated reserves and economic valuations are from a NI51-101 report titled "Appraisal Of Certain Oil And Gas Interests located In Hill, Hood, Parker And Tarrant Counties, Texas As Of January 1, 2020" prepared by a Qualified Reserves Evaluator ("QRE"), MKM Engineering, for Canadian Platinum Corp. (now Aurex Energy Corp.) and dated June 8, 2020. Form NI51-101F1 can be viewed on SEDAR www.sedar.com.

In December 2019, the Corporation entered into a revenue sharing arrangement with an arms-length third party to provide funding in 2020 for the initial reworking of 3 natural gas wells. In part due to the subsequent Covid-19 pandemic, and partly due to international regulatory issues related to funding, both beyond the Corporation's control, this arrangement has been delayed.

Results of Operations

The Corporation has no material revenues and is dependent upon both satisfactory results from exploration and access to capital on reasonable terms in order to advance its projects.

Selected Annual Financial Information

	2019	2018	2017
Net loss	($1,834,063)	($2,930,730)	($495,275)
Basic and diluted loss per share	($0.08)	($0.34)	($0.07)
Total assets	$9,943,458	$1,359,465	$3,263,834

Selected Quarterly Financial Information

The following quarterly financial data is derived from the consolidated financial statements of the Corporation for the three-month periods ended on the dates indicated below:

	Dec 31/19	Sep 30/19	Jun 30/19	Mar 31/19
Total assets	$9,943,458	$9,839,907	$9,803,052	$9,693,834
Exploration and evaluation assets	$9,768,002	$1,472,079	$1,441,079	$1,338,697
Working capital deficiency	($1,596,634)	($478,563)	($715,483)	($278,758)
Shareholders' equity	$7,951,903	$9,287,522	$9,086,483	$9,187,543
Net loss	($1,429,648)	($116,820)	($176,413)	($111,182)
Loss per share (basic and diluted)	$(0.06)	$(0.01)	$(0.01)	$(0.01)
	Dec 31/18	**Sep 30/18**	**Jun 30/18**	**Mar 31/18**
Total assets	$1,359,465	$3,742,684	$3,700,448	$3,274,829
Exploration and evaluation assets	$1,304,572	$3,696,072	$3,546,516	$3,253,646
Working capital deficiency	($265,956)	($65,123)	($123,226)	($71,888)
Shareholders' equity	$1,038,616	$3,630,949	$3,423,290	$3,181,757
Net loss	($2,534,244)	($211,841)	($126,556)	($58,089)
Loss per share (basic and diluted)	$(0.30)	$(0.02)	$(0.01)	$(0.01)

Comparison of the Annual Results

During the year ended December 31, 2019, the Company reported a net loss of $1,834,063 ($2,930,730 in 2018).

The following is a comparison of significant items from operations: office expenses of $52,632 ($50,132 in 2018), general exploration of $67,039 ($67,143 in 2018), marketing expenses of $192,815 ($136,939 in 2018), professional fees of $330,538 ($124,856 in 2018), and transfer agent fees of $77,449 ($22,881 in 2018) including $31,500 in filing fees for the Gas Tap acquisition.

Capital Expenditures

The Corporation used its cash on hand for the acquisition and exploration of mineral properties. During the period ended December 31, 2019, the Corporation incurred $534,159 in capital expenditures as compared to $574,927 for the same period in 2018. In addition, during the current year the Corporation incurred $8,258,250 in capital expenditures in a non-cash transaction through the issuance of 12,705,000 common shares as described under share capital.

Financial Condition/Liquidity/Capital Resources

The Corporation has historically relied upon advances from its shareholders and directors and the equity capital markets to raise funds to finance its mineral property acquisitions and exploration programs. As of December 31, 2019, the Corporation has a cash balance of $7,292 to fund its future activities. In addition, the directors have advanced funds to the Corporation since 2013 to fund general and administrative expenses. These advances are non-interest bearing, unsecured and have no set terms of repayment. The outstanding balance as at December 31, 2019 for advances from these related parties is $371,395 (2018 - $68,125)

During the year, the Corporation obtained a demand loan facility of $150,000 to finance the day-to-day operations. Any advances drawn on the facility bear interest at prime plus 2% per annum and is secured by a general security agreement providing a first security interest on all present and after acquired property of the Corporation and full guarantee of the facility by two specific board members of the Corporation. The facility is subject to annual review by the lender.

Share Capital

The authorized share capital of the Corporation is unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, with the rights, privileges, restrictions and conditions designated by the Board of Directors at the time of issuance.

2018 transactions

During the year ended December 31, 2018, the Corporation issued 7,500,000 common shares of the Corporation as initial consideration for the purchase of a 50% working interest in the Whiskey Flats Copper-Zinc Project. These shares had an estimated fair value of $0.02 per share for a total non-cash consideration of $150,000.

On June 7, 2018, the Corporation closed a private placement of flow-through ("FT") financing offering which resulted in the issuance of 12,400,000 Units at a purchase price of $0.025 per Unit for gross proceeds of $310,000. Each FT Unit consists of one FT common share and one common share purchase warrant ("Warrant"). The fair value of the Unit of $310,999 was allocated $159,000 to the common shares and $210,100 to the Warrants.

On July 17, 2018 and August 6, 2018, the Corporation closed private placement financing offerings which resulted in the issuance of 16,906,000 Units at a purchase price of $0.025 per Unit for gross proceeds of $422,650. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Issuance costs associated with the private placements amounted to $3,150 for net proceeds of $419,500. The fair value of the Unit of $419,500 was allocated $209,400 to the common shares and $210,100 to the Warrants.

2019 transactions

On February 27, 2019, the Corporation issued 12,705,000 (post-consolidation) common shares of the Corporation as consideration for the purchase of 100% of the issued and outstanding common shares of a privately-held company (the "Subsidiary") with substantial natural gas reserves in the Barnett Shale, Texas. On the date of acquisition, the common shares of the Corporation had an estimated fair value of $0.65 per share (post consolidation) for a total non-cash consideration of $8,258,250.

On July 19, 2019, the Corporation closed a private placement, announced June 26, 2019, for gross proceeds of $489,100. The Offering consists of the issuance of an aggregate of 1,956,400 Units at a price of $0.25 per Unit. Each Unit consists of one common share in the capital of the Company and one-half common share purchase warrant with each full Warrant entitling the holder to acquire one Common Share at a price of $0.30 per Common Share, for a period of 19 months from the closing of the Offering. In connection with the Offering, there were no cash commissions paid. The proceeds of $489,100 were allocated $361,934 to the common shares and $127,166 to Warrants.

During the year 768,590 Warrants expired with a stated capital of $139,949.

Each Warrant issued in 2017 and 2018 entitles the holder thereof to acquire one common share of the Corporation at $0.05 per share for 24 months following the closings. The warrants issued in 2019 entitle the holder thereof to acquire one common share of the Corporation at $0.30 per share for 18 months following the closing.

At December 31, 2019, and the date hereof, there were 23,940,548 common shares outstanding, 2,105,354 warrants, and 665,385 stock options outstanding in the capital of the Corporation.

Stock options

The Corporation has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and contractors of the Corporation as well as persons providing ongoing services to the Corporation. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation. Unless otherwise determined by the Board of Directors of the Corporation, the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten-year term.

665,385 stock options outstanding and exercisable at December 31, 2019 have a weighted average remaining contractual life of 6.09 years.

Options outstanding and exercisable	Exercise Price
665,385	$ 1.30

Share purchase warrants

As at December 31, 2019, the share purchase warrants have a weighted average remaining contractual life of 0.76 years (2019 – 1.26) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number of Warrants	Price Per Share		Expiry Date
476,923	$	1.30	June 7, 2020
485,615	$	1.30	July 17, 2020
164,615	$	1.30	August 6, 2020
978,200	$	0.30	January 19, 2021
2,105,354			

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors and companies owned by these individuals. During the period, the Corporation was charged $205,285 (2018 - $25,000) by key management personnel for management fees, which $177,160 (2018 - $16,411) is included in professional fees and $28,125 (2018 - $28,125) was capitalized for geological and consulting work relating to the Cook Gold and Whiskey Flats Projects. $25,000 in wages and salaries has also been charged by key management personnel to the Corporation. Included in accounts payable and accrued liabilities, including amounts relating to prior years charges, is $371,395 (2018 - $68,125) payable as funds become available without interest. There are two notes payable to related parties of the Corporation outstanding at year end for a combined amount of $42,375.

Newly adopted accounting pronouncements

IFRS 16 "Leases"

IFRS 16 'Leases' replaces IAS 17 'Leases'. The adoption of this new Standard has resulted in the Corporation recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Company adopted IFRS 16 using the modified retrospective method and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The Company also elected to not recognize right of use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets.

For contracts in place at the date of initial application, the Corporation has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Corporation has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the Corporation has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Corporation has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

The adoption of IFRS 16 resulted in the recognition of a right of use asset and a lease liability measured at the present value of the future lease payments on the consolidated statements of financial position for a majority of its leases that are considered operating leases under IAS 17. An amortization expense on the right of use asset and an interest expense on the lease liability has replaced the operating lease expense.

In accordance with the transition to IFRS 16 as at January 1, 2019, the Company recorded recognized right of use assets of $nil and lease liabilities of $nil (Note 12). When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 14%.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, bank debt, promissory note payable, due to related parties, accounts payable and accrued liabilities and loans payable. It is management's opinion that the Corporation is not exposed to significant liquidity, market or credit risks arising from its financial instruments and that the fair value of these financial instruments approximates their carrying values.

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Corporation will need to complete further equity issuances, issue debt or postpone/cease certain expenses and/or exploration and evaluation asset expenditure in order to settle all financial liabilities in the next twelve months.

Foreign currency risk is the exposure arising from transactions and balances denominated in foreign currencies. The Corporation's foreign currency risk arises primarily with respect to the United States dollar. Fluctuations in the exchange rates between this currency and the Canadian dollar could have a material effect on the Corporation's exploration activities and business operations in the state of Nevada.

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk is managed by placing cash in a major Canadian financial institution.

Risk Factors

Mineral exploration and evaluation involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors, some of which are beyond the Corporation's control such as government policies and regulation and environmental protection.

There is a degree of uncertainty attributable to the calculation of mineral resource tonnages and grades. Resource estimates are dependent partially on statistical influences drawn from drilling, sampling and other data. The measured and indicated and inferred resource figures set forth by the Corporation are estimates, and there is no certainty that these resources can be converted into reserves with profitable extraction. Declines in the market prices for metals may adversely affect the economics of converting a resource estimate into a reserve.

Whether the oil and gas reserves in the Corporation's subsidiary can be economically extracted may depend on factors beyond the Corporation's control. These factors include market fluctuations for oil and gas; the costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of resources and environmental protection.

The Corporation is dependent on debt and equity financing to carry out its future exploration and evaluation plans and maintain its mineral properties in good standing. This also applies to the development of the Corporation's oil and gas reserves. There can be no assurance that such financing will be available to the Corporation.

Corporate Governance

Management of the Corporation is responsible for the preparation and presentation of the consolidated financial statements and the accompanying notes, the MD&A, and other information contained in this report.

Management also has the responsibility for the maintenance of adequate accounting records and internal controls, prevention and detection of fraud and errors, safeguarding of assets, selection, and application of suitable policies, and appropriate disclosure and the timely disclosure of financial information in the consolidated financial statements. The preparation of the consolidated financial statements in accordance with generally accepted accounting principles is also the responsibility of management.

Subsequent events

Subsequent to December 31, 2019, natural gas benchmark prices decreased substantially due to a drop in global natural gas demand triggered by the impact of the COVID-19 virus on the global economy. The recent volatility in the natural gas pricing environment may continue and could impact the Company's earnings and cash flows.

The Company also provides the following additional disclosure:

Additional Disclosure

Disclosure By Venture Issuers-Form 52-110F2

AUDIT COMMITTEE

Audit Committee's Charter

The Audit Committee shall review:

(a) all annual and interim financial statements intended for circulation among shareholders and shall report thereon to the Board;

(b) The nomination of auditors;

(c) The over-all scope and results of the audit;

(d) internal financial controls; and

(e) financial information for publication for various purposes.

In addition, the Board may refer to the Audit Committee such matters and questions relating to the financial position of the Corporation and its affiliates as the Board may from time to time see fit. The Audit Committee has the right, for the purpose of performing their duties, of inspecting all the books and records of the Corporation and of discussing such accounts and records and any matters relating to the financial position of the Corporation with the officers and auditors of the Corporation.

Composition of the Audit Committee

This committee will be composed of Douglas Billingsley (Audit Committee Chair), Director; David Ludwar, Director and James Engdahl, Director and Chair of the Board of Directors. Two members are independent, Douglas Billingsley and David Ludwar and one is dependent, James Engdahl, and all are financially literate. Relevant education and experience of committee members is as follows:

Douglas Billingsley-Mr. Billingsley holds an MBA from the University of Saskatchewan and has spent over 35 years in the financial services industry in British Columbia, including senior positions with major banking and financial institutions.

David Ludwar-Mr. Ludwar holds a Dilpoma in Accounting and Administration from SIAST in Saskatchewan and has spent close to 40 years working in the financial services industry.

James Engdahl-Mr. Engdahl has over 40 years' experience in finance-related positions with major banks and accounting firms. He has held positions as an officer and director with several public companies over the last 35 years and has served on several audit committees during that time.

Reliance on Certain Exemptions

The Company has not relied on the exemptions in section 2.4 or Part 8 of Multilateral Instrument 52-110 since the commencement of the financial year ended on December 31, 2019.

Pre-Approval Policies and Procedures

The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate audit, audit-related and fax fees paid to the external auditor for the fiscal years ended December 31, 2019 and 2018 were approximately $42,000 and $27,000, respectively.

Exemption

The Corporation is relying upon the exemption available for Venture Issuers contained in Section 6.1 of Multilateral Instrument 52-110 Audit Committees.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("NI 58-101") requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX Venture Exchange also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for our company is that contained in Form 58-101F2 which is attached to NI 58-101 ("Form 58-101F2 Disclosure").

Set out below is a description of our current corporate governance practices, relative to the Form 58-101F2 Disclosure (which is set out below in italics).

(a) Board of Directors

Disclose how the board of directors (the "Board") facilitates its exercise of independent supervision over management, including:

- the identity of directors that are independent; and
- the identity of directors who are not independent, and the basis for that determination.

Our Board has determined that the following directors of our company are independent: Douglas Billingsley, and David Ludwar.

Our Board has determined that four members of our Board are not independent. Our Board has determined that Gary Billingsley is not independent as Mr. Billingsley is the President and Chief Executive Officer; James Engdahl is not independent as he is compensated in his role as Chair of the Board of Directors; and Ron Anderson and William Jackson are not independent as they are officers of Gas Tap Corp., a 100%-owned subsidiary of Aurex Energy Corp.

Our board facilitates its exercise of independent supervision over management through *in camera* sessions and through committees of the Board.

(b) Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors of our company are presently a director of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Issuer
Gary Billingsley	Wescan Goldfields Inc. (TSXV), Valor Resources Limited (ASX)
Douglas Billingsley	None
James Engdahl	Hanstone Gold Corp. (TSXV), Westcore Energy Ltd. (TSXV), MAS Gold Corp. (TSXV)
David Ludwar	None
Ronald Anderson	None
William Jackson	None

(c) Orientation and Continuing Education

Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

Due to the size of our Board, no formal program exists for the orientation of new directors. Upon joining our Board, it is anticipated that new directors would be given access to all of the background documents of our company, including all corporate records, by-laws, corporate policies, organization structure and prior board and committee minutes.

No formal continuing education program exists for our directors. As part of continuing education, our Board will receive management presentations with respect to the operations and risks of our business as needed. In addition, the individual directors identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

(d) Ethical Business Conduct

Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.

The Board expects directors and employees to act ethically at all times and to acknowledge their adherence to the policies of the Corporation as adopted from time to time. Any material issues regarding compliance with the policies of the Corporation are brought forward by management at either the Board or appropriate committee meetings, or are referred to the senior executive officers of the Corporation, as may be appropriate in the circumstances. The Board and/or appropriate committees or senior executive officers determine what remedial steps, if any, are required. Any waivers from corporate policy that are granted for the benefit of a director or an employee may be granted only by the Board. The Board has not granted any such waivers since the beginning of the financial year ended December 31, 2015.

(e) Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for board nominations, including:

- who identifies new candidates; and
- the process of identifying new candidates.

Our Board does not presently have a Nominating Committee. The responsibility to recommend to our Board suitable candidates as nominees for election or appointment as directors rests with individual Board members. The Board, as a group, canvasses all of the members of our Board for their input prior to making a recommendation to our Board. In identifying new candidates for Board nomination, our Board considers, among other things:

- the competencies and skills that our Board considers to be necessary for our Board, as a whole, to possess;
- the competencies and skills that our Board considers each existing director to possess;
- the competencies and skills each new nominee will bring to the boardroom; and
- whether or not each new nominee can devote sufficient time and resources to his duties as a member of our Board.

(f) Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- who determines compensation; and
- the process of determining compensation.

The Board retains the responsibility for reviewing matters relating to the human resource policies and compensation of the directors and the President of Aurex in the context of the budget and business plan of Aurex. We did not pay any cash compensation to our non-management directors for attendance at board or committee meetings. The Board reviewed and approved the compensation paid to our Chief Executive Officer and our Chief Financial Officer for the fiscal year ended December 31, 2019 set forth under the heading "Statement of Executive Compensation – Executive Consulting Contracts, Termination and Change of Control Benefits". Such annual compensation was determined upon review of data for a number of comparable companies within the resource industries of competitive salaries paid to executive officers and the time expected to be committed by the respective officer.

(g) Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

During the 2019 fiscal year, other than an Audit Committee, our Board has not created any other standing committees and does not have a compensation and nominating committee. Such functions are handled by the full Board.

(h) Assessments

Disclose what steps, if any, that the board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

To date, our Board has satisfied itself that our Board, its committees and individual directors are performing effectively through informal discussions.

STATEMENT OF EXECUTIVE COMPENSATION

This disclosure is intended to communicate the compensation provided to the Corporation's Chief Executive Officer (the "CEO"), the President and the Chief Financial Officer (the "CFO") and the three other most highly compensated officers of the Corporation in 2019 (collectively, the "Named Executive Officers") and the directors of the Corporation. For 2019, the Named Executive Officers were the CEO, and the CFO and Corporate Secretary.

Compensation Discussion and Analysis

The Compensation and Discussion and Analysis section of this Information Circular discusses the Corporation's philosophy for executive compensation, the elements of compensation and the objectives for such elements.

Compensation Philosophy

The Board of Directors is responsible for reviewing the compensation policy for all senior management of the Corporation and attempts to ensure that the compensation of senior executives provides a competitive base compensation package and a strong link between corporate performance and compensation in order to attract, retain and motivate highly qualified person.

Elements of Compensation

The Corporation's executive compensation program has been designed to attract highly qualified and motivated individuals, and to provide fair and competitive compensation in accordance with industry standards and with the individual's expertise and experience. As the Corporation is still in the developmental stage, the compensation program consists of stock options and monthly retainers in the form of consulting fees. The Board of Directors reviews the compensation program from time to time to ensure its effectiveness and to confirm it continues to adequately reflect the Corporation's business objectives.

Long-term Incentive Program

The long-term incentive program is intended to align the interests of the Named Executive Officers, consultants and employees with those of the Corporation's shareholders over the longer term and to provide a retention incentive for each Named Executive Officer. This component of the compensation package consists of grants of options to purchase Common Shares ("Options") as permitted under the Stock Option Plan of the Corporation (the "Stock Option Plan"), and the ability for certain key employees to acquire restricted share units as permitted under the Restricted Share Unit Plan of the Corporation (the "RSU Plan"), and applicable stock exchange rules. Numerous factors and taken into consideration by the Board of Directors in determining grants of Options and/or RSUs, including: a review of the previous grants including vested and unvested value both at the current share prices and potential future prices, the remaining vesting period and time to expiry, overall corporate performance, peer company performance, share price performance, the business environment and labour market, and the role and performance of the individual in question.

During 2019 no options, or restricted share units, were granted to Named Executive Officers.

Summary of Compensation

The following table sets forth a summary of the annual and long-term compensation for services paid for the most recently completed financial year to the Corporation's Named Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Share - based award ($)	Option-based awards ($) (1)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compen-sation	Total compen-sation
					Annual incentive plans	Long-term incentive plans			
Gary Billingsley	2019	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2018	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2017	75,000	Nil	30,000	Nil	Nil	Nil	Nil	105,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Karen Frisky	2019	50,000	Nil	Nil	Nil	Nil	Nil	Nil	
	2018	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
	2017	50,000	Nil	10,000	Nil	Nil	Nil	Nil	60,000
	2016	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000

Note:

(1) The option-based awards dollar amount was calculated using the Black-Scholes model. Under this method of calculating the option-based awards, the Corporation makes appropriate assumptions with respect to: a risk free interest rate; an estimate forfeiture rate; expected volatility rate; and an expected dividend yield.

Other than the Stock Option Plan and the RSU Plan, the Corporation has no other long-term incentive, benefit or actuarial plans in place. Neither does the Corporation currently have a stock appreciation rights plan for its employees.

Incentive Plan Awards

There were no restricted share units outstanding as at December 31, 2019. The following table sets forth information in respect of all Options granted to the Named Executive Officers that were outstanding as at December 31, 2019:

Outstanding Share-based and Option-based Awards Table

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Gary Billingsley President/CEO	173,077	1.30	2021/11/22	Nil	Nil	Nil
Karen Frisky CFO	115,385	1.30	2025/11/26	Nil	Nil	Nil

Note:

(1) The value of unexercised in-the-money options for option-based awards has been calculated by determining the difference between the trading price of the Common Shares on December 31, 2019 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During Fiscal Year 2019 Table

Name	Option-based awards – Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Gary Billingsley President/CEO	Nil	Nil	Nil
Karen Frisky CFO	Nil	Nil	Nil

Note:

(1) This figure represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date. This value is computed by determining the difference between the market price of the Common Shares and the exercise price of the Options on the vesting date.

Repricing

On November 15, 2018 the Shareholders of the Corporation, at a Special Meeting of Shareholders, approved the consolidation of all of its issued and outstanding common shares on the basis of twenty-six (26) pre-consolidation Common Shares into one (1) Common Share.

Pension Plan Benefits

The Corporation currently has no defined benefit plans, defined contribution plans or deferred compensation plans.

Executive Consulting Contracts, Termination and Change of Control Benefits

During 2019, the Corporation had no employment or consulting agreements and no termination or change of control benefits.

Director Compensation

During the fiscal year ended December 31, 2019, the Corporation paid no cash compensation to the directors for services rendered in their capacity as directors. Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as may be paid for by the Corporation to such executive officers in their capacity as executive officers.

No options were granted to Directors in 2019 or in 2018.

The following table details the compensation provided to the directors that served on the Board of Directors during 2019:

Director Compensation Table

Name[(1)]	Fees earned ($)	Share-based awards ($)	Option-based awards ($)[(2)]	Non-equity incentive plan compensation	Pension value ($)	All other compensation ($)	Total ($)
Gary Billingsley	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Billingsley	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Engdahl	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Ludwar	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Details of compensation for Mr. Gary Billingsley is included under "Summary of Compensation – Summary Compensation Table".

(2) The option-based awards dollar amount was calculated using the Black-Scholes model. Under this method of calculating the option-based awards, the Corporation makes appropriate assumptions with respect to: a risk free interest rate; an estimate forfeiture rate; expected volatility rate; and an expected dividend yield.

Outstanding Share-based and Option-based Awards

The following table sets forth information in respect of all Options granted to directors that were outstanding as at December 31, 2019:

	Option-based Awards				Share-based Awards	
Name(1)	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(2)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Gary Billingsley	173,077	1.30	2021/11/22	Nil	Nil	Nil
Douglas Billingsley	115,385	1.30	2025/11/26	Nil	Nil	Nil
James Engdahl	115,385	1.30	2025/11/26	Nil	Nil	Nil
David Ludwar	115,385	1.30	2025/11/26	Nil	Nil	Nil

Notes:

(1) Details of share-based and option-based awards for Mr. Gary Billingsley are included under "Incentive Plan Awards – Outstanding Share-based and Option-based Awards Table".

(2) The value of unexercised in-the-money options for option-based awards has been calculated by determining the difference between the trading price of the Common Shares on December 31, 2019 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During Fiscal Year 2019 Table

Name[1]	Option-based awards – Value vested during the year[2] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Gary Billingsley	Nil	Nil	Nil

Notes:

(1) Details of value vested or earned for Mr. Gary Billingsley are included under "Incentive Plan Awards – Incentive Plan Awards – Value Vested or Earned During Fiscal Year 2019 Table".

(2) This figure represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date. This value is computed by determining the difference between the market price of the Common Shares and the exercise price of the Options on the vesting date.

INDEPENDENT AUDITORS' REPORT

To the Shareholders,
Aurex Energy Corp.

Opinion
We have audited the consolidated financial statements of **Aurex Energy Corp.** (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended, 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 December 31, 2019, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audit of the consolidated financial statements in Saskatchewan, 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.

Other Matter
The consolidated financial statements of the Company as at and for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on June 3, 2019.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the consolidated financial statements, which indicates that as at December 31, 2019, the Company has a deficit of $21,798,882, a working capital deficiency of $1,596,634 and a net loss and comprehensive loss of $1,834,063 for the year ended December 31, 2019. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis but does not include the consolidated financial statements and our auditors' report thereon.

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 audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, 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 IFRS, 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.

continued

INDEPENDENT AUDITORS' REPORT continued

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and 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 auditors' report is Brian Heinrichs.

December 29, 2020
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

(formerly Canadian Platinum Corp.)
Consolidated Statements of Financial Position
as at December 31, 2019 and 2018
(amounts in Canadian dollars)

Assets	Notes	Dec 31, 2019	Dec 31, 2018
Current assets			
Cash		$ 7,292	$ 1,743
Foreign exchange		-	-
Prepaid expenses		-	42,139
GST recoverable		43,553	11,011
Total current assets		50,845	54,893
Right-of-use assets	12	92,141	-
Deposits		32,470	-
Exploration and evaluation assets	6	9,768,002	1,304,572
Total assets		$ 9,943,458	$ 1,359,465
Liabilities			
Current liabilities			
Bank debt	7	$ 148,592	$ -
Accounts payable and accrued liabilities	8	1,275,854	316,039
Promissory note payable	9	151,000	-
Due to related parties	10	42,375	4,810
Asset retirement obligation	11	281,165	-
Current portion of lease obligation	12	29,658	-
Total liabilities		1,991,555	320,849
Shareholders' Equity			
Share capital	14	25,462,934	16,842,750
Warrants	14	488,266	501,049
Contributed surplus		3,799,585	3,659,636
Deficit		(21,798,882)	(19,964,879)
Total shareholders' equity		7,951,903	1,038,616
Total liabilities and shareholders' equity		$ 9,943,458	$ 1,359,465
Going concern	2		
Commitments	17		
Subsequent events	20		

See accompanying notes to the consolidated financial statements.

Approved by the Board:

(Signed) "Gary Billingsley"_____, Director

(Signed) "Douglas Billingsley"_____, Director

AUREX ENERGY CORP

(formerly Canadian Platinum Corp.)
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31
(amounts in Canadian dollars)

	Notes		2019		2018
Expenses					
Marketing and promotion		$	192,815	$	136,939
Office and other			52,632		50,132
Amortization and accretion			31,399		-
General exploration			67,039		67,143
Impairment loss on exploration assets			835,362		2,500,000
Professional fees	15		330,538		124,856
Wages and benefits			129,506		-
Filing fees			11,045		8,375
Foreign exchange loss (gain)			2,601		-
State taxes			4,843		-
Stock-based compensation			25,753		-
Transfer agent			77,449		22,881
Total expenses			1,760,982		2,910,326
Loss from operations			(1,760,982)		(2,910,326)
Finance expense			(73,081)		(20,404)
Loss for the period		$	(1,834,063)	$	(2,930,730)
Basic and diluted loss per share (22,376,000 weighted average common shares) (2018 – 8,656,300)		$	(0.08)	$	(0.34)

See accompanying notes to the consolidated financial statements.

(formerly Canadian Platinum Corp.)
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31
(amounts in Canadian dollars)

	Notes	Number of common shares	Share Capital stated value	Warrants stated value	Contributed surplus	Deficit	Total equity
Balance at January 1, 2018		**7,863,507**	**$16,324,350**	**$139,949**	**$3,764,636**	**$(17,034,089)**	**$3,089,846**
Acquisition of exploration and evaluation assets	14	288,462	150,000			-	150,000
Private placement, net proceeds	14	1,127,179	368,400	361,100	-		729,500
Loss and comprehensive loss		-	-	-	-	(2,930,730)	(2,930,730)
Balance at Dec 31, 2018		**9,279,148**	**$16,842,750**	**$501,049**	**$3,659,636**	**($19,994,819)**	**$1,038,616**

	Notes	Number of common shares	Share Capital stated value	Warrants stated value	Contributed surplus	Deficit	Total equity
Balance at January 1, 2019		**9,279,148**	**$16,842,750**	**$501,049**	**$3,659,636**	**($19,994,636)**	**$1,038,616**
Acquisition of Gas Tap	14	12,705,000	8,258,250	-	-	-	8,258,250
Private Placement	14	1,956,400	361,934	127,166	-	-	489,100
Expired Warrants	14	-	-	(139,949)	139,949	-	-
Loss and comprehensive loss		-	-	-	-	(1,834,063)	(1,834,063))
Balance at Dec 31, 2019		**23,940,548**	**$25,462,934**	**$488,266**	**$3,799,585**	**($21,798,882)**	**$7,951,903**

See accompanying notes to the consolidated financial statements.

AUREX ENERGY CORP

(formerly Canadian Platinum Corp.)
Consolidated Statements of Cash Flows
For the Years Ended December 31
(amounts in Canadian dollars)

	Notes	2019	2018
Cash provided by (used in):			
Operating activities			
Loss and comprehensive loss for the year		$ (1,834,063)	$ (2,930,730)
Items not affecting cash:			
Foreign exchange gain		2,601	-
Warrant expense		25,753	
Amortization and accretion		31,399	
Impairment of exploration assets	6	835,362	2,500,000
Changes in non-cash working capital	16	979,829	98,422
Net cash used in operating activities		40,881	(332,308)
Financing activities			
Proceeds from share issuance	14	489,100	729,500
Lease payments	12	(7,949)	-
Proceeds from promissory note payable	9	358,184	-
Settlement of amounts due to related parties		(489,100)	-
Net cash from financing activities		350,235	729,500
Investing activities			
Cash outflow for acquisition		(23,481)	-
Exploration and evaluation expenditures	6	(510,678)	(574,927)
Net cash used in investing activities		(534,159)	(574,927)
Change in cash		(143,043)	(177,735)
Cash, beginning of period		1,743	179,478
Cash, end of period		$ (141,300)	$ 1,743
Cash, end of period represented by:			
Cash		$ 7,292	$ 1,743
Bank indebtedness		(148,592)	-
		$ (141,300)	$ 1,743

Supplemental cash flow information	15

See accompanying notes to the consolidated financial statements.

1. Nature of Operations

Aurex Energy Corp. (formerly Canadian Platinum Corp.) (the "Corporation") is a public company whose shares are listed on the TSX-V. The Corporation is in the business of acquiring, exploring and developing natural resource properties in the province of Saskatchewan, Canada and in the states of Nevada and Texas, United States of America. The mineral properties of the Corporation are all in the exploration stage and the natural gas assets are former-producing shut-in wells. The address of business of the Corporation is Suite 101A – 2366 Avenue C North, Saskatoon, Saskatchewan, Canada, S7L 5X5.

On November 15, 2018 the Shareholders of the Corporation, at a Special Meeting of Shareholders, approved the consolidation all of its issued and outstanding common shares on the basis of twenty six (26) pre-consolidation Common Shares into one (1) Common Share. The consolidation occurred during the current period, along with the concurrent name change. All references to share, per share amounts, warrants and options in these financial statements have been retroactively restated to reflect the share consolidation.

The Corporation has incorporated a US subsidiary called Desert Strike Resources (US) Inc. (Note 3(c)). At December 31, 2019, the subsidiary was not active.

On February 20, 2019, the Corporation acquired 100% of the issued and outstanding common shares of a privately-held US company with substantial natural gas reserves in the Barnett Shale, in the state of Texas. (see Note 9)

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on December 29, 2020.

2. Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Corporation has not yet earned operational revenue as it is still in the exploration phase of its business. The operations of the Corporation are currently being financed from funds which the Corporation raised from past private and public placements of its shares. The Corporation is reliant on the continuing support from its existing directors and future shareholders. The Corporation incurred a net loss of $1,834,063 (2018 - $2,930,730) for the period ended December 31, 2019 and has an accumulated deficit of $21,798,882 (2018 - $19,964,819) and working capital deficiency of $1,596,634 at December 31, 2019 (2018 - $265,956). These factors create a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

The Corporation will need to raise additional equity or incur additional debt to continue operations for the foreseeable future and to meet its liabilities as they fall due. There is no assurance that the Corporation will be successful in completing the raising of additional equity or will be able to obtain additional debt on terms acceptable to the Corporation. The Corporation's ability to continue as a going concern is dependent on its ability to obtain the necessary financing to fund its operations.

3. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the standards and interpretations issued by the International Accounting Standards Board ("IASB"). These include International Financial Reporting Standards ("IFRS") and the interpretations of the IFRS Interpretations Committee which are effective and applicable to the Corporation as at the end of its current fiscal year.

Effective July 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16"). IFRS 16 was adopted under the modified retrospective approach with no restatement of comparative periods, as permitted by the transition provisions of the standard. As a result of the application of IFRS 16, the Company changed its accounting policies for leases thereon as described in Note 4.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

(c) Principles of consolidation

During the year ended December 31, 2018 the Corporation incorporated Desert Strike Resources (US) Inc., a wholly-owned subsidiary. In addition, during the current period the Corporation acquired 100% of the outstanding shares of Gas Tap Corp. The accounts of the Corporation and its wholly-owned subsidiaries are fully consolidated. Control exists when the Corporation is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through the power over the subsidiaries.

All intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

(e) Significant accounting estimates and judgments

The preparation of consolidated financial statements requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Basis of preparation

(e) Significant accounting estimates and judgments (continued)

Valuation of exploration and evaluation assets

Management must make an assessment of impairment indicators related to its exploration and evaluation assets and use their judgment to determine whether there is any indication that these assets may be impaired. The assessment includes a review of future mineral prices, future capital expenditures, environmental and regulatory restrictions and management's assessment of the Corporation's ability to obtain additional financing to ensure work commitment are performed to keep claims in good standing. In the event an impairment test is performed, management considers future plans related to the specific CGU and will consider the recoverable amount to be $nil if no further expenditures are planned.

Income taxes

The amounts disclosed for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the Corporation utilizing certain tax pools and assets which, in turn, is dependent on estimates of mineral reserves, production rates, future mineral prices and changes in legislation, tax rates and interpretations by taxation authorities. The availability of tax pools is subject to audit and interpretation by taxation authorities.

Stock-based compensation and warrants

The Corporation utilizes the Black-Scholes option pricing model to determine the fair value of stock options and warrants issued as part of a unit. The Corporation uses judgment in the evaluation of the input variables in the Black-Scholes Calculation which includes: estimates of the future volatility of the Corporation's share price, forfeiture rates, expected lives of the underlying security, expected dividends and other relevant assumptions.

Asset acquisitions versus business combinations

Management had to apply judgment with respect to whether the acquisition of the Gas Tap Corp., (as defined in Note 19), was an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the company acquired at the time of acquisition. Pursuant to the assessment, the Gas Tap Corp. acquisition was considered to be an asset acquisition.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumptions be inappropriate.

3. Basis of preparation

(e) Significant accounting estimates and judgments (continued)

Decommissioning obligations

Amounts recorded for decommissioning obligations require the use of management's best estimates of future decommissioning expenditures, timing of expenditures, inflation and discount rates. The estimates are subject to change over time and may have a material impact on profit or loss or financial position.

Determination of purchase price allocations

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. The fair value determined for common shares issued for the acquisition of mineral properties is based on the market price of the common shares on the measurement date. The measurement date is based on management's judgment as to when the closing of the agreement has occurred. Asset acquisitions do not give rise to goodwill.

Application of IFRS 16

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. Lease term reflect the period over which the lease payments are reasonably certain including renewal options that the Company is reasonably certain to exercise. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilizes. Management makes assumptions about long-term industry outlook and store operating performances and growth which relate to future events and circumstances. Actual results could vary from these assumptions, and the differences could be material to the carrying value of the lease liabilities and right of use assets, for which the lease term is the basis for determining useful life.

4. Significant accounting policies

The following is a summary of the Company's significant accounting policies:

(a) Financial instruments

Classification and measurement of financial assets

The Corporation initially measures financial assets and liabilities at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issuances of financial liabilities measured at amortized cost, are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets are measured at amortized cost if it meets both of the following conditions and is not designated as fair value through profit or loss ("FVTPL"):

- it is held with the objective of collecting contractual cash flows; and
- Its contractual term gives rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement of financial assets

Financial assets measured at FVTPL

Financial assets measured at FVTPL are carries on the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Financial assets measured at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method, less any expected credit loss.

Derecognition of financial assets

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Classification and measurement of financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method, unless the Corporation on initial recognition irrevocably designates the financial liability as FVTPL.

The Corporation derecognizes a financial liability when and only when the obligation is discharged, cancelled or expires. The difference, if any, between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

(b) Exploration and evaluation expenditures

The Corporation accounts for exploration and evaluation costs according to IFRS 6 "Exploration for and Evaluation of Mineral Resources".

4. Significant accounting policies (continued)

(b) Exploration and evaluation expenditures (continued)

All license acquisitions and exploration and evaluation costs that are directly attributable to each identifiable project area are capitalized and relate to the initial search for deposits of minerals with economic value. These costs include researching and analyzing exploration data, conducting geological studies, exploratory drilling and sampling, examining and testing extraction and treatment methods, care and maintenance costs and/or completing prefeasibility and feasibility studies. With natural gas wells, the costs incurred to acquire licenses and rights to drill, including seismic costs, and the subsequent drilling and completing costs related to these licenses (including employee remuneration, materials and fuel used, rig costs and payments made to contractors) are capitalized as E&E assets until the drilling of the well is complete and the results have been evaluated. Costs accumulated in respect of each identifiable project area are classified as exploration and evaluation assets and are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the areas have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Pre-license costs are expensed immediately. Other costs are also expensed unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in profit or loss in the period in which the decision to abandon the area is made.

Exploration and evaluation assets are not depleted or depreciated. When production commences, the accumulated costs for the identifiable project will be transferred to property and equipment and will be depleted or depreciated over the estimated life of the commercial reserves on a unit-of-production basis.

(c) Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment whenever facts or circumstances suggest that the carrying amount exceeds the recoverable amount. Indicators of impairment arise typically when one of the following circumstances applies:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in metal prices that render the project uneconomic;
- the Corporation no longer retains the legal right to conduct exploration activities; and
- the Corporation determines that it no longer wishes to continue to evaluate or develop the property.

Impairment reviews for exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit ("CGU"), defined as the lowest levels for which there are separately identifiable cash inflows. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs of disposal and value in use) if the estimated recoverable amount is less than the asset's carrying amount. Given the stage of development of the Corporation's projects, fair value less costs of disposal is used to determine recoverable amount. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Impairment losses are recognized in profit or loss.

4. Significant accounting policies (continued)

(c) Impairment of exploration and evaluation assets (continued)

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(d) Provisions and contingent liabilities

Provisions are recognized by the Corporation when it has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of that obligation. Provisions are stated at the present value of the expenditure expected to settle the obligation. The obligation is not recorded and is disclosed as a contingent liability if it is not probable that an outflow will be required, if the amount cannot be estimated reliably or if the existence of the outflow can only be confirmed by the occurrence of a future event.

Decommissioning obligations

Decommissioning obligations are recognized for decommissioning and restoration obligations associated with the Corporation's exploration and evaluation assets. The best estimate of the expenditure required to settle the present obligation at the statement of financial position is recorded on a discounted basis using the pre-tax risk-free interest rate. The future cash flow estimates are adjusted to reflect the risks specific to the liability. The value of the obligation is added to the carrying amount of the associated exploration and evaluation asset. The obligation is accreted over time through charges to financing expenses with actual expenditures charged against the accumulated obligation. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rate are recognized as changes in the decommissioning obligation and related asset. Actual decommissioning expenditures up to the recorded liability at the time are charged against the provision as the costs are incurred. Any differences between the recorded obligation and the actual costs incurred are recorded as a gain or loss.

(e) Flow-through shares

From time to time, the Corporation finances a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. The stated capital recorded on flow-through share issuances is equal to the estimated fair value of the common shares, exclusive of the flow-through component, on the date of issue. The difference between the gross proceeds received and the stated capital recorded is a liability "flow-through share premium" until qualifying expenditures are incurred. When the expenditures are incurred, the resulting deferred tax liability is recorded through income tax expense less the reversal of the flow-through share premium previously reported.

4. Significant accounting policies (continued)

(f) Income taxes

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous periods. Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date

(g) Finance expense

Finance expense includes bonus interest expense on monies received and paid back during the year. Finance expense is recognized in profit or loss using the effective interest rate method.

(h) Share-based payments

The Corporation has a stock option plan as described in Note 14. Stock options granted to directors and officers of the Corporation are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of the stock options at the grant date using the Black-Scholes option pricing model.

The Corporation measures stock-based compensation to non-employees at the fair value of the goods or services received at the date the goods or services are received. If the fair value of the goods or services cannot be measured reliably, the value of the options granted is measured using the Black-Scholes option pricing model.

Each tranche in an award is considered a separate award with its own vesting period and grant date from value. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When stock options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of stock options that vest

(i) Share purchase warrants

The Corporation issues units as a means of raising capital. Ordinarily, each unit contains one common share of the Corporation and a whole, or fraction of, a share purchase warrant. The Corporation allocates the proceeds from each unit to the common share and warrant components based on their relative fair value. Warrants are valued using the Black-Scholes pricing model. Transaction costs arising on the issue of units are recognized as equity as a reduction of the proceeds allocated to issued share capital and warrants on a pro-rata basis.

4. Significant accounting policies (continued)

(j) Loss per share

Loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year. Diluted loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted, unless the effect is anti-dilutive.

For the years ended December 31, 2019 and 2018, the stock options and warrants are not dilutive.

(k) Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Gas Tap are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve.

(l) Leases

For any new contracts entered into on or after 1 January 2019, the Corporation considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Corporation assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation
- the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Corporation has the right to direct the use of the identified asset throughout the period of use.
- The Corporation assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

4. Significant accounting policies (continued)

(l) Leases (continued)

Recognition and measurement

At the lease commencement date, the Corporation recognizes a right-of-use asset and a lease liability on the statement of financial position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, estimated costs to dismantle or remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Corporation depreciates the right-of-use asset on a straight line basis to the earlier of the useful life of the asset, or the end of the lease term. The Corporation also assessed the right-of-use asset for impairment when indicators exist.

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Corporations incremental rate of borrowing.

Lease payments included in the measurement of the lease liability include fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest.

(m) Newly adopted accounting pronouncements

IFRS 16 "Leases"

IFRS 16 'Leases' replaces IAS 17 'Leases'. The adoption of this new Standard has resulted in the Corporation recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Company adopted IFRS 16 using the modified retrospective method and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The Company also elected to not recognize right of use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets.

For contracts in place at the date of initial application, the Corporation has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Corporation has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the Corporation has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Corporation has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

4. Significant accounting policies (continued)

(m) Newly adopted accounting pronouncements (continued)

The adoption of IFRS 16 resulted in the recognition of a right of use asset and a lease liability measured at the present value of the future lease payments on the consolidated statements of financial position for a majority of its leases that are considered operating leases under IAS 17. An amortization expense on the right of use asset and an interest expense on the lease liability has replaced the operating lease expense.

In accordance with the transition to IFRS 16 as at January 1, 2019, the Company recorded recognized right of use assets of $nil and lease liabilities of $nil (Note 12). When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 14%.

5. Financial instruments, risk management and capital management

(a) *Risk management overview*

The Corporation's activities expose it to a variety of financial risks including credit risk, currency risk and liquidity risk. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these financial statements. The Corporation employs risk management strategies and polices to ensure that any exposure to risk are in compliance with the Corporation's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation's risk management framework, the Corporation's management has the responsibility to administer and monitor these risks. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the period ended December 31, 2019.

The Corporation’s risk exposures and their impacts on the Corporation’s financial instruments are summarized below.

(i) *Credit risk*

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The financial instrument that potentially subjects the Corporation to a significant concentration of credit risk consists of cash and represents the maximum exposure to credit risk at the statement of financial position date. The Corporation mitigates its exposure to credit loss by placing its cash in a major financial institution.

(ii) *Liquidity risk*

Liquidity risk is the risk that the Corporation will not be able to meets its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. As at December 31, 2019, the Company had current assets available of $50,845 to settle current liabilities of $1,647,479.

5. Financial instruments, risk management and capital management (continued)

(a) *Risk management overview (continued)*

(ii) *Liquidity risk (continued)*

At December 31, 2019, the Corporation's accounts payable and accrued liabilities are all due within the next year. The Corporation will need to complete further equity issuances, issue debt or postpone/cease certain expenses and/or exploration and evaluation assets expenditures in order to settle all financial liabilities in the next twelve months.

(iii) *Foreign currency risk*

As the Corporation operates outside of Canada, foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Corporation's foreign currency risk arises primarily with respect to the United States dollar. Fluctuations in the exchange rates between this currency and the Canadian dollar could have a material effect on the Corporation's exploration activities and business operations in the states of Nevada and Texas. At December 31, 2019, the Corporation has minimal financial assets denominated in a foreign currency.

The Corporation is exposed to currency risk through the following financial assets and financial liabilities denominated in US Dollars at December 31:

		2019		2018
Cash	$	5,608	$	363
Deposit		25,000		-
Accounts payable and accrued liabilities		(51,840)		-
Due to related parties		(8,650)		-
	$	(29,882)	$	363

A 10% (2018 – 10%) change in the US Dollar against the Canadian Dollar at December 31, 2019 would result in a change of approximately $3,885 (2018 - $36) in Comprehensive loss.

(b) *Fair value of financial instruments*

The fair values of cash, bank debt, accounts payable and accrued liabilities, promissory note payable, and due to related parties approximate their carrying value due to the short-term maturity of those instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

(amounts in Canadian dollars)

5. Financial instruments, risk management and capital management (continued)

(c) *Capital management*

The Corporation's policy for managing capital is to maintain a strong capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources available to fund the identification and evaluation of potential mining interests. To secure the additional capital necessary to pursue these plans, the Corporation may adjust spending, raise additional funds through the issuance of equity or by securing strategic partners. The Corporation's ability to raise additional equity or debt financing is impacted by external conditions including the global economic downturn. The Corporation's officers are responsible for managing the Corporation's capital and the Corporation's Board of Directors is responsible for overseeing this process. There were no changes in the Corporation's approach to capital management during the period ended December 31, 2019.

The Corporation includes shareholders' equity in the definition of capital as follows:

	December 31, 2019	December 31, 2018
Shareholders' equity	$ 7,951,903	$1,038,616

The Corporation's capital increased significantly from prior period as a result of the acquisition of Gas Tap Corp during the current period. The Corporation will need to raise sufficient capital resources in order to carry its exploration plans and operations for the upcoming year. The Corporation is not subject to externally imposed capital requirements at December 31, 2019.

(amounts in Canadian dollars)

6. Exploration and evaluation assets

Exploration and evaluation ("E&E") assets consist entirely of capitalized exploration and evaluation expenditures. E&E assets include costs incurred in relation to the acquisition and development of the Corporation's mineral properties.

	December 31, 2017	Net Additions	December 31, 2018	Net Additions	Dec 31, 2019
Peter Lake (Canada)					
Property acquisition costs	$ 586,632	$ -	$ 586,632	$ -	$ 586,632
Geological and consulting	3,963,348	-	3,963,348	240,000	4,203,348
Drilling	5,915,340	-	5,915,340	-	5,915,340
Impairment loss	(7,965,320)	(2,500,000)	(10,465,320)	(240,000)	(10,705,320)
	2,500,000	-	-	-	-
Cook Gold Project (US)					
Acquisition	521,970	-	521,970	-	521,970
Geological and consulting	56,250	341,260	397,510	58,580	456,090
	578,220	341,260	919,480	58,580	978,060
Whiskey Flats Project (US)					
Acquisition	-	239,860	239,860	-	239,860
Geological and consulting	-	141,107	141,107	72,098	213,205
Impairment loss	-	-	-	(453,065)	(453,065)
	-	380,967	380,967	197,110	-
Craig Lake (Canada)					
Geological and consulting	1,425	2,700	4,125	140,000	144,125
Impairment loss	-	-	-	(144,125)	(144,125)
	1,425	2,700	4,125	(4,125)	-
Gas Tap (US)					
Acquisition	-	-	-	8,555,439	8,555,439
Asset retirement	-	-	-	251,253	251,253
Depletion – asset retirement	-	-	-	(16,750)	(16,750)
	-	-	-	8,789,942	8,789,942
Total exploration and evaluation assets	$ 3,079,645	$ (1,775,073)	$ 1,304,572	$ 8,463,430	$ 9,768,002

During the period, the Corporation capitalized salaries of $28,125 (2018 - $112,500) related directly to exploration activities.

The outcome of ongoing exploration and evaluation activities, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain. Management has reviewed the Projects above at December 31, 2019 for any indicators of impairment and determined that no indicators were present other than the Whiskey Flats, Peter Lake and Craig Lake projects. This assessment includes a review of the expiry dates of claims, the likelihood of meeting the annual expenditure requirements to maintain the claims in good standing, management's assessments of the results of geological studies, drilling and the intentions to carry on future work on these claims based on the results to date.

6. Exploration and evaluation assets (continued)

Peter Lake Platinum Project

The Peter Lake Property, located in northern Saskatchewan, comprises 6 mining claims covering 26,437 hectares. Management has allowed mining claims to expire since 2013 and has determined that exploration activities in this area at this time are no longer being pursued. As a result, the Corporation recorded an impairment loss of $240,000 in the current year and has an accumulative impairment loss of $10,697,320 to December 31, 2019. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As this valuation technique requires management's judgement and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy. The active claims require the Corporation to incur annual exploration expenditures of $25 per hectare in each year after the tenth year following the effective date of staking. Exploration expenditures in excess of the annual requirements are carried forward as assessment credits. As at December 31, 2019, the Corporation had $4,465,043 in assessment credits. On June 5, 2020, the Government of Saskatchewan announced amendments to *The Mineral Tenure Registry Regulations* in response to impacts from the COVID-19 pandemic. The amendments include waiving the expenditure requirements for the current term and subsequent 12 months for all mineral claims and leases that were active on March 18, 2020. The effect of this is to add one year to the good standing date of each claim. The assessment credits are sufficient to keep the remaining 6 claims in good standing as follows:

1 claim covering 5,249 hectares until August 12, 2022;
1 claim covering 5,621 hectares until August 12, 2023;
2 claims covering 8,039 hectares until August 12, 2025; and
2 claims covering 7,528 hectares until August 12, 2035

Cook Gold Project

In 2017, the Corporation acquired a 70% working interest in the Cook Gold Project in Humboldt County Nevada. Consideration for the acquisition required the issuance of 50 million common shares of the Corporation with an estimated fair value of $500,000. At the date of closing the seller was a non-arm's length party which owned more than 10% of the issued and outstanding shares of the Corporation. The property consists of 88 lode claims covering 740 hectares and is located 100km northwest of Winnemucca, Nevada. There are no work commitments, but the Corporation keeps the mineral claims in good standing by paying the required annual maintenance fee. The property is subject to a 2.5% net smelter royalty in favour of arm's length third parties.

The first phase of exploration work, including airborne geophysical surveys, airborne hyperspectral surveys and ground mapping and sampling, was completed on the property during 2018.

6. Exploration and evaluation assets (continued)

Craig Lake

The Craig Lake property consists of 2 mining claims in Saskatchewan covering 3,505 hectares. The claims are subject to a 3% net smelter royalty which may be acquired by the Corporation, at any time, for a cash payment of $5,000,000. Management has determined that exploration activities in this area at this time are no longer being pursued. As a result, the Corporation recorded an impairment loss during the current year of $144,125. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As this valuation technique requires management's judgement and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy. As at December 31, 2019, the Corporation had $369,423 in assessment credits. The assessment credits are sufficient to keep the current claim in good standing as follows, after implementing the amendments to *The Mineral Tenure Registry Regulations* as described above under the Peter Lake Platinum Project:

1 claim covering 741 hectares until August 15, 2021; and
1 claim covering 2,764 hectares until April 9, 2026

Whiskey Flats Project

On February 21, 2018, the Corporation signed a formal agreement with Silver Reserve Corp ("Owner") to purchase a 50% interest in the Whiskey Flats Copper-Zinc Project, a former-producing copper-zinc property in Mineral County, Nevada. The property consists of 12 patented lode claims and 17 unpatented lode claims covering approximately 230 hectares. The terms of the acquisition required the Corporation to issue 7,500,000 common shares of the Corporation with an estimated fair value of $150,000 and will require cash payments totaling US$200,000 over a 24 month period. The 50% interest title transfer would occur on receipt by the Owner of the final cash payment. In addition, the Corporation is responsible for all costs to complete the pre-feasibility study. On April 28, 2020, the Corporation announced that the option agreement was terminated pursuant to the terms of the Agreement. As a result, the Corporation recorded an impairment loss during the current year of $453,065. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As this valuation technique requires management's judgement and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

Gas Tap

On February 27, 2019, the Corporation issued 12,705,000 common shares with an estimated fair value of $8,258,250 of the Corporation in exchange for 100% of the issued and outstanding common shares of Gas Tap Corp. The subsidiary has substantial natural gas reserves in the Barnett Shale, Texas which consists of 10 shut-in natural gas wells (8 horizontal wells and 2 vertical wells) on 1,400 acres located in the Fort Worth Basin.

(amounts in Canadian dollars)

7. Bank debt

During the year, the Corporation obtained a demand loan facility of $150,000 to finance the day-to-day operations. Any advances drawn on the facility bear interest at prime plus 2% per annum and is secured by a general security agreement providing a first security interest on all present and after acquired property of the Corporation and full guarantee of the facility by two specific board members of the Corporation. The facility is subject to annual review by the lender.

8. Accounts payable and accrued liabilities

		2019		2018
Trade payables	$	777,303	$	11,179
Accounts payable to related parties (Note 11)		448,651		235,560
Other accrued liabilities		49,900		69,300
	$	1,275,854	$	316,039

9. Promissory note payable

On January 31, 2019, the Corporation entered into an unsecured promissory note with Aggressive Drilling Ltd in the amount of $100,000. The Promissory note has an interest rate of $12% per annum and was due March 31, 2019. Additional risk premiums and penalties for non-payment at the maturity date totaled an additional $40,000 owing to Aggressive Drilling Ltd. Interest payments were not made during the year resulting in an additional $11,000 of accrued interest owing at year end which is reflected in the balance payable.

10. Due to related parties

The Subsidiary was advanced $11,470 ($8,650 USD) by an individual shareholder. The loan is unsecured and has no fixed terms of repayment.

The Corporation entered into an unsecured Promissory note with an executive, who is also a shareholder, in the amount of $101,257. The Promissory note has an interest rate of $12% per annum and a maturity date of June 30, 2020. Additional risk premiums totaled an additional $20,000 owing to the related party. At year end, $30,905 (2018 - $4,810) was remaining owing to the related party.

11. Decommissioning Obligations

The Corporation's decommissioning obligations result from net ownership interest in natural gas properties. The Corporation estimates the total undiscounted cash flows required to settle its decommissioning liabilities is approximately $290,724. An inflation factor of 2.0% has been applied to the estimated asset retirement cost. A discount rate of 2.28% was used to calculate the fair value of decommissioning obligations. No significant changes in the timing of the estimated future obligations and change in the discount rate resulted in an increase in the present value of the decommissioning obligations.

Balance, December 31, 2018	$	-
Addition due to business combination		274,893
Accretion		6,272
Balance, December 31, 2019	$	281,165

(amounts in Canadian dollars)

12. Leases

The Corporation has a lease for the office building which is reflected on the statement of financial position as a right-of-use asset and a lease liability.

The lease for the office building is a 3 year fixed payment lease expiring September 2022.

Right-of-use asset

Additional information on the right-of-use asset is as follows:

Balance, December 31, 2018	$	-
Additions		100,518
Amortization		(8,377)
Balance, December 31, 2019	$	92,141

The right of use asset is amortized straight line over the life of the lease.

Lease liability

Balance, December 31, 2018	$	-
Additions		100,518
Payments		(7,949)
Balance, December 31, 2019	$	92,569

Lease liabilities are presented in the statement of financial position as follows:

		2019
Current	$	29,658
Non-current		62,911
Balance, December 31, 2019	$	92,569

Interest expense of $2,232 (2018 - $Nil) is included in financing expense and payments are applied against the lease liability.

The undiscounted maturity analysis of the lease liabilities at December 31, 2019 is as follows:

		2020		**2021**		**2022**		**Total**
Minimum lease payments	$	40,723	$	40,723	$	30,542	$	111,988
Finance charges		(11,065)		(6,652)		(1,702)		(19,419)
Net present value	$	29,658	$	34,071	$	28,840	$	92,569

At December 31, 2019, there were no leases not recognized as a liability.

(amounts in Canadian dollars)

13. Income taxes

(a) The provision for income taxes differs from the results which would be obtained by applying the combined federal and provincial income tax rates to loss before taxes as follows

		2019		**2018**
Loss before income taxes	$	(1,834,063)	$	(2,930,730)
Effective statutory income tax rate		27%		27%
Expected income tax recovery	$	(495,197)	$	(791,300)
Differences resulting from:				
Flow-through share obligation		(82,600)		82,600
Tax asset not recognized		577,797		708,700
Deferred income tax recovery	$	-	$	-

(b) Deferred tax assets

The following information summarizes the timing differences:

		2019		**2018**
Deferred tax assets (liabilities)				
Other	$	30,600	$	30,600
Exploration and evaluation assets		2,235,800		1,934,200
Non-capital losses carried forward		1,035,500		758,200
Tax Assets not recognized		(3,301,900)		(2,723,000)
	$	-	$	-

Losses carried forward

As at December 31, 2019, the Corporation has approximately $3,835,000 of non-capital losses carried forward which are available to reduce taxable income expiring as follows:

2039	$	1,027,000
2038		568,000
2037		165,000
2036		150,000
2035		221,000
2034		218,000
2033		372,000
2032		511,000
2031		47,000
2030		369,000
2029		127,000
2028		43,000
2027-2020		17,000
	$	3,835,000

14. Share capital

The authorized share capital of the Corporation is an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, with the rights, privileges, restrictions and conditions designated by the Board of Directors at the time of issuance.

2018 transactions

During the year ended December 31, 2018, the Corporation issued 7,500,000 common shares of the Corporation as initial consideration for the purchase of a 50% working interest in the Whiskey Flats Copper-Zinc Project. (Note 6) These shares had an estimated fair value of $0.02 per share for a total non-cash consideration of $150,000.

On June 7, 2018, the Corporation closed a private placement of flow-through ("FT") financing offering which resulted in the issuance of 12,400,000 Units at a purchase price of $0.025 per Unit for gross proceeds of $310,000. Each FT Unit consists of one FT common share and one common share purchase warrant ("Warrant"). The fair value of the Unit of $310,000 was allocated $159,000 to the common shares, $151,000 to the Warrants.

On July 17, 2018 and August 6, 2018 the Corporation closed private placement financing offerings which resulted in the issuance of 16,906,000 Units at a purchase price of $0.025 per Unit for gross proceeds of $422,650. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Issuance costs associated with the private placements amounted to $3,150 for net proceeds of $419,500. The fair value of the Unit of $419,500 was allocated $209,400 to the common shares and $210,100 to the Warrants.

2019 transactions

On February 27, 2019, the Corporation issued 12,705,000 (post-consolidation) common shares of the Corporation as consideration for the purchase of 100% of the issued and outstanding common shares of a privately-held company (the "Subsidiary") with substantial natural gas reserves in the Barnett Shale, Texas. On the date of acquisition, the common shares of Aurex had an estimated fair value of $0.65 per share (post consolidation) for a total non-cash consideration of $8,258,250.

On July 19, 2019 the Corporation closed a private placement announced June 26, 2019, for gross proceeds of $489,100. The Offering consists of the issuance of an aggregate of 1,956,400 Units at a price of $0.32 per Unit. Each Unit consists of one common share in the capital of the Company and one-half common share purchase warrant with each full Warrant entitling the holder to acquire one Common Share at a price of $0.30 per Common Share, for a period of 18 months from the closing of the Offering. In connection with the Offering, there were no cash commissions paid. The proceeds of $489,100 were allocated $361,934 to the common shares and $127,166 to Warrants.

During the year, 768,590 Warrants expired with a stated capital of $139,949.

(amounts in Canadian dollars)

14. Share capital (continued)

The following weighted average assumptions were used in the Black-Scholes pricing model to determine the value of the share purchase warrants:

	2019	2018
Market price of common share on issuance	$0.185	$0.02 to $0.025
Expected stock price volatility	346%	300%
Expected life of warrants	18 months	24 months
Risk free interest rate	1.74%	1.90%
Expected dividend yield	0%	0%
Forfeiture rate	0%	0%
Fair value of warrant	$0.18	$0.018 to 0.023

Each Warrant issued in 2018 entitles the holder thereof to acquire one common share of the Corporation at $0.05 per share for 24 months following the closings. Each Warrant issued in 2019 entitles the holder thereof to acquire one common share of the Corporation at $0.30 per share for 18 months following the closings.

Stock options

The Corporation has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and contractors of the Corporation as well as persons providing ongoing services to the Corporation. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation. Unless otherwise determined by the Board of Directors of the Corporation, the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term.

A summary of the status of the Corporation's stock option plan as at December 31, 2019 and 2018 is as follows:

	2019		2018	
	Number of options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	665,385	$ 3.59	665,385	$ 3.59
Outstanding, end of period	665,385	$ 3.59	665,385	$ 3.59
Exercisable, end of period	665,385	$ 3.59	665,385	$ 3.59

665,385 stock options outstanding and exercisable at December 31, 2019 have a weighted average remaining contractual life of 6.09 years.

(amounts in Canadian dollars)

14. Share capital (continued)

Share purchase warrants

A summary of the status of the Corporation's share purchase warrants as at December 31, 2019 and 2018 is as follows:

	2019			2018		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Outstanding, beginning of period	1,895,744	$	1.30	768,590	$	1.30
Issued	978,200		0.30	1,127,154		1.30
Expired	(768,590)		(1.30)	-		-
Outstanding, end of period	2,105,354	$	0.84	1,895,744	$	1.30

As at December 31, 2019, the share purchase warrants have a weighted average remaining contractual life of 0.76 years (2019 – 1.26) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number of Warrants		Price Per Share	Expiry Date
476,923	$	1.30	June 7, 2020
485,615	$	1.30	July 17, 2020
164,615	$	1.30	August 6, 2020
978,200	$	0.30	January 19, 2021
2,105,354			

15. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors and companies owned by these individuals. During the period, the Corporation was charged $205,285 (2018 - $25,000) by key management personnel for management fees, which $177,160 (2018 - $16,411) is included in professional fees and $28,125 (2018 - $28,125) was capitalized for geological and consulting work relating to the Cook Gold and Whiskey Flats Projects. $25,000 in wages and salaries has also been charged by key management personnel to the Corporation. Included in accounts payable and accrued liabilities, including amounts relating to prior years charges, is $371,395 (2018 - $68,125) payable as funds become available without interest. As disclosed in Note 10, there are two notes payable to related parties of the Corporation outstanding at year end for a combined amount of $42,375.

(amounts in Canadian dollars)

16. Supplemental cash flows information

Changes in non-cash working capital for the periods ended December 31, 2019 and 2018 is comprised of:

Provided by (used in):		**2019**	**2018**
GST recoverable	$	(32,542)	(6,300)
Prepaid expenses		42,139	(42,139)
Deposit		3,332	-
Accounts payable and accrued liabilities		929,335	146,861
Due to related parties		37,565	-
	$	979,829	98,422

Non-cash transactions for the period ended:

December 31, 2019 and 2018

- Issuance of 12,705,000 common shares in the amount of $8,258,250 for the acquisition of Gas Tap Corp. (Note 18) in 2019.

- Issuance of 1,956,400 common shares and 978,200 warrants in the amount of $489,100 for the settlement of liabilities in 2019.

- Issuance of 7,500,000 common shares in the amount of $150,000 for exploration and evaluation assets in 2018.

There was no interest or income taxes paid during the years ended December 31, 2019 and 2018.

17. Commitments-

The Corporation entered into a three year lease agreement for its office premises with monthly payments of $3,225, which expires on September 30, 2022.

During the year ended December 31, 2018, the Corporation issued and repaid a promissory note ("Note") in the amount of $100,000 from a third party. The debt was unsecured with interest at 5% per annum and was payable on demand. In addition the Corporation has agreed to issue to the debtor bonus shares in an amount equal to 20% of the value of the Note divided by the market price of the Corporation's common shares on the TSX Venture Exchange. On the date of receipt of the funds, the market price of the common shares was trading at $0.025, resulting in an obligation by the Corporation to issue 800,000 common shares for the bonus interest in the amount of $20,000. The issuance of these common shares are subject to approval by the TSX Venture Exchange ("TSX"). As at period end the Corporation has not received approval by TSX. The $20,000 is included in other accrued liabilities (Note 8). The market value of shares at year end remained the same as date of issuance resulting in no change in the amount initially recorded.

The Corporation issued a promissory note (Note 9) of $100,000 to a third party on January 31, 2019. The debt is unsecured with interest at 12% per annum and was due on June 30, 2019 which has been extended until the Corporation has available cash to repay the Note. In addition the Corporation has agreed to either issue to the debtor bonus shares in an amount equal to 20% of the value of the Note divided by the market price of the Corporation's common shares on the TSX Venture Exchange (discounted by 10%), or in lieu of bonus share issuance the debtor may elect to receive a cash payment in an amount equal to 20% of the value of the Note.

(amounts in Canadian dollars)

18. Segmented information

The Corporation has one operating segment and operations in the mining, exploration and development business. The Corporation's Board of Directors evaluates the performance of these two geographical locations and allocates resources based on certain measures. The Corporation operates in Canada and United States of America.

The information based on the geographical location of the assets is as follows:

December 31, 2019	Canada	US	Consolidated
Other assets	92,141	32,470	124,611
Exploration and evaluation assets	-	9,768,002	9,768,002
Total assets	$ 92,141	$ 9,800,472	$ 9,892,613

December 31, 2018	Canada	US	Consolidated
Exploration and evaluation assets	4,125	1,300,447	1,304,572
Total assets	$ 4,125	$ 1,300,447	$ 1,304,572

19. Acquisition

On February 20, 2019, the Corporation acquired 100% of the equity instruments of Gas Tap Corp, thereby obtaining control. The acquisition was made to obtain substantial natural gas reserves in the Barnett Shale, Texas. Under IFRS 3, the substance of the acquisition does not constitute a business combination as no processes were acquired and was accounted for as an asset acquisition.

The details of the business combination are as follows:

Fair Value of consideration transferred		
Fair value of shares issued	$	8,258,250
Transaction costs		23,747
Total purchase price		8,281,997
Recognized amount of identifiable assets		
Exploration and evaluation assets		8,806,692
Total non-current assets		8,806,692
Bank		266
Accounts receivable		35,802
Total non-current assets		36,068
Decommissioning obligations		274,893
Total non-current liabilities		274,893
Accounts payable		30,480
Promissory notes payable		255,390
Total current liabilities		285,870
Identifiable net assets	$	8,281,997

The acquisition of Gas Tap Corp. was settled by issuance of 12,705,000 common shares of the Company with an estimated fair market value at time of acquisition of $8,258,250.

20. Subsequent events

Subsequent to December 31, 2019, natural gas benchmark prices decreased substantially due to a drop in global natural gas demand triggered by the impact of the COVID-19 virus on the global economy. The recent volatility in the natural gas pricing environment may continue and could impact the Company's earnings and cash flows.