CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER
ENDING MARCH 31, 2021

Notice: The condensed interim financial statements and notes thereto for the three months ending March 31, 2021 have not been reviewed by the Corporation's external auditors

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of Canadian dollars; unaudited)					
As At:			**March 31, 2021**		December 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**851**	$	855
Restricted cash	*(Note 4)*		**428**		428
Accounts receivable			**805**		854
Prepaid expenses and deposits			**136**		111
Fair value of risk management contracts	*(Note 11)*		**5**		14
			2,225		2,262
Non-current assets					
Property, plant and equipment	*(Note 5)*		**13,173**		14,409
Total Assets		**$**	**15,398**	$	16,671
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**1,428**	$	1,480
Lease obligations	*(Note 6)*		**77**	$	83
			1,505		1,563
Non-current liabilities					
Long term debt	*(Note 7)*		**-**		60
Lease obligations	*(Note 6)*		**364**		378
Decommissioning obligation	*(Note 8)*		**9,295**		10,518
			9,659		10,956
Shareholders' equity					
Share capital	(Note 9)		**12,332**		12,332
Contributed Surplus			**8,287**		8,287
Deficit			**(16,385)**		(16,467)
			4,234		4,152
Total Liabilities and Shareholders' Equity		**$**	**15,398**	$	16,671

Commitments	*(Note 13)*
Subsequent event	*(Note 4)*

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

CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Expressed in thousands of Canadian dollars, except per share amounts; unaudited)		For the three months ended March 31, 2021	2020
Revenues			
Oil and natural gas	*(Note 3)*	**$ 1,257**	$ 1,270
Royalties		**(172)**	(216)
		1,085	1,054
Realized gain (loss) on risk management contracts	*(Note 11)*	**(28)**	23
Unrealized gain (loss) on risk management contracts	*(Note 11)*	**(10)**	334
Government grant income	*(Note 12)*	**130**	-
Other income	*(Note 3)*	**37**	103
		$ 1,214	$ 1,514
Expenses			
Operating		**$ 650**	$ 720
Transportation		**104**	112
General and administrative		**170**	161
Share-based compensation	*(Note 10)*	**-**	119
Impairment	*(Note 5)*	**-**	2,660
Transaction costs		**-**	56
Depletion and depreciation	*(Note 5)*	**162**	271
		1,086	4,099
Income (loss) from operations		**128**	(2,585)
Finance expense		**(46)**	(26)
Net income (loss) and comprehensive income (loss)		**$ 82**	$ (2,611)
Net income (loss) per share			
Basic and diluted	*(Note 9)*	**$ 0.01**	$ (0.23)

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in thousands of Canadian dollars)		Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
Balance at December 31, 2019		$ 12,327	$ 7,339	$ 643	$ (16,235)	$ 4,074
Share-based compensation	*(Note 10)*	-	-	119	-	119
Loss for the period		-	-	-	(2,611)	(2,611)
Balance at March 31, 2020		$ 12,327	$ 7,339	$ 762	$ (18,846)	$ 1,582
Share-based compensation		-	-	186	-	186
Transfer on expiry or exercise of warrants		5	(7,339)	7,339	-	5
Income for the period		-	-	-	2,379	2,379
Balance at December 31, 2020		$ 12,332	$ -	$ 8,287	$ (16,467)	$ 4,152
Income for the period		-	-	-	82	82
Balance at March 31, 2021		**$ 12,332**	**$ -**	**$ 8,287**	**$ (16,385)**	**$ 4,234**

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars; unaudited)		**For the three months ended March 31, 2021**	For the three months ended March 31, 2020
Operating activities			
Net income (loss)		**$ 82**	$ (2,611)
Depletion and depreciation	*(Note 5)*	**162**	271
Share-based compensation	*(Note 10)*	**-**	119
Impairment	*(Note 5)*	**-**	2,660
Unrealized loss (gain) on risk management contracts	*(Note 11)*	**10**	(334)
Site rehabilitation program grant	*(Note 12)*	**(110)**	-
Finance expense		**46**	26
Changes in non-cash working capital		**(101)**	178
Cash provided by operating activities		**89**	309
Financing activities			
Payments on lease obligations		**(27)**	(27)
Long term debt		**(40)**	-
Restricted Cash		**-**	1,500
Acquisition credit facility		**-**	(1,500)
Cash used in financing activities		**(67)**	(27)
Investing activities			
Property, plant and equipment expenditures	*(Note 5)*	**(78)**	(25)
Changes in non-cash working capital		**52**	(25)
Cash used in investing activities		**(26)**	(25)
Change in cash and cash equivalents		**(4)**	257
Cash & cash equivalents, beginning of period		**855**	622
Cash & cash equivalents, end of period		**$ 851**	$ 879

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and March 31, 2020.
(Expressed in Canadian dollars except per share amounts; unaudited)

1. REPORTING ENTITY

The principle business activity of Briko Energy Corp. ("Briko" or the "Corporation") is the development and production of petroleum and natural gas resources located in the foothills of Alberta. The Corporation is headquartered in Calgary and is an Alberta-based reporting entity. The principal address of Briko is located at 1710, 736 – 6th Avenue S.W. Calgary, AB, T2P 3T7. The registered address of Briko is located at 1900, 520-3rd Avenue S.W. Calgary, AB, T2P 0R3. Briko was incorporated under the Business Corporations Act (Alberta) on August 13, 2018 as 2136884 Alberta Ltd. On September 11, 2018, Articles of Amendment were filed to change the name of the Corporation to Briko Energy Corp.

On December 20, 2018, Ikkuma Resources Corp. ("Ikkuma"), Pieridae Energy Limited ("Pieridae"), and Briko, at that time a wholly-owned subsidiary of Ikkuma, completed a plan of arrangement under the Business Corporations Act (Alberta), whereby Pieridae acquired all of the issued and outstanding shares of Ikkuma.

Pursuant to the Arrangement, Ikkuma shareholders received 0.1 of a share of Briko for each Ikkuma common share and 0.1 of a common share purchase warrant of Briko. Each whole warrant entitled the holder to acquire one common share of Briko at an exercise price of $1.10 per share. The common share purchase warrants expired on June 26, 2020.

Pursuant to an asset conveyance agreement between Briko and Ikkuma made as of September 21, 2018, Ikkuma assigned and transferred to Briko certain interests in its Cardium focused Alberta Foothills properties for nine common shares.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") and have been prepared following the same accounting policies and methods of computation in the Corporation's annual financial statement for the year ended December 31, 2020, except for as stated below. The condensed interim financial statements do not include certain disclosures that are required to be included in annual financial statements and they should be read in conjunction with the annual financial statements for the year ended December 31, 2020.

These condensed interim financial statements were authorized for issuance by Briko's Board of Directors on May 26, 2021.

Certain comparative numbers have been reclassified to conform to current presentation.

COVID-19 estimation uncertainty

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. In addition, global commodity prices declined significantly in 2020 due to disputes between major oil producing countries combined with the impact of the COVID-19 pandemic. While commodity prices have recovered to pre-pandemic levels in early 2021, the full extent of the impact of COVID-19 on the Corporation's operations and future financial performance is currently unknown. Governments worldwide, including those in Canada have enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may have significant adverse impacts on the Corporation including, but not exclusively:

a. material declines in revenue and cash flows as a result of the decline in commodity prices;

b. declines in revenue and operating activities could result in increased impairment charges and an inability to generate sufficient cash flows from operations to meet the Corporation's current and future obligations;

c. increased risk of non-performance by the Corporation's customers which could materially increase the risk of non-payment of accounts receivable and customer defaults; and

d. increased restructuring charges as the Corporation aligns its structure and personnel to the dynamic environment.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect of the Corporation is not known at this time. Estimates and judgements made by management in the preparation of the financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period. If the situation continues for prolonged periods of time there may be considerable risk and substantial uncertainty around the Corporation's ability to continue as a going concern.

3. OIL AND NATURAL GAS REVENUE

The Corporation's major revenue sources are comprised of sales from the production of light oil, natural gas and natural gas liquids ("NGLs"). The sale of these products is recognized when control of the product transfers to the customer and the cash collection is reasonably probable, upon delivery of the product. The sale of produced commodities are under contracts of varying terms of up to three years. Revenues are typically collected on the 25th day of the month following production. Product sales are based on fixed or variable price contracts. Transaction prices for variable priced contracts are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Gross Revenue *(thousands of dollars)*	**Three Months Ended March 31,** **2021**	2020
Major product lines		
Light oil	**$ 729**	$ 723
Natural gas	**427**	331
NGLs	**101**	216
Oil and natural gas revenue	**$ 1,257**	$ 1,270

The Corporation generates gas processing income for fees charged to third parties provided at facilities where Briko has an ownership interest. This revenue is classified as 'other income' on the statement of loss and comprehensive loss.

4. RESTRICTED CASH

(thousands of dollars)	
At December 31, 2019	$ 1,928
Repayment of funds held in trust	(1,500)
At December 31, 2020 and March 31, 2021	**$ 428**

At March 31, 2021, the Corporation had two irrevocable standby letters of credit issued by a Canadian chartered bank for $310,000 with a maturity date of December 20, 2021 and $118,000 with a maturity date of December 4, 2021. The Corporation has pledged $428,000 of short term investments as security. These investments are recorded as restricted cash in current assets.

Subsequent to March 31, 2021, the Corporation reduced the irrevocable standby letter of credit with maturity date of December 20, 2021 from $310,000 to $200,000. Accordingly, the Corporation reduced the short term investments as security by $110,000 and this amount is available cash to the Corporation.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

Cost *(thousands of dollars)*		
At December 31, 2019	$	46,532
Additions		47
Farm in transaction		150
Change in decommissioning obligations		854
At December 31, 2020		47,583
Additions		78
Change in decommissioning obligations		(1,086)
At March 31, 2021	**$**	**46,575**

Accumulated Depletion and Depreciation *(thousands of dollars)*		
At December 31, 2019	$	32,284
Depletion and depreciation		1,000
Impairment		(110)
At December 31, 2020		33,174
Depletion and depreciation		228
At March 31, 2021	**$**	**33,402**

Net Book Value *(thousands of dollars)*		
At December 31, 2020	$	14,409
At March 31, 2021	**$**	**13,173**

At March 31, 2021 future development costs of Briko's proved plus probable reserves of $0.1 million were included in the depletion calculation (December 31, 2020 – $0.1 million). Residual value of $1.2 million (December 31, 2020 – $1.2 million) was excluded from the depletion calculation.

At March 31, 2021, depletion and depreciation expense included a credit of $66,000 for the change in estimated future cash outflows for decommissioning obligations for assets with no remaining net book value (see Note 8).

At March 31, 2021, the Corporation determined that no indicators of impairment or impairment reversal existed on property, plant & equipment assets, therefore an impairment test was not performed.

At December 31, 2020, due to reduced operating expenses and the increases in benchmark commodity pricing since March 31, 2020, the Corporation determined an impairment reversal trigger to be present in its Northern Foothills CGU and Central Foothills CGU and completed impairment reversal tests. Recoverable amounts for the Corporation's CGU's were estimated based on fair value less costs to sell ("FVLCS"). FVLCS was calculated using the present value of the CGU's expected before tax future cash flows estimated by the Corporation's third party reserve evaluators at discount rates of 12 - 20 percent. At December 31, 2020, it was determined that the recoverable amount of the Northern Foothills CGU and the Central Foothills CGU exceeded the carrying value amount. Accordingly, previous impairment in the Northern Foothills CGU, net of depletion, of $1.0 million was reversed and previous impairment in the Central Foothills CGU, net of depletion, of $1.8 million was reversed.

The Corporation determined that the Narraway CGU did not have an impairment reversal trigger at December 31, 2020.

The following table outlines the forward commodity price estimates used in the December 31, 2020 impairment tests:

As at December 31, 2020:	Canadian Light Sweet Crude (Cdn$/bbl) [1,2]	AECO Gas (Cdn$/mmbtu) [1,2]
2021	55.13	2.78
2022	60.62	2.73
2023	64.68	2.68
2024	66.73	2.72
2025	68.11	2.77
2026	69.52	2.84
2027	70.95	2.90
2028	72.40	2.95
2029	73.89	2.92
2030	75.37	2.98
2031	76.88	3.04
Remainder	+2.0%/yr	+2.0%/yr

(1) Product sales prices will reflect these reference prices with further adjustments for product quality differentials and transportation to point of sale.

(2) Source: 4 Consultants' average, GLJ Petroleum Consultants, McDaniel & Associates Consultants, Sproule Associates and Deloitte price forecasts, effective January 1, 2021.

At March 31, 2020, due to the significant decline in forecasted commodity benchmark prices, the Corporation determined a trigger to be present in its CGU's and completed an impairment test. Recoverable amounts for the Corporation's CGU's were estimated based on fair value less costs to sell ("FVLCS"). FVLCS was calculated using the present value of the CGU's expected before tax future cash flows estimated by the Corporation's third party reserve evaluators at December 31, 2019 at discount rates of 12 - 20 percent, adjusted by internal reserve evaluators for production and forecasted prices during the three months ended March 31, 2020. At March 31, 2020, it was determined that the carrying value of the Narraway CGU exceeded the recoverable amount by $0.3 million, the Northern Foothills CGU exceeded the recoverable amount by $0.5 million and the Central Foothills CGU exceeded the recoverable amount by $1.9 million. Accordingly, a $2.7 million impairment charge was recognized.

The following table outlines the forward commodity price estimates used in the March 31, 2020 impairment tests:

As at March 31, 2020:	Canadian Light Sweet Crude (Cdn$/bbl) [1,2]	AECO Gas (Cdn$/mmbtu) [1,2]
2020	29.73	1.77
2021	47.20	2.20
2022	59.66	2.40
2023	67.00	2.51
2024	69.92	2.58
2025	71.33	2.66
2026	72.78	2.72
2027	74.26	2.78
2028	75.77	2.79
2029	77.32	2.85
2030	78.86	2.92

Remainder	+2.0%/yr	+2.0%/yr

(3) Product sales prices will reflect these reference prices with further adjustments for product quality differentials and transportation to point of sale.

(4) Source: 4 Consultants' average, GLJ Petroleum Consultants, McDaniel & Associates Consultants, Sproule Associates and Deloitte price forecasts, effective April 1, 2020.

As a result, the Corporation recorded $110,000 of net impairment reversal for the year ended December 31, 2020.

6. LEASES

The Corporation's lease obligations are as follows:

(thousands of dollars)		
At December 31, 2019	$	539
Lease interest expense		29
COVID-19 related rent concession		(21)
Lease payments		(86)
At December 31, 2020	$	461
Lease interest expense		7
Lease payments		(27)
At March 31, 2021	**$**	**441**
Current portion		77
Long term portion		364

7. LONG TERM DEBT

During the three months ended March 31, 2021, the Corporation repaid $40,000 of the Canada Emergency Business Account (the "CEBA loan") and $20,000 of the outstanding amount was forgiven. The CEBA loan featured 0% interest until December 31, 2022, voluntary principal repayments without fees or penalties, and 33% loan forgiveness, or $20,000, if the full balance was repaid by December 31, 2022. The $20,000 forgiven was recorded as government grants on the statement of income (loss) and comprehensive income (loss).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

8. DECOMMISSIONING OBLIGATION

(thousands of dollars)		**Three months ended March 31, 2021**		Year ended December 31, 2020
Decommissioning obligation, beginning of period	**$**	**10,518**	$	9,718
Obligations related to farm in transaction		**-**		48
Obligations related to disposition		**-**		(226)
Change in estimated future cash outflows – expensed in period[1]		**(66)**		7
Change in estimated future cash outflows		**(1,086)**		854
Government subsidy for decommissioning expenditures		**(110)**		-
Accretion expense		**39**		117
Decommissioning obligation, end of period	**$**	**9,295**	$	10,518

(1) Related to the change in estimated future cash outflows for assets with no remaining net book value, recognized in the statement of income (loss) and comprehensive income (loss) as depletion and depreciation.

The Corporation's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites and processing facilities. The Corporation estimates the total undiscounted and uninflated amount of cash flows required to settle its decommissioning obligations is approximately $9.8 million (December 31, 2020 – $10.0 million). As at March 31, 2021, a risk free rate of 2.0% (December 31, 2020 – 1.24%) and an inflation rate of 1.7% (December 31, 2020 – 1.48%) was used to calculate the fair value of the decommissioning obligations.

The change in estimated future cash outflows for the three months ended March 31, 2021 resulted from decommissioning obligations being valued using a risk free rate of 1.97% and inflation rate of 1.69% as opposed to a risk free rate of 1.24% and an inflation rate of 1.48% used at December 31, 2020.

During the three months ended March 31, 2021, the Corporation received a government subsidy of $110,000 through the Alberta Site Rehabilitation Program ("SRP") to pay service companies to complete abandonment and reclamation work. The SRP was recorded as government grants on the statement of income (loss) and comprehensive income (loss).

9. SHARE CAPITAL

Authorized

The Corporation has an unlimited number of common shares with the holders of common shares entitled to one vote per share and an unlimited number of preferred shares issuable in series, with rights and privileges to be designated by the Board of Directors at the time of issuance. At March 31, 2021 there were no preferred shares outstanding.

Issued and outstanding common shares

(thousands of dollars except share amounts)	**Three Months Ended March 31, 2021**			Year Ended December 31, 2020		
	Common Shares		**Amount**	Common Shares		Amount
Balance beginning of the period	**11,211,149**	**$**	**12,332**	11,206,626	$	12,327
Common shares issued – warrant exercise	-		-	4,523		5
Balance end of the period	**11,211,149**	**$**	**12,332**	11,211,149	$	12,332

During the year ended December 31, 2020, a total of 4,523 Common share purchase warrants were exercised at $1.10 per share.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Per share amounts

Per share amounts have been calculated on the weighted average number of shares outstanding. The weighted average shares outstanding for the three months ended March 31, 2021 was 11,211,149 (three months ended March 31, 2020 – 11,206,626).

The diluted income (loss) per share calculations for the three months ended March 31, 2021 and 2020 were not affected by the options as the options are out of the money and would be anti-dilutive.

10. SHARE-BASED COMPENSATION

The Corporation has a stock option plan for directors, employees and service providers. Stock options granted under the stock option plan have a term of 5 years to expiry. One third of the options granted vest on each of the first, second and third anniversaries of the date of grant. At March 31, 2021, the Corporation had 875,000 options outstanding with a weighted average exercise price of $1.10 per share.

The following tables summarize the information about the stock options:

	Three Months Ended March 31, 2021		Year Ended December 31, 2020	
	Options	**Weighted Avg Exercise Price**	Options	Weighted Avg Exercise Price
Outstanding beginning of the period	**950,000**	**$ 1.10**	950,000	$ 1.10
Forfeited[1]	(75,000)	(1.10)	-	-
Outstanding end of the period	**875,000**	**$ 1.10**	950,000	$ 1.10

[1] Accumulated share-based compensation expense related to the forfeited options was reversed during the three months ended March 31, 2021.

The following table summarizes stock options outstanding and exercisable at March 31, 2021:

	Stock Options Outstanding			**Stock Options Exercisable**		
Exercise Price per Share	**Number of Options**	**Weighted Average Exercise Price**	**Weighted Average Remaining Life (years)**	**Number of Options**	**Weighted Avg Exercise Price**	**Weighted Avg Remaining Life (years)**
$ 1.10	875,000	$ 1.10	3.09	291,667	$ 1.10	3.09
	875,000	**$ 1.10**	**3.09**	**291,667**	**$ 1.10**	**3.09**

The total expense for share-based compensation during the three months ended March 31, 2021 was nil (three months ended March 31, 2020 – $119,000).

11. FINANCIAL RISK MANAGEMENT

Risk Management Contracts

It is the Corporation's policy to economically hedge some oil and natural gas sales through the use of various financial forward sales risk management contracts. The Corporation does not apply hedge accounting for these contracts. The Corporation's production is sold using "spot" or near term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price. Briko does not enter into commodity contracts other than to meet the Corporation's expected sales requirements.

The fair value of options and costless collars is based on option models that use published information with respect to volatility, prices and interest rates. These instruments are considered level two under the fair value hierarchy. The fair value of forward contracts and swaps is determined by discounting the difference between the contracted prices and published forward price curves as at the date of the statement of financial position, using the remaining contracted oil and natural gas volumes and a risk-free interest rate (based on published government rates).

At March 31, 2021, the Corporation held the following risk management commodity contracts:

Light Oil (WTI $Cdn)

Remaining Term	Option Traded	Volume (bbl/d)	Strike Price
April 1, 2021 - June 30, 2021	Put Acquired	75	$60.00/bbl

Natural Gas (AECO $Cdn)

Remaining Term	Option Traded	Volume (GJ/d)	Strike Price
April 1, 2021 – October 31, 2021	Put Acquired	500	$2.00/GJ

The following table provides a summary of risk management contracts classified on the statement of financial position:

(thousands of dollars) **As at:**	March 31, 2021	December 31, 2020
Current assets	$ 5	$ 14

In addition to the risk management contracts above, the Corporation has entered into physical delivery sales contracts to manage commodity risk. These contracts are considered normal sales contracts and are not recorded at fair value in the financial statements.

The Corporation has the following physical commodity contracts in place at March 31, 2021:

Natural Gas Basis Differential

Remaining Term	Type	Volume (MMBtu/d)	Price (NYMEX less US$/MMBtu)
April 1, 2021 – October 31, 2021	Basis Differential	750	($1.675)/MMBtu

Light Oil (WTI $USD)

Remaining Term	Type	Volume (bbl/d)	Price ($USD/bbl)
April 1, 2021 - June 30, 2021	Fixed	50	$42.00/bbl
July 1, 2021 – September 30, 2021	Fixed	50	$42.25/bbl

Light Oil Basis Differential

Remaining Term	Type	Volume (bbl/d)	Price ($USD/bbl)
April 1, 2021 - June 30, 2021	Basis Differential	40	($6.20)/bbl

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meets its financial obligations as they become due. The Corporation's approach to managing liquidity is to ensure that they will have sufficient liquidity to meet its short-term and long-term financial obligations when due, under both normal and unusual conditions, without incurring unacceptable losses or risking harm to the Corporation's reputation. To manage liquidity risk, the Corporation will seek to issue equity, issue debt or operate within cash flow. Please refer to note 2 "Basis of Presentation" for additional information on liquidity risk.

At March 31, 2021, the Corporation's financial liabilities include accounts payable and accrued liabilities that are due within the next year.

Capital Management

The Corporation's objective when managing capital is to maintain a flexible capital structure that will allow it to execute on its capital expenditure program, which includes expenditures on oil and gas activities that may or may not be successful. Therefore, the Corporation monitors the level of risk incurred in its capital expenditures to balance the proportion of debt and equity in its capital structure. The Corporation's share structure includes shareholders' equity and working capital. The Corporation monitors its capital structure and makes adjustments on an ongoing basis in order to maintain the flexibility needed to achieve long-term objectives. To manage the capital structure, the Corporation may adjust capital spending, hedge future revenue and costs, issue new equity or issue debt.

12. GOVERNMENT GRANT INCOME

The following table presents the Corporation's governments grants:

(thousands of dollars)		**Three months ended March 31, 2021**		Three months ended March 31, 2020
Site rehabilitation program grant (Note 8)	$	**110**		-
CEBA loan grant (Note 7)		**20**		-
Total government grant income	**$**	**130**	$	-

13. COMMITMENTS

Future minimum payments relating to variable office rent payments and firm transport commitments at March 31, 2021 are as follows:

(thousands of dollars)		**2021**		**2022**		**2023**		**2024**		**2025**		**Thereafter**		**Total**
Variable office rent	$	51	$	6	$	-	$	-	$	-	$	-	$	57
Firm transportation		107		143		141		96		88		22		597
Total	**$**	**158**	**$**	**149**	**$**	**141**	**$**	**96**	**$**	**88**	**$**	**22**	**$**	**654**