



FORM 51-101F1

**STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
FOR FISCAL YEAR ENDED MARCH 31st 2023**

June 12th 2023

REPORT SQX-2023-1_EN

Note

This document was translated from the original document edited in French « FORMULAIRE 51-101 F1 - RELEVÉ DES DONNÉES RELATIVES AUX RÉSERVES ET AUTRES INFORMATION CONCERNANT LE PÉTROLE ET LE GAZ AU 31 MARS 2023 ». In the event of any apparent discrepancy between the English and the French versions, the French version shall prevail.

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1. DATE OF STATEMENT

The present statement of reserves data and other oil and gas information was completed on June 12, 2023. The effective date of the information provided is **March 31, 2023** and the preparation date of the information provided is June 12, 2023.

The data complies with the requirements of National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities*. Additional information that is pertinent, but not required by NI 51-101, is provided in order to promote a better understanding.

2. DISCLOSURE OF RESERVES DATA

As of **March 31st 2023**, Resources & Energy Squatex (Squatex) does not produce any oil and gas. The company has not established any oil and gas reserves over its exploration permits which were revoked by Bill 21 adopted by the Government in April 2022.

3. PRICING ASSUMPTIONS

No object.

4. RECONCILIATION OF CHANGES IN RESERVES

No object.

5. ADDITIONAL INFORMATION RELATING TO RESERVES DATA

No object.

6. OTHER OIL AND GAS INFORMATION

6.1 OIL AND GAS PROPERTIES AND WELLS

No drilling activities for the research of oil and gas were done by Squatex during the concerned period ended **March 31st 2023**.

Squatex, like all other exploration permit holders in Quebec, saw its oil and gas exploration permits revoked by the entry into force of Bill 21 adopted in April 2022. The company nevertheless retains the obligation to abandon the wells drilled on the abrogated permits.

In the Lower St. Lawrence area, Squatex owns a 70% interest in the Squatex Massé No.2 stratigraphic well, which was suspended in 2014, then in 2016. This geological core hole is submitted according to the Government to the obligation of permanent abandonment as for oil and gas wells.

6.2 PROPERTIES WITH NO ATTRIBUTED RESERVES

6.2.1 Permits

Since 2009, Squatex was holding 36 oil and gas exploration licenses in Quebec covering a total area of 6560.93 km² in the Lower St. Lawrence area and the St. Lawrence Lowlands area.

Following the adoption of Bill 21 by the Government in April 2022, all existing oil and gas exploration permits in Quebec were abolished. Therefore, Squatex and its partners no longer own any land with no attributed reserves in Quebec.

6.2.2 Statutory obligations

The adopted Bill 21 retains the obligation for the former permits holders to definitively abandon the wells drilled on the revoked territories.

In the Lower St. Lawrence region, Squatex owns a 70% interest in the Squatex Massé No.2 stratigraphic well, which was suspended since 2016. This geological core hole is also submitted by the Government to the obligation of final abandonment as like other oil and gas wells.

6.3 FORWARD CONTRACTS

No object.

6.4 OTHER INFORMATION RELEVANT TO THE ABANDONMENT COST AND FIELD REHABILITATION

The costs of final abandonment of wells drilled by former permit holders will be reimbursed up to 75% by the Government according to Bill 21.

6.5 TAX HORIZON

No object.

6.6 COSTS INCURRED

Squatex's annual exploration work expenses for the year ended **March 31, 2023** consist of expenses incurred to track exploration permit records.

Table 1 summarizes the costs incurred this year by Squatex until **March 31, 2023**. During the fiscal year, work valued at \$2 000 was invested by Squatex and its partner Petrolympic Ltd in the exploration territory.

Table 1: Exploration expenditure per area in 2022-2023

ALLOCATION OF THE EXPLORATION EXPENDITURE PER AREA FROM APRIL 1, 2022 TO MARCH 31, 2023 (TAX EXCLUDED)						
CATEGORY OF EXPENSES	Rentals	Geol + Geoph Works	Geol + Geoph Consultants	Professional Fees	TOTAL OF WORKS EXPENDITURES	TOTAL EXPENDITURES
AREA	LOWER ST.LAWRENCE/GASPE					
Expenditures incurred or provisioned because contested	\$ -	\$ 2 000	\$ -	\$ -	\$ 2 000	\$ 2 000
Expenditures rebilled to partner Petrolympic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net balance of expenditures	\$ -	\$ 2 000	\$ -	\$ -	\$ 2 000	\$ 2 000
AREA	ST.LAWRENCE LOWLANDS					
Expenditures incurred or provisioned because contested	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures rebilled to partner Petrolympic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net balance of expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES INCURRED or PROVISIONED BECAUSE CONTESTED	\$ -	\$ 2 000	\$ -	\$ -	\$ 2 000	\$ 2 000
TOTAL EXPENDITURES REBILLED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
NET BALANCE OF EXPENDITURES	\$ -	\$ 2 000	\$ -	\$ -	\$ 2 000	\$ 2 000

6.7 EXPLORATION AND DEVELOPMENT ACTIVITIES

No field exploration activity was carried out by Squatex during the 2022-2023 fiscal year, apart from the usual verifications of the status of the Massé No.2 drilling site in the Lower St. Lawrence/Gaspé region. The adoption of Bill 21 made the management of Squatex to actively consider the various possible avenues available to either direct the Company's oil and gas exploration activities in territories outside Quebec or to direct its activities to other energy and resource sectors.