SENSOR TECHNOLOGIES CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Prepared in Canadian dollars)

For Years Ended December 31, 2020 and 2019

Wasserman
Ramsay

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Sensor Technologies Corp.:

Opinion

We have audited the consolidated financial statements of Sensor Technologies Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in deficiency and cash flows for the years then 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as of December 31, 2020 the Company has incurred losses of $304,059 resulting in an accumulated deficit of $5,439,324. In addition, the Company, has a working capital deficiency in the amount of $2,099,019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

- Management's Discussion and Analysis

Our opinion on the 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 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 auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor’s Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Kevin Ramsay.

Wasserman Ramsay

Chartered Professional Accountants
Licensed Public Accountants

Markham, Ontario
April 30, 2021

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	Note	December 31, 2020	December 31, 2019
ASSETS			
Current Assets:			
Cash		$ 2,328	$ 2,301
Trade and other accounts receivable		1,481	957
Prepaid expenses		28,221	26,631
Total current assets		32,030	29,889
Non-current assets:			
Investment in subsidiary held for sale	2	84,885	52,700
Oil and gas property interests	5	1	1
Deposits	12	343,512	340,274
Total non-current assets		428,398	392,975
Total assets		$ 460,428	$ 422,864
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities		$ 1,136,998	$ 1,092,833
Reclamation & decommissioning obligation	8	411,070	411,070
Advances	6	582,981	450,292
Total current liabilities		2,131,049	1,954,195
Long term liabilities			
Debentures	9	548,941	1,174,047
Total long term liabilities:		548,941	1,174,047
Total liabilities		2,679,990	3,128,242
SHAREHOLDERS' DEFICIENCY			
Capital stock	7	3,209,272	2,365,158
Equity component of convertible debenture		10,890	65,004
Accumulated other comprehensive income		(400)	(275)
Deficit		(5,439,324)	(5,135,265)
Total shareholders' deficiency		(2,219,562)	(2,705,378)
Total liabilities and shareholders' deficiency		$ 460,428	$ 422,864

	Note
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Approved on Behalf of the Board

"Jay Vieira"
Director

"Alex Mackay"
Director

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2020	2019
Interest income		$ 3,238	$ 6,714
Total revenue		3,238	6,714
Expenses			
Exploration expenses	13	(17,097)	(31,857)
Office and general	14	(85,851)	(42,917)
Total expenses		$ (102,948)	$ (74,774)
Loss before undernoted		(99,710)	(68,060)
Finance costs		(237,228)	(262,710)
Impairment of oil and gas property interests	5	-	(509,278)
Loss on disposal of subsidiary held for sale		-	(2,465,615)
Write down of investment in subsidiary held for sale to fair value		-	(821,869)
Gain on foreign exchange		694	1,503
Net (loss) for the year		(336,244)	(4,126,029)
Net income of discontinued operations for the year	2	32,185	369,831
		(304,059)	(3,756,198)
Other comprehensive gain (loss) for the year			
Exchange differences on translation of foreign operations		(125)	(336)
Total comprehensive (loss) for the year		$ (304,184)	$ (3,756,534)
Weighted average shares outstanding - basic and diluted	7	83,503,992	65,940,978
(Loss) per common share based on net (loss) for the year		$ (0.00)	$ (0.06)

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN DEFIENCY
DECEMBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	Share Capital									
	Number	Amount		Equity portion of convertible debentures		Accumulated Other Comprehensive Income (Loss)		Deficit		Total Deficiency
Balance, December 31, 2018	58,234,129	$1,656,936	$	123,226	$	61	$	(4,907,907)	$	(3,127,684)
Net loss for the year	-	-		-		-		(3,756,198)		(3,756,198)
Elimination of reserves of subsidiary held for sale	-	-		-		-		3,528,840		3,528,840
Shares issued on conversion of convertible debentures	13,000,000	650,000		-		-		-		650,000
Equity portion of converible debentures transferred to common stock on conversion of debentures	-	44,522		(44,522)		-		-		-
Equity portion of converible debentures transferred to common stock on assumption of BDC loan	-	13,700		(13,700)		-		-		-
Exchange differences on translation of foreign operations	-	-		-		(336)		-		(336)
Balance, December 31, 2019	71,234,129	$2,365,158	$	65,004	$	(275)	$	(5,135,265)	$	(2,705,378)

	Number	Amount		Equity portion of convertible debentures		Accumulated Other Comprehensive Income (Loss)		Deficit		Total Deficiency
Balance, December 31, 2019	71,234,129	$2,365,158	$	65,004	$	(275)	$	(5,135,265)	$	(2,705,378)
Net loss for the year	-	-		-		-		(304,059)		(304,059)
Shares issued on conversion of convertible debentures	79,000,000	790,000		-		-		-		790,000
Equity portion of convertible debentures transferred to common stock on conversion of dentures	-	54,114		(54,114)		-		-		-
Exchange differences on translation of foreign operations	-	-		-		(125)		-		(125)
Balance, December 31, 2020	150,234,129	$3,209,272	$	10,890	$	(400)	$	(5,439,324)	$	(2,219,562)

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31. 2020 AND 2019
(Expressed in Canadian Dollars)

	Year ended December 31, 2020	2019
Cash flows (used in) operating activities		
Net (loss) for the year	$ (304,059)	$ (3,756,198)
Loss on disposal of subsidiary held for sale	-	2,465,615
Write down of investment in subsidiary held for sale to fair value	-	821,869
Income from discontinued operations	(32,185)	(369,831)
Impairment of oil and gas property interests	-	509,278
Amortization	-	-
Accrued interest on advances	72,334	41,800
Accrued interest on debentures	148,982	189,001
Accretion on debentures	15,912	31,908
	(99,016)	(66,558)
Changes in non-cash working capital balances		
Trade and other accounts receivable	(524)	8,999
Prepaid expenses	(1,590)	(8,636)
Accounts payable and accrued liabilities	44,165	87,587
Cash flows generated (used in) operating activities	(56,965)	21,391
Cash flows (used in) investing activities		
Equipment	-	2,058
Increase in deposits	(3,238)	(6,714)
Cash flows (used in) investing activities	(3,238)	(4,656)
Cash flows from (used in) financing activities		
Proceeds from advances	60,355	(14,784)
Cash flows from (used in) financing activities	60,355	(14,784)
Net increase (decrease) in cash	152	1,951
Effect of changes in foreign exchange rate	(125)	(336)
Cash, beginning of the year	2,301	686
Cash, end of the year	$ 2,328	$ 2,301
Supplemental Information		
Non-cash financing and investing activities		
Issuance of common shares for acquisition	$ -	$ 2,756,000
Issuance of common shares - conversion of debenture	$ 790,000	$ 650,000
Cash paid for:		
Interest on lease obligations	$ -	$ 4,190

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERNS

Sensor Technologies Corp. (the "Company" or "STC" or "Sensor") is continued under the Business Corporations Act (Ontario). The Company's principal assets are oil and natural gas interests. The Company is domiciled in the province of Ontario and its head office is located at 2455 Cawthra Road, Unit 75, Mississauga, Ontario, Canada. Media Central Corporation Inc. ("Media") (formerly IntellaEquity Inc. ("Intella")) owned 49% of the shares of STC and sold these shares to 2725004 Ontario Inc. ("2725004 Ont") on November 8, 2019. The CEO of the Company is the President of 2725004 Ont. but does not exercise control over 2725004 Ont. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol "SENS".

On December 1, 2019, the Company entered into share purchase agreement (the "Agreement") with an arm's length party with respect to the sale of 49% of the issued and outstanding securities in the capital of STI., a wholly owned subsidiary of Sensor for $158,010 with a right of first refusal to purchase another 26% of the issued and outstanding securities for $10, subject to shareholder approval, within 5 years of the closing date.

These consolidated financial statements ("consolidated statements) include the accounts of the Company and its subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, Primary Petroleum Company U.S. Inc ("PPCUSA"), a Montana, USA Corporation, Primary Petroleum Company LLC ("PPCLLC"), a Montana, USA Corporation and AP Petroleum Company ("APLLC"), a Montana, USA Corporation. STI which was a subsidiary of Sensor is no longer consolidated as it is considered as held for sale. (See note 2).

The consolidated statements were approved for issue by the board of directors on April 30, 2021.

The consolidated statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred a net loss of $304,059 for year ended December 31, 2019 (2019- $3,756,198), has a working capital deficiency in the amount of $2,099,019 and has a deficit in the amount of $5,439,324 as at December 31, 2020. Management estimates that the funds available as at December 31, 2020 will not be sufficient to meet the Company's potential capital and operating expenditures through to December 31, 2021. The Company will have to raise additional funds to continue operations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The challenges of securing requisite funding and the cumulative losses indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

(Expressed in Canadian Dollars)

2. DISCONTINUED OPERATION

On December 1, 2019, the Company entered into share purchase agreement with an arm's length party with respect to the sale of 49% of the issued and outstanding securities in the capital of STI, a wholly owned subsidiary of Sensor for $158,080 with a right of first refusal to purchase another 26% of the issued and outstanding securities for $10, subject to shareholder approval, within 5 years of the closing date. Management expects that the sale of the further 26% interest will close within the current fiscal year and therefore as required under IFRS 5 has recorded this investment as a subsidiary held for sale and as such has deconsolidated the subsidiary. The fair value of investment in STI after sale of 75% shares is $84,885 on December 31,, 2020 (2019 - $52,700) and is shown in the consolidated statements of financial position as investment in subsidiary held for sale.

As STI represented a reportable segment of the Company, the results of discontinued operations of STI for the years ended December 31, 2020 and 2019 are as follows:

		Year ended December 31		
		2020		**2019**
Sales revenue	$	435,547	$	770,166
Interest income	$	-	$	2,250
Total revenue		435,547		772,416
Cost of sales		(63,823)		(190,742)
Royalty payable		-		-
Gross profit	$	371,724	$	581,674
Expenses				
Research and development		(64,502)		(96,247)
Office and general		(232,255)		(35,435)
Total expenses	$	(296,757)	$	(131,682)
Income before undernoted		74,967		449,992
Finance costs		(1,027)		(6,183)
Royalty for 2018 cancelled		-		13,040
Gain (loss) on foreign exchange		(10,832)		(11,012)
Net income for the year	$	63,108	$	445,837
Minority interests in earnings for the year		30,923		76,006
Net income of discontinued operations for the year	$	32,185	$	369,831

		Year ended December 31,		
Effect of discontinued operation on cash flows		**2020**		**2019**
Cash flows from (used in) operating activities	$	99,140	$	(236,538)
Cash flows (used in) from investing activities	$	(71,711)	$	73,769
Cash flows from financing activities	$	31,614	$	131,165

3. BASIS OF PRESENTATION

Statement of Compliance

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") which includes International Financial Reporting Standards, International Accounting Standards ("IAS"), and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") effective as of December 31, 2020. These standards are collectively referred to as “IFRS”.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The consolidated financial statements are presented in Canadian dollars, which is the parent’s functional and presentation currency. Each entity in the group determines its own functional currency. Management reviewed the primary and secondary indicators in IAS 21, the effects of changes in foreign exchange rates, and determined that the functional currency for its USA subsidiaries is US dollars and for all other subsidiaries is Canadian dollars.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries; Mooncor Energy, PPCUSA, PPCLLC and APLLC (collectively referred to as the “Company””). Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. STI which was a subsidiary is no longer consolidated as it is considered held for sale. (Note 2)

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

- Assets' carrying values and impairment charge

  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. Impairment of oil and gas property interests

  While assessing whether any indications of impairment exist for property interests, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of property interests. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's oil and gas property interests, costs to sell the properties and the appropriate discount rate. Internal sources of information include the manner in which oil and gas property interests are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in oil price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable oil reserves or adverse current economics can result in a write-down of the carrying amounts of the Company's property interests.

- Estimation of decommissioning and restoration costs and the timing of expenditure

  The cost estimates are updated annually during the life of an oil well to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the oil well. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes

  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Oil and natural gas reserves

  The Company's reserves of oil and natural gas are estimated based on information compiled by the Company's qualified persons, independent geologists and engineers. The process of estimating reserves requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty. The evaluation of recoverable reserves is an ongoing process impacted by current production, continuing development activities and changing economic conditions. Changes in estimates of reserves may materially impact the carrying value of the Company's oil and gas properties, the recorded amount of depletion, the determination of the Company's obligations pursuant to decommissioning liabilities and the assessment of impairment provisions.

- Contingencies

  Refer to Note 12.

The information about significant areas of judgment considered by management in preparing the consolidated statements is as follows:

- Subsidiary held for sale

  The Company's management has made a judgement that the option of the purchaser to acquire a further 26% of STI will be exercised in the coming fiscal year.

- Going concern

  The Company's management has made an assessment of the Company's ability to continue as a going concern and the consolidated statements continue to be prepared on a going concern basis. However, management does not believe the Company has sufficient cash on hand to meet the Company's operating expenditures beyond December 31, 2020 which may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Refer to Note 1.

- Oil and gas property expenditures

  The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Company defers exploration and evaluation expenditures. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the consolidated statement of income (loss) in the period when the new information becomes available.

- Determination of functional currency

  The effects of Changes in Foreign Exchange Rates' (IAS 21) define the functional currency as the currency of the primary economic environment in which an entity operates. The determination of functional currency, which is performed on an entity by entity basis, is based on various judgmental factors outlined in IAS 21. Based on assessment of the factors in IAS 21, primarily those that influence labour, material and other costs of goods or services received by its subsidiaries, management determined that the functional currency for the parent company is Canadian dollars and the US dollar for the Company's subsidiaries located in the USA.

- Determination of cash generating units ("CGU")

  The Company applies judgment when determining their CGUs. The Company has two main sources of cash flows, the oil and gas business (the oil and gas business) and the sale of fiber optic sensing systems from STI (the technology business). After disposal of the technology business (see note 2), the Company determined that the assets for these two businesses were independent of each other and designated the Oil and Gas CGU and the Corporate CGU.

- Deferred tax assets

  Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. As at December 31, 2020 and 2019, the Company has not recognized any deferred tax assets because it is not probable that future taxable income will be available against which the Company can use the benefits of the deferred tax assets.

4. SIGNIFICANT ACCOUNTING POLICIES

The policies set out below are consistently applied to all years presented unless otherwise noted.

Oil and gas exploration and evaluation assets and oil and gas property interests

- Oil and gas exploration and evaluation assets

  Exploration and evaluation ("E&E") assets primarily relate to acquisition costs and related reclamation and decommissioning. Expenditures incurred on the acquisition of a license interest is initially capitalized on a license by license basis. The acquisition costs of E&E properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

  Exploration costs are expensed in the period incurred. The acquisition costs are deferred until commercial reserves are proven, sold or abandoned. Commercial proven reserves are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future periods from known reservoirs and are considered technically feasible.

  Costs incurred subsequent to the determination of technical feasibility and commercial viability are added to the cost base of the respective item of P&E when they increase the future economic benefits of that asset. The costs of regular service and maintenance are expensed in profit or loss in the period in which they occur.

  Net proceeds from any disposal of an E&E asset are initially credited against the previously capitalized costs. Any surplus proceeds are credited to the consolidated statement of income (loss).

- Oil and gas property interests

  All directly attributable costs incurred after the technical feasibility and commercial viability of producing hydrocarbons have been demonstrated are capitalized on a field-by-field basis only when the costs increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

Impairment

E&E assets are reviewed for impairment whenever facts or circumstances indicate that the cost capitalized to E&E assets may not be recoverable. If commercial reserves have not been established through the completion of E&E activities and there are no future plans for activity in that field, the E&E assets are determined to be impaired and the carrying amount is charged to income. Facts and circumstances that indicate impairment of E&E assets include but are not limited to:

a. the period for which the Company has the right to explore a specific area has expired or will expire in the near future and is not expected to be renewed.
b. substantive expenditure on future E&E activities in a specific area is neither budgeted nor planned.
c. E&E activities in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in a specific area.
d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount, by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the net selling price and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized in the statement of loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognized in the statement of loss immediately.

Depletion

Depletion of oil and gas property interests within each cash-generating unit (CGU) is recognized using the unit-of-production method based on the Company's share of total proved plus probable oil and natural gas reserves before royalties as determined by independent reserve engineers.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

Decommissioning liability

A decommissioning liability is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related asset. The amount recognized is management's estimated cost of decommissioning, discounted to its present value using a pre-tax risk free rate that reflects the time value of money. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the related asset unless the change arises from production. The unwinding of the discount on the decommissioning provision is included as a finance cost. Actual cost incurred upon settlement of the decommissioning liability are charged against the provision to the extent the provision was established.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Capital stock, stock options and warrants

The Company's common shares, stock options and share purchase warrants are classified as equity instruments only to the extent that they do not meet the definition of a financial liability or financial asset. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, net of tax, from the proceeds. Expired warrants are transferred to capital stock on expiry.

Income (loss) per share

Basic income (loss) per share figures are calculated using the weighted average number of common shares outstanding during the year. Diluted income (loss) per share figures are calculated based on the weighted average number of common shares outstanding adjusted for the effects of all dilutive potential shares including warrants and stock options. The effect on the diluted income (loss) per share on the exercise of the warrants and stock options would be anti-dilutive.

Basic and diluted income (loss) per common share is calculated using the weighted average number of common shares outstanding during the year. The Company has reserved shares for issuance in accordance with applicable corporate and securities laws. Consideration received on the issuance of reserved shares will be credited to capital stock and will be valued at either the fair value of the consideration received or shares issued, whichever is more readily determinable.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The Company records compensation cost using the fair value method of accounting for share-based payments. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period as share-based payments expense and share-based payment reserve. When options are exercised, the proceeds received, together with any related amount in share-based payment reserve, will be credited to capital stock.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Financial instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the period in which they arise.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Company's accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy that reflects the significance of inputs in measuring fair value as the following:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 –inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Foreign currencies

(i) Functional currency

The consolidated financial statements are presented in Canadian dollars, which is the parent's functional and presentation currency. Each entity in the group determines its own functional currency. Management reviewed the primary and secondary indicators in IAS 21, the effects of changes in foreign exchange rates, and determined that the functional currency for its USA subsidiaries is US dollars and for all other subsidiaries is Canadian dollars.

(ii) Foreign operations

Under IFRS, when the Company translates the financial statements of subsidiaries from their functional currency to presentation currency, assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the financial reporting date. Share capital, warrants, equity reserves, accumulated other comprehensive income, and deficit are translated into Canadian dollars at historical exchange rates. Revenues and expenses are translated into Canadian dollars at the transaction date. Foreign exchange gains and losses on translation are included in other comprehensive income. Foreign exchange differences that arise relating to balances that form part of the net investment in a foreign operation are recognized in a separate component of equity through other comprehensive income. On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange difference in other comprehensive income is recognized within profit or loss in the consolidated statement of income (loss).

(iii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized within profit or loss in the consolidated statement of income (loss). Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in the consolidated statement of income (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Changes in Accounting Policies

During the current fiscal year the Company adopted the following new accounting policy. The implementation of the new policies had no significant impact to the Company's consolidated statements for the year ended December 31, 2020.

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

Future accounting pronouncements

There are currently no new accounting pronouncements effective for future dates that are expected to have a significant impact on the Company."

5. OIL AND GAS PROPERTY INTERESTS

Oil and gas property interests as at December 31, 2020 and 2019 totaled $1.

In 2008, the Company acquired two suspended heavy oil wells and leases and related petroleum and natural gas rights in the Lloydminster area of Alberta for cash proceeds of $400,000.

The Company's interest in the first lease is a 60% working interest subject to:

a. an obligation to pay a 60% share of the variable Crown royalties;

b. a 60% share of a 1% Gross Overriding Royalty ("GORR") payable to the party; and

c. a 3% GORR on the 60% share of production.

The Company's interest in the second lease is a 100% working interest declining to 60% after recoupment of the payout account of approximately $485,000 associated with the well on the lease. This lease is subject to:

a. a 60% share of the Crown royalty;

b. a 60% share (36% after payout) of a 1% GORR payable on oil production;

c. a 5% to 15% variable convertible GORR payable in respect of oil production;

d. a 15% convertible GORR payable in respect of gas production; and

e. a 3% GORR payable on the Company's 60% share of production. The 5% to 15% variable convertible GORR and 15% convertible GORR are convertible to a 40% working interest once payout has been achieved.

The leases include the right to complete one infill well on each of the leases. Upon completion and payout of any infill well, the Company will have a 60% working interest in the applicable well subject to the encumbrances on the applicable lease.

In the year ended December 31, 2019, in view of the current uncertain market for oil and gas and the concurrent significant downward pressure on oil prices, the Company has written down its investment in its oil and property interest to a nominal amount of $1. Impairment cost of $509,278 have therefore been recognized in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2019 as impairment of oil and gas property interests.

(Expressed in Canadian Dollars)

6. ADVANCES

	December 31 2020	December 31 2019
Loan payable - 10% to 12% per annum, due on demand, owing to a company controlled by the former CEO of the Company, secured against the assets of the Company	$316,380	$232,333
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	102,786	87,286
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	56,920	47,991
Loan payable - 12% per annum, due on demand, owing to an arm's length third party, secured against the assets of the Company	40,708	34,444
Loan payable - 15% per annum, due on demand, owing to an arm's length third party	48,778	41,928
Loan payable to a company of which the President is the CEO of STC due on demand	17,409	6,310
Total advances	**$582,981**	**$450,292**

At December 31, 2020 although the Company has not received any formal demands for repayment of these advances, one lender of $56,920 has indicated that the advance is overdue and is therefore in default.

(Expressed in Canadian Dollars)

7. SHAREHOLDERS' EQUITY

Capital Stock

At December 31, 2020 and 2019, the authorized share capital comprised an unlimited number of common shares without par value.

	# of Common Shares		Amount
Balance, December 31, 2018	**58,234,129**	**$**	**1,656,936**
Shares issued on conversion of debentures	**13,000,000**		**650,000**
Equity portion of convertible debentures transferred to common stock on conversion of debentures	**-**		**44,522**
Equity portion of convertible debentures transferred to common stock on assumption of BDC loan	**-**		**13,700**
Balance, December 31, 2019	**71,234,129**	**$**	**2,365,158**
Shares issued on conversion of debentures	**79,000,000**		**790,000**
Equity portion of convertible debentures transferred to common stock on conversion of debentures	**-**		**54,114**
Balance, December 31, 2020	**150,234,129**	**$**	**3,209,272**

On September 15, 2020, $300,000 convertible debentures were converted to 30,000,000 common stock at a conversion price of $0.01 per common stock.

On November 12, 2020, $295,000 convertible debentures were converted to 29,500,000 common stock at a conversion price of $0.01 per common stock.

On December 31, 2020, $195,000 convertible debentures were converted to 19,500,000 common stock at a conversion price of $0.01 per common stock.

Subsequent to the year-end, $497,000 convertible debentures were converted of which $345,000 was converted into 6,900,000 common shares at a conversion price of $0.05 per common share and $152,000 was converted into 7,600,000 common shares at a conversion price of $0.02 per common share.

Subsequent to the year-end, $48,000 advance received by the Company were converted into 2,400,000 common shares at a conversion price of $0.02 per common share.

(Expressed in Canadian Dollars)

Stock options

On July 26, 2011, the shareholders of the Company approved a stock option plan (the "Plan") to enable directors, officers, employees and consultants of the Company to purchase common shares. All options granted to optionees performing investor relations activities shall vest and become fully exercisable ¼ three months from the date of grant, ¼ six months from the date of grant, ¼ nine months from the date of grant and the final ¼ twelve months from the date of grant. All options granted under the Plan shall expire no later than at the close of business ten years from the date of grant. The Plan provides that the number of common shares reserved for issuance upon exercise of options granted shall not exceed 10% of total issued and outstanding shares of the Company. No material changes were made to the Plan in the current year. No options were granted during the years ended December 31, 2020 or 2019.

The following table summarizes information about the options outstanding and exercisable as at December 31, 2020 and 2019:

# of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (years)
2,500	6.00	April 8, 2021	0.27
2,250	6.90	May 4, 2021	0.34
7,042	4.20	November 29, 2021	0.91
11,792	**$ 6.00**		**0.67**

On November 19, 2020, 9,000 outstanding options expired unexercised. Subsequent to December 31, 2020, 2,500 outstanding options expired on April 8, 2021 unexercised.

Basic and diluted loss per share based on loss for the year

Basic and diluted loss per share based on loss for the years ended December 31:

	Year ended December 31,	
Numerator:	**2020**	2019
Net (loss) for the year	**$ (304,059)**	$ (3,756,198)

Denominator:	**2020**	2019
Weighted average number of common shares outstanding - basic and diluted (i)	**83,503,992**	65,940,978

(Loss) per common share based on net (loss) for the year:	**2020**	2019
Basic and diluted	**$ (0.00)**	$ (0.06)

(Expressed in Canadian Dollars)

(i) The determination of the weighted average number of common shares outstanding – diluted excludes 11,965,240 shares related to convertible securities and the options outstanding at year end both of which were anti-dilutive for the year ended December 31, 2020 (2019 – 24,949,677 shares).

8. RECLAMATION AND DECOMMISSIONING OBLIGATION

As at December 31, 2020 and 2019, the Company has provided $411, 070 for the estimated future cost of reclamation and abandonment work on its oil and gas leases relating to the Lloydminster property in Alberta using the estimate of the Alberta Energy Regulators.

9. DEBENTURES

Balance, December 31, 2018	**$**	**1,803,138**
Conversion of debentures into shares		(650,000)
Cancellation of debentures on assumption of BDC loan		(200,000)
Accrued interest		189,001
Accretion		31,908
Balance, December 31, 2019	**$**	**1,174,047**
Conversion of debentures into shares		(790,000)
Accrued interest		148,982
Accretion		15,912
Balance,December 31, 2020	**$**	**548,941**

On July 1, 2018, Fox-Tek issued unsecured convertible debentures of $2,800,000 to its parent company to cover part of its inter-company balance. The debentures bear interest at a rate of 12% per annum payable monthly till maturity on June 30, 2021. All or any part of the principal of the debenture can be converted into common shares by the holder at a conversion price of $0.20 per share.

Management used the residual method to allocate the fair value of the conversion options. Management calculated the fair value of the liability component as $2,608,209 using a discount rate of 15%, and then management deducted the fair value of the liability component from the fair value of the convertible debenture as a whole, with the resulting residual amount of $191,791 being the fair value of the equity component.

On August 1, 2018, Media (formerly Intella) assigned $1,010,000 of the convertible debentures to a third party, Lakeshore Capital Management Inc. ("Lakeshore"). On November 16, 2018, Lakeshore converted the debenture and interest accrued to September 30, 2018 ($1,029,918) to common shares at the conversion price of $0.20 per share.

In February 2019, the conversion price of the convertible debenture issued to Media in the aggregate amount of $1,853,852 with accrued interest was amended from $0.20 per common share to $0.05 per common share. Interest on the debenture will continue to accrue at an annual rate of 12%, subject to adjustments, until redeemed or converted in accordance with the terms of the debenture

In the year ended December 31, 2019, $650,000 of the convertible debentures were converted into 13,000,000 shares at a conversion price of $0.05 per common share.

On November 8, 2019 Media transferred the convertible debentures to 2725004 Ont. as part of an asset purchase agreement between the two companies. On 29 November 2019, STC and 2725004 Ont. exchanged $200,000 of the convertible debentures with a BDC loan of $158,080 owed by 2725004 Ont.

In September 2020, the Company received an approval from CSE to convert $300,000 of the convertible debentures into common stock at a conversion price of $0.01 per common stock and on September 15, 2020, $300,000 of the convertible debentures were converted into 30,000,000 shares at a conversion price of $0.01 per common stock.

On November 12, 2020, $295,000 of the convertible debentures were converted into 29,500,000 shares at a conversion price of $0.01 per common stock.

on December 31, 2020, $195,000 of the convertible debentures were converted into 19,500,000 shares at a conversion price of $0.01 per common stock.

For the year ended December 31, 2019, accrued interest of $148,982 (2019 - $189,001) and accretion expense of $15,912 (2019 - $31,908) were included in finance costs in the consolidated statements of loss and comprehensive loss. As at December 31, 2020, the principal amount of the convertible debentures was $130,082.
Subsequent to the year-end, $497,000 convertible debentures were converted of which $345,000 was converted into 6,900,000 common shares at a conversion price of $0.05 per common share and $152,000 was converted into 7,600,000 common shares at a conversion price of $0.02 per common share.

Subsequent to the year-end, $48,000 advance received by the Company were converted into 2,400,000 common shares at a conversion price of $0.02 per common share.

10. RELATED PARTY TRANSACTIONS

Related parties include Board of Directors, close family members, key management personnel, enterprises and others who exercise significant influence over the reporting entity. All amounts owing to related parties are unsecured, non-interest bearing and due on demand unless otherwise noted.

a. At December 31, 2020 and 2019, $511,637 has been included in accounts payable and accrued liabilities for unpaid remuneration of the Company's former Chief Executive Officer and director, Allen Lone.

b. Included in advances are promissory notes outstanding at December 31, 2020 of $476,086 (2019 - $367,610), from related parties (former directors and a company controlled by a former officer of the Company) and secured against the assets of the Company and due on demand. The loans bear interest at 10% to 12% per annum and are secured against the assets of the Company or its subsidiary (Note 6).

c. Included in office and general expenses for the year ended December 31, 2020 is $40,000 (2019 - $10,000) for accounting services provided by Momen Rahman, the current controller of the Company and the former CFO of Media (formerly Intella). As at December 31, 2020, $216,000 (2019 - $176,000) has been included in accounts payable.

d. At December 31, 2020 and December 31, 2019, $14,950 has been included in accounts payable for Jay Vieira, the CEO of the Company for professional expenses and disbursements.

(Expressed in Canadian Dollars)

e. Included in financing costs for year ended December 31, 2020 is $164,259 (2019 - $220,909) due to the Company's former parent corporation Media (formerly Intella) for accretion and interest accrued on the convertible debenture owing to Media (formerly Intella) and is now owed to 2725004 Ont.

Key management compensation

There were no compensation of key management of the Company for the years ended December 31, 2020 and 2019. Key management are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company.

11. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.50% (2018 - 25.75%) were as follows:

		2020		2019
Income (loss) before income taxes	$	(304,059)	$	(3,756,198)
Expected income tax recovery based on statutory rate		(80,576)		(995,392)
Adjustment to expected income tax benefit:				
Non-deductible expenses and other		(49,282)		916,579
Change in deferred tax assets not recognized		129,858		78,813
		0	-	0

b) Deferred Income Tax

		2020		2019
Unrecognized deferred tax assets (liabilities)				
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:				
Non-capital loss carry-forwards	$	15,712,000	$	15,395,000
Capital loss carry-forwards		2,464,000		2,464,000
Other differences		(32,200)		2,918,000
Total	$	18,143,800	$	20,777,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

12. COMMITMENTS & CONTINGENCIES

BDC Loan

On November 8, 2019 Media transferred the convertible debentures to 2725004 Ont. as part of an asset purchase agreement between the two companies. On 29 November 2019, STC and 2725004 Ont. exchanged $200,000 of the convertible debentures with a BDC loan of $158,080 owed by a subsidiary of 2725004 Ont.

On December 1, 2019, as part of the share purchase agreement of STI for 49% of the issued and outstanding securities of STI, the purchaser agreed to assume the BDC loan of $158,080. As a result the Company is no longer liable for the BDC loan.

Gross overriding royalties

In addition to the gross overriding royalty ("GORR") agreements entered into in connection with the various oil and gas projects undertaken as disclosed in Note 5, the Company has entered into the following GORR agreement:

As part of the purchase of a database of technical information for the Lloydminster property, the Company entered into a GORR agreement with the vendor. Pursuant to the agreement, the Company has committed to pay royalties equal to 3% on all production from the lands included in the database.

Deposits

The Company is liable to undertake reclamation and abandonment work on its leases. On December 31, 2020, the Company has lodged deposits of $343,512 (December 31, 2019 - $$340,274) with the Alberta Energy Resource Conservation Board (“AERCB”) as required by legislation.

Legal Claims

In the ordinary course of business activities, the Company is a party in certain litigation and other claims. Management believes that the resolution of such litigation and claims will not have a material effect on the consolidated financial position of the Company.

Environmental Contingencies

The Company’s exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believe its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

13. EXPLORATION EXPENSES

The exploration costs during the years ended December 31, 2020 and 2019 were as follows:

		Year ended December 31, 2020		2019
Annual lease renewal costs	$	15,914	$	29,973
Land management		1,183		1,884
	$	17,097	$	31,857

14. OFFICE AND GENERAL EXPENSES

The office and general expenses during the years ended December 31, 2020 and 2019 were as follows:

		Year ended December 31, 2020		2019
Accounting services	$	41,431	$	14,410
Rent expense		7,200		7,200
Telephone expense		1,433		1,328
Professional fees and disbursements		21,000		25,676
Insurance		13,804		15,881
Corporate services		18,697		21,159
Debt forgiveness		(21,644)		(41,920)
Others		3,930		(817)
	$	85,851	$	42,917

15. CAPITAL DISCLOSURES

The Company's objectives when managing capital are as follows:

a. To safeguard the Company's ability to continue as a going concern.
b. To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties.
c. To raise sufficient capital to meet its general and administrative expenditures.

The Company considers its capital to be equity, which comprises capital stock, contributed surplus, foreign currency translation reserve and deficit, which at December 31, 2020 was a deficiency of $2,219,562 (2019 – $2,705,378).

The Company manages its capital structure and makes adjustments to it based on general economic conditions, short term working capital requirements, and planned exploration and development. The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets' underlying assumptions as necessary. There have been no changes in the way the Company manages its capital during years ended December 31, 2020 and 2019.

16. RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions in relation to the Company's activities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant price, credit, liquidity, interest or foreign exchange risks arising from the financial instruments. There were no changes to the Company's risks, objectives, policies and procedures during the years ended December 31, 2020 and 2019.

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors. For many new international clients, the Company demands that equipment costs are prepaid prior to shipment.

Trade and other accounts receivable

Trade and other accounts receivable consists primarily of trade accounts receivable from the sale of equipment, installation and reporting services. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The carrying amounts of trade and other accounts receivable are reduced through the use of an allowance for doubtful accounts and the amount of the loss is recognized in the consolidated statement of loss in general and administrative expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off reduce other expenses in the statement of loss. Historically, trade credit losses have been minimal.

Cash

Cash consist of bank balances and petty cash. As at December 31, 2020, the Company had cash of $2,328 (2019 - $2,301) and does not expect any counterparties to fail to meet their obligations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company maintains a majority of its surplus funds in interest bearing accounts with Canadian financial institutions, which pay interest at a floating rate.

(Expressed in Canadian Dollars)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses which may damage the Company's reputation.

The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The following items are the contractual maturities of financial liabilities:

December 31, 2020	Carrying amount	Contractual cash flows	0 to 12 months	After 12 months
Accounts payable and accrued liabilities	$ 1,136,998	$ 1,136,998	$ 1,136,998	$ -
Advances	582,981	582,981	582,981	-
Debentures	548,941	633,987	633,987	-
Reclamation and decommissioning liabilities	411,070	411,070	411,070	-
	$ 2,679,990	**$ 2,765,036**	**$ 2,765,036**	**$ -**

December 31, 2019	Carrying amount	Contractual cash flows	0 to 12 months	After 12 months
Accounts payable and accrued liabilities	$ 1,092,833	$ 1,092,833	$ 1,092,833	$ -
Advances	450,292	450,292	450,292	-
Debentures	1,174,047	1,480,557	149,768	1,330,789
Reclamation and decommissioning liabilities	411,070	411,070	411,070	-
	$ 3,128,242	**$ 3,434,752**	**$ 2,103,963**	**$ 1,330,789**

Foreign exchange

The Company operates primarily in Canada and the United States. The presentation currency is Canadian dollar and the functional currency of the parent company is the Canadian dollar. As at December 31, 2020, the Company's US dollar net monetary liabilities totaled $21,083 (2019 - $20,199). Accordingly, a 5% change in the US dollar exchange rate as at December 31, 2020 on this amount would have resulted in an exchange gain or loss and therefore net income would have increased (decreased) by $1,054

Other risks

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them.

a. Exploration and Development

The business of exploring for, developing and producing oil and gas involves a high degree of risk. Oil and gas reserves may never be found or, if discovered, may not be result in production at reasonable costs or profitability. The business of exploring, developing and producing is also capital intensive and, to the extent that cash flows from operating activities and external sources become limited or unavailable, the ability of the Company and of its operating partners to meet their respective financial obligations which are necessary to maintain their interests in the underlying properties could be impaired, resulting in those of the interests.

b. COVID 19

In March 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID 19", has resulted in governments worldwide enacting 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. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

c. Environmental

The Company's oil and gas operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased costs, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties or by illegal mining activities.

d. Governmental

Government approvals and permits are often generally required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of properties. Amendments to current laws, regulations and permits governing operations and activities of oil and gas companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new properties. Although the governments of the various countries in which the Company operates have been stable recently, there is no assurance that political and economic conditions will remain stable. Political and economic instability may impede the Company's ability to continue its exploration activities in the manner currently contemplated.

e. Fluctuations in Crude Oil, Natural Gas, and Natural Gas Liquid Prices

The price of the Company's common shares, and consolidated financial results and exploration, development and other oil and gas activities may in the future be significantly and adversely affected by declines in the price of crude oil, natural gas, and/or natural gas liquid (collectively "oil and gas"). The price of oil and gas fluctuates widely and is affected by numerous factors beyond the Company's control, such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major oil and gas producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future material price declines could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the price of oil and gas, cash flow from the Company's operations may not be sufficient and the Company could be forced to discontinue production and may lose the Company's interest in, or may be forced to sell, some of the Company's properties. Future production from the Company's properties is dependent upon the price of oil and gas being adequate to make these properties economic.

f. Dependence on management

The Company is dependent upon the efforts, skill and business contacts of key members of management, for among other things, during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success will depend upon the continued service of these individuals who are not obligated to remain employed with the Company. A loss of key personnel - members of management in particular - could impair our ability to execute our strategy and implement our operational objectives, all of which would have a material adverse effect on the Company.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments.

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION

The Company's reportable segments are strategic business units that offer different services and/or products. They are managed separately because each segment requires different strategies and involves different aspects of management expertise. On disposal of the technology segment of the Company (see note 2), the Company has decided to disclose the segment results of the oil and gas companies and corporate operations.

MEI, PPI, PPC and APPC are oil & gas companies.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company carries out its operations through wholly-owned entities. These entities are located in Canada and the United States.

For year ended December 31, 2020

	Oil and Gas Operations	Corporate Operations	Total
Interest income	$ 3,238	$ -	$ 3,238
Total revenue	$ 3,238	$ -	$ 3,238
Expenses			
Exploration expenses	(17,097)	-	(17,097)
Office and general	-	(85,851)	(85,851)
Total expenses	$ (17,097)	$ (85,851)	$ (102,948)
Loss before undernoted	(13,859)	(85,851)	(99,710)
Finance costs	-	(237,228)	(237,228)
Income (loss) on foreign exchange	1,391	(697)	694
Net (loss) for the year	(12,468)	(323,776)	(336,244)
Net income of discontinued operations	-	32,185	$ 32,185
Total (loss) for the year	**$ (12,468)**	**$ (291,591)**	**$ (304,059)**
Other comprehensive (loss) for the year Exchange differences on translation of foreign operations	(125)	-	(125)
Total comprehensive (loss) for the year	**$ (12,593)**	**$ (291,591)**	**$ (304,184)**

As at December 31, 2020

Total assets	$ 344,691	$ 115,737	$ 460,428

(Expressed in Canadian Dollars)

For year ended December 31, 2019

	Oil and Gas Operations	Corporate Operations	Total
Interest income	6,714	-	6,714
Total revenue	6,714	-	6,714
Expenses			
Exploration expenses	(31,857)	-	(31,857)
Office and general	(982)	(41,935)	(42,917)
Total expenses	$ (32,839)	$ (41,935)	$ (74,774)
Loss before undernoted	(26,125)	(41,935)	(68,060)
Finance costs	-	(262,710)	(262,710)
Impairment of oil and gas property interests	(509,278)	-	(509,278)
Loss on disposal of subsidiary held for sale	-	(2,465,615)	(2,465,615)
Write down of investment in subsidiary held for sale to fair value	-	(821,869)	(821,869)
Income (loss) on foreign exchange	3,349	(1,846)	1,503
Net (loss) for the year	(532,054)	(3,593,975)	(4,126,029)
Net income of discontinued operations	-	369,831	$ 369,831
Total (loss) for the year	**$ (532,054)**	**$ (3,224,144)**	**$ (3,756,198)**
Other comprehensive (loss) for the year			
Exchange differences on translation of foreign operations	(336)	-	(336)
Total comprehensive (loss) for the year	**$ (532,390)**	**$ (3,224,144)**	**$ (3,756,534)**

As at December 31, 2019

Equipment	$ -	$ -	$ -
Total assets	$ 370,164	$ 52,700	$ 422,864

18. SUBSEQUENT EVENT

1. On December 23, 2019 the Company has entered into a non-binding letter of intent with EmersonGrow Technology Inc. ("EmersonGrow"), an arm's length party incorporated in the Province of Ontario. Pursuant to the terms of the LOI, the Company will acquire all of the issued and outstanding securities of EmersonGrow for an aggregate purchase price of $20 million. The Purchase Price will be satisfied through the issuance of an aggregate of 133,333,333 common shares in the capital of Sensor at a deemed price of $0.15 per share.

   Subsequent to the year end, Sensor and Emersongrow have agreed to amend the purchase price from $20 million to $15 million (the "Amended Purchase Price"). The Amended Purchase Price will be satisfied through the issuance of an aggregate of 100,000,000 common shares in the capital of Sensor at a deemed price of $0.15 per share. In addition, the closing of the Proposed Acquisition will be conditional on the closing of a private placement for minimum aggregate proceeds of $1 million. Sensor and EmersonGrow will agree to the terms of the proposed private placement. Sensor and EmersonGrow will work towards completing their respective due diligence with the goal of executing a definitive agreement with respect to the Proposed Acquisition. The entering into of the definitive agreement will be considered a fundamental change under Policy 8 of the Canadian Securities Exchange ("CSE") and, as such, will subject to all of the requirements of Policy 8 including, but not limited to, CSE and shareholder approval.

2. Subsequent to the year-end, $497,000 convertible debentures were converted of which $345,000 was converted into 6,900,000 common shares at a conversion price of $0.05 per common share and $152,000 was converted into 7,600,000 common shares at a conversion price of $0.02 per common share.

3. Subsequent to the year-end, $48,000 advance received by the Company were converted into 2,400,000 common shares at a conversion price of $0.02 per common share.

4. Subsequent to December 31, 2020, 2,500 outstanding options expired on April 8, 2021 unexercised.

5. Subsequent to the year end, the Company has taken a CERB loan from TD Canada Trust for an amount of $60,000 for a 58 months period to December 31, 2025. The loan is non-interest bearing until December 31, 2022 and subsequently will bear interest of 5% per annum calculated monthly. If $40,000 of the loan amount is repaid on or prior to December 31, 2022, the Government will forgive the remaining balance of the loan amount as of that date provided that an event of default has not occurred.