
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2020

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-55539

TRILLION ENERGY INTERNATIONAL INC.

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

47-4488552

(I.R.S. Employer
Identification No.)

Turan Gunes

**Bulvari, Park Oran Ofis Plaza, 180-y, Daire:54,
Kat:16, 06450, Oran, Cankaya, Ankara, Turkey**

(Address of principal executive offices)

(Zip Code)

(778) 819-8503

Registrant's telephone number, including area code

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” “non-accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the issuer’s classes of common equity, as of the latest practicable date: The registrant had 116,114,156 shares of common stock outstanding as of November 16, 2020.

TRILLION ENERGY INTERNATIONAL INC.

Form 10-Q

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PART I

Item 1. Financial Statements

TRILLION ENERGY INTERNATIONAL INC.

Unaudited Interim Condensed Consolidated Balance Sheets

(Expressed in U.S. dollars)

	September 30, 2020 <u>(unaudited)</u>	December 31, 2019 <u></u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 231,424	\$ 863,017
Receivables	593,295	637,145
Prepaid expenses and deposits	22,691	30,035
Note receivable	60,342	50,671
Total current assets	<u>907,752</u>	<u>1,580,868</u>
Oil and gas properties, net	5,380,077	5,574,295
Property and equipment, net	146,873	45,116
Restricted cash	13,447	96,906
Total assets	<u>\$ 6,448,149</u>	<u>\$ 7,297,185</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,222,880	\$ 1,170,568
Loans payable - current	46,164	14,304
Operating lease liability - current	11,489	4,759
Total current liabilities	<u>1,280,533</u>	<u>1,189,631</u>
Asset retirement obligation	3,912,804	3,633,427
Loans payable – long term	549,941	546,729
Convertible debt	58,907	48,033
Derivative liability	1,258,479	79,458
Operating lease liability	28,155	–
Total liabilities	<u>7,088,819</u>	<u>5,497,278</u>
Stockholders' equity:		
Common stock Authorized: 250,000,000 shares, par value \$0.00001; issued and outstanding: 116,114,156 823 and 87,628,823 shares, respectively.	1,157	876
Additional paid-in capital	27,223,382	27,031,125
Stock subscriptions and stock to be issued	24,533	23,052
Accumulated other comprehensive loss	(542,040)	(311,104)
Accumulated deficit	(27,347,702)	(24,944,042)
Total stockholders' equity	<u>(640,670)</u>	<u>1,799,907</u>
Total liabilities and stockholders' equity	<u>\$ 6,448,149</u>	<u>\$ 7,297,185</u>

See accompanying condensed notes to these interim consolidated financial statements.

TRILLION ENERGY INTERNATIONAL INC.

Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

(Expressed in U.S. dollars)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue				
Oil and natural gas sales	\$ 493,609	\$ 914,791	\$ 1,773,073	\$ 2,939,263
Cost and expenses				
Production	488,930	643,202	1,688,342	1,970,397
Depletion	65,630	152,120	201,875	468,373
Depreciation	22,132	7,779	35,106	31,425
Accretion of asset retirement obligation	95,435	105,749	279,377	309,572
Stock-based compensation	167,189	437,725	167,189	437,725
General and administrative	698,005	504,346	1,690,367	1,306,516
Total expenses	1,537,321	1,850,921	4,062,256	4,524,008
Loss before other income (expenses)	(1,043,712)	(936,130)	(2,289,183)	(1,584,745)
Other income (expenses)				
Interest expense	(34,155)	(11,244)	(86,829)	(32,652)
Interest income	5,308	9,084	12,771	23,253
Foreign exchange gain (loss)	4,393	(7,701)	31,803	(15,241)
Other income (expense)	-	1,786	-	69,843
Change in fair value of derivative liability	(86,208)	-	(43,221)	-
Loss on debt extinguishment	(29,001)	-	(29,001)	-
Total other income (expenses)	(139,663)	(8,075)	(114,477)	45,203
Net loss for the period	\$ (1,183,375)	\$ (944,205)	\$ (2,403,660)	\$ (1,539,542)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted average number of shares outstanding	110,299,171	83,578,901	95,897,700	83,565,179
Other comprehensive loss:				
Foreign currency translation adjustments	\$ (74,807)	\$ (23,756)	\$ (230,936)	\$ (139,136)
Comprehensive loss	\$ (1,258,182)	\$ (967,961)	\$ (2,634,596)	\$ (1,678,678)

See accompanying condensed notes to these unaudited interim condensed consolidated financial statements.

TRILLION ENERGY INTERNATIONAL INC.

Unaudited Interim Condensed Consolidated Statements of Stockholders' Equity

(Expressed in U.S. dollars)

(unaudited)

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Stock subscriptions and stock to be issued</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>					
Balance, December 31, 2018	83,360,966	\$ 834	\$26,220,157	\$ 41,302	\$ (130,660)	\$ (23,260,549)	\$2,871,084
Issuance of common stock	262,500	3	33,747	(25,750)	-	-	8,000
Currency translation adjustment	-	-	-	-	(106,547)	-	(106,547)
Net loss	-	-	-	-	-	(315,017)	(315,017)
Balance, March 31, 2019	<u>83,623,466</u>	<u>837</u>	<u>26,253,904</u>	<u>15,552</u>	<u>(237,207)</u>	<u>(23,575,566)</u>	<u>2,457,520</u>
Currency translation adjustment	-	-	-	-	(8,833)	-	(8,833)
Net loss	-	-	-	-	-	(280,320)	(280,320)
Balance, June 30, 2019	<u>83,623,466</u>	<u>837</u>	<u>26,253,904</u>	<u>15,552</u>	<u>(246,040)</u>	<u>(23,855,886)</u>	<u>2,168,367</u>
Issuance of common stock	100,000	1	14,999	(15,000)	-	-	-
Retired shares	(150,000)	(2)	(22,498)	22,500	-	-	-
Private placement – shares to be issued	-	-	-	7,692	-	-	7,692
Shares to be issued for debt settlement	-	-	-	339,343	-	-	339,343
Stock-based compensation expense	-	-	379,225	-	-	-	379,225
Vesting of restricted stock units	-	-	-	58,500	-	-	58,500
Currency translation adjustment	-	-	-	-	(23,756)	-	(23,756)
Net loss	-	-	-	-	-	(944,205)	(944,205)
Balance, September 30, 2019	<u>83,573,466</u>	<u>\$ 836</u>	<u>\$26,625,630</u>	<u>\$ 428,587</u>	<u>\$ (269,796)</u>	<u>\$ (24,800,091)</u>	<u>\$1,985,166</u>

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Stock subscriptions and stock to be issued</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>					
Balance, December 31, 2019	87,628,823	\$ 876	\$27,031,125	\$ 23,052	\$ (311,104)	\$ (24,944,042)	\$ 1,799,907
Stock subscriptions received	-	-	-	1,881	-	-	1,881
Currency translation adjustment	-	-	-	-	(118,920)	-	(118,920)
Net loss	-	-	-	-	-	(427,828)	(427,828)
Balance, March 31, 2020	<u>87,628,823</u>	<u>876</u>	<u>27,031,125</u>	<u>24,933</u>	<u>(430,024)</u>	<u>(25,371,870)</u>	<u>1,255,040</u>
Stock subscriptions received	-	-	-	4,412	-	-	4,412
Issuance of common stock	15,000,000	150	30,992	(24,933)	-	-	6,209

Currency translation adjustment	-	-	-	-	(37,209)	-	(37,209)
Net loss	-	-	-	-	-	(792,457)	(792,457)
Balance, June 30, 2020	<u>102,628,823</u>	<u>\$ 1,026</u>	<u>\$27,062,117</u>	<u>\$ 4,412</u>	<u>\$ (467,233)</u>	<u>\$(26,164,327)</u>	<u>\$ 435,995</u>
Private placement	12,787,000	130	(7,117)	(4,412)	-	-	(11,399)
Shares to be issued	-	-	-	24,533	-	-	24,533
Stock-based compensation expense	-	-	137,789	-	-	-	137,789
Stock-based compensation expense – Restricted stock units	525,000	-	29,400	-	-	-	29,400
Shares issued upon conversion of debentures	173,333	1	1,193	-	-	-	1,194
Currency translation adjustment	-	-	-	-	(74,807)	-	(74,807)
Net loss	-	-	-	-	-	(1,183,375)	(1,183,375)
Balance, September 30, 2020	<u>116,114,156</u>	<u>1,157</u>	<u>27,223,382</u>	<u>24,533</u>	<u>(542,040)</u>	<u>(27,347,702)</u>	<u>(640,670)</u>

See accompanying notes to unaudited interim condensed consolidated financial statements

TRILLION ENERGY INTERNATIONAL INC.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)

(unaudited)

	Nine Months Ended September 30,	
	2020	2019
Operating activities:		
Net loss for the period	\$ (2,403,660)	\$ (1,539,542)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depletion	201,875	468,373
Depreciation	35,106	31,425
Accretion of asset retirement obligation	279,377	309,572
Stock-based compensation	137,789	379,225
Stock-based compensation - Restricted stock units	29,400	58,500
Accretive interest	23,860	3,828
Interest from loans payable	48,014	28,858
Non-cash interest expense		-
Unrealized foreign exchange gain	(9,205)	2,504
Change in fair value of derivative liability	43,221	-
Loss on debt extinguishment	29,001	-
Changes in operating assets and liabilities:		
Receivables	43,850	(72,006)
Prepaid expenses and deposits	7,344	223,089
Accounts payable and accrued liabilities	403,865	219,214
Net cash used in operating activities	<u>(1,130,163)</u>	<u>113,040</u>
Investing activities:		
Property and equipment additions	(91,995)	-
Oil and natural gas properties expenditures	(4,821)	(37,448)
Issuance of note receivable	(7,454)	-
Net cash used in investing activities	<u>(104,270)</u>	<u>(37,448)</u>
Financing activities:		
Proceeds from stock subscriptions received	751,400	15,692
Payments on leases	(21,800)	(15,060)
Proceeds from loans payable	83,651	77,644
Repayments of loans payable	(47,299)	(73,397)
Issuance of convertible debt	-	123,095
Net cash provided by financing activities	<u>765,952</u>	<u>127,974</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(246,571)</u>	<u>(56,241)</u>
Change in cash and cash equivalents and restricted cash	<u>(715,052)</u>	<u>147,325</u>
Cash and cash equivalents and restricted cash at beginning of period	959,923	898,271
Cash and cash equivalents and restricted cash at end of period	<u>\$ 244,871</u>	<u>\$ 1,045,596</u>
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents, end of period	\$ 231,424	\$ 947,131
Restricted cash, end of period	13,447	98,465
Cash, cash equivalents and restricted cash, end of period	<u>\$ 244,871</u>	<u>\$ 1,045,596</u>
Non-cash investing and financing activities:		
Operating lease right-of-use asset additions	\$ 57,919	\$ 104,866
Subscriptions closed from debt conversion	\$ 391,575	\$ 339,343

See accompanying condensed notes to these unaudited interim condensed consolidated financial statements.6

TRILLION ENERGY INTERNATIONAL INC.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
(Expressed in U.S. dollars)
(unaudited)

1. Organization

Trillion Energy International Inc. and its consolidated subsidiaries, (collectively referred to as the “Company”) is an international oil and natural gas exploration and production company. Our corporate headquarters are located at Turan Gunes Bulvari, Park Oran Ofis Plaza, 180-y, Daire:45, Kat:14, 06450, Oran, Cankaya, Ankara, Turkey. The Company has oil and gas operations in Turkey and an exploration license in Bulgaria. The Company was incorporated in Delaware in 2015.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation and Going Concern

Basis of Presentation

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ended December 31, 2020.

The consolidated balance sheet at December 31, 2019, has been derived from the audited consolidated financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s annual report on Form 10-K for the year ended December 31, 2019.

Going Concern

The Company has suffered recurring losses and negative cash flows from operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company will need to raise funds through either the sale of its securities, issuance of corporate bonds, joint venture agreements and/or bank financing to accomplish its goals. If additional financing is not available when needed, the Company may need to cease operations. The Company may not be successful in raising the capital needed to drill and/or rework existing oil wells. Any additional wells that the Company may drill may be non-productive. Management believes that actions presently being taken to secure additional funding for the reworking of its existing infrastructure will provide the opportunity for the Company to continue as a going concern. Since the Company has an oil producing asset, its goal is to increase the production rate by optimizing its current infrastructure. The accompanying financial statements have been prepared assuming the Company will continue as a going concern; no adjustments to the financial statements have been made to account for this uncertainty.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures has had an adverse impact on global economic conditions as well as on the Company’s business activities. The extent coronavirus has caused a modest drop in economic activity and oil and gas prices, due to reduced demand. The Company has implemented work from home measures for its employees in its offices in Canada and Turkey. The coronavirus has caused delay in realizing the Company’s funding efforts. To which the coronavirus may impact the Company’s business activities in

the future will depend on future developments, such as the ultimate geographic spread of the disease, vaccine approvals and effectiveness, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time. While certain restrictions are presently in the process of being relaxed, it is unclear when the world will return to the previous normal, if ever. This may adversely impact the expected implementation of the Company's plans moving forward.

Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of Trillion Energy International Inc. and its wholly-owned subsidiaries Park Place Energy Corp., Park Place Energy Bermuda, BG Exploration EOOD, and Park Place Energy Turkey Limited. All intercompany accounts, transactions and profits were eliminated in consolidation.

(c) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the estimated useful lives and recoverability of long-lived assets, impairment of oil and gas properties, fair value of stock-based compensation, fair value of derivative liabilities, interest rates used for lease calculations and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. There were no new estimates in the period.

(d) Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations or cash flow.

(e) New Accounting Pronouncements

In June 2016, FASB issued ASU 2016-13, Measurement of Credit Loss on financial Instruments. ASU 2016 13 replaces the current incurred loss impairment methodology with the expected credit loss impairment model, which requires consideration of a broader range of reasonable and supportable information to estimate expected credit losses over the life of the instrument instead of only when losses are incurred. This standard applies to financial assets measured at amortized cost basis and investments in leases recognized by the lessor. The Company adopted ASU 2016-13 on January 1, 2020 with no impact on the interim condensed consolidated financial statements.

Other recent accounting pronouncements issued by FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's interim condensed consolidated financial statements.

3. Restricted Cash

The restricted cash relates to drilling bonds provided to GDPA (General Directorate of Petroleum Affairs) for the exploration licenses due to Turkish Petroleum Law. The amounts are for 2% of the annual work budget of the different Turkish licenses which is submitted to GDPA on an annual basis.

4. Oil and Gas Properties

	Unproven properties Bulgaria	Proven properties Turkey	Total
December 31, 2018	\$ 3,117,229	\$ 3,533,703	\$ 6,650,932
Expenditures	–	37,449	37,449
Asset retirement revaluation	–	(810,667)	(810,667)
Depletion	–	(302,094)	(302,094)
Foreign currency translation change	(1,325)	–	(1,325)
December 31, 2019	3,115,904	2,458,391	5,574,295
Expenditures	–	4,821	4,821
Depletion	–	(201,875)	(201,875)
Foreign currency translation change	2,836	–	2,836
September 30, 2020	<u>\$ 3,118,740</u>	<u>\$ 2,261,337</u>	<u>\$ 5,380,077</u>

Bulgaria

The Company holds a 98,205-acre oil and gas exploration claim in the Dobrudja Basin located in northeast Bulgaria. The Company intends to conduct exploration for natural gas and test production activities over a five-year period in accordance with or exceeding its minimum work program obligation. The Company's commitment is to perform geological and geophysical exploration activities in the first 3 years of the initial term (the "Exploration and Geophysical Work Stage"), followed by drilling activities in years 4 and 5 of the initial term (the "Data Evaluation and Drilling Stage"). The Company is required to drill 10,000 meters (approximately 32,800 feet) of new wellbore (which may be vertical, horizontal or diagonal) and conduct other exploration activities during the initial term. The Company intends to commence its work program efforts once it receives all regular regulatory approvals of its work programs.

Turkey

Cendere oil field

The primary asset of the PPE Turkey Companies is the Cendere onshore oil field, which is a profitable oil field located in South East Turkey having a total of 25 wells. The Cendere Field was first discovered in 1988. Oil production commenced during 1990. The operator of the Cendere Field is TPAO. The Company's interest is 19.6% for all wells except for wells C-13, C-15 and C-16, for which its interest is 9.8%. The produced oil has a gravity of 27.5o API.

The Cendere Field is a long-term low decline oil reserve. As at September 30, 2020, net production to PPE Turkey was 147 Boe/d. For the 2020 year-to-date, net production to the PPE Turkey averaged 183 Boe/d. At September 30, 2020, the gross oil production rate for the producing wells in Cendere was 555,43 bbls/day; the average daily 2020 gross production rate for the field was 594 bbls/day. At the end of October 2020, oil is currently sold at a price of approximately US\$40,62 per barrel for a netback per barrel of approximately US\$13 / bbl. At September 30, 2020, the Cendere field was producing 109 barrels of oil per day net to the PPE Turkey; and averaged 116 barrels per day during 2020 net to the PPE Turkey.

The South Akcakoca Sub-Basin (“SASB”)

The Company owns offshore production licenses called the South Akcakoca Sub-Basin (“SASB”). The Company now owns a 49% working interest in SASB. SASB has four producing fields, each with a production platform plus subsea pipelines that connect the fields to an onshore gas plant. The four SASB fields are located off the north coast of Turkey towards the western end of the Black Sea in water depths ranging from 60 to 100 meters. Gas is produced from Eocene age sandstone reservoirs at subsea depths ranging from 1,100 to 1,800 meters.

Bakuk gas field

The Company also owns a 50% operated interest in the Bakuk gas field located near the Syrian border. The Bakuk field is shut-in with no plans to revive production in the near term.

5. Property and Equipment

	Right-of-use asset	Leasehold improvements	Other equipment	Total
January 1, 2019	\$ –	\$ 44,476	\$ 61,679	\$ 106,155
Adoption of Topic 842	50,065	–	–	50,065
Additions	19,193	–	–	19,193
Depreciation	(16,839)	(44,476)	(15,098)	(76,413)
Disposals	(47,660)	–	–	(47,660)
Foreign currency translation change	–	–	(6,224)	(6,224)
December 31, 2019	4,759	–	40,357	45,116
Additions	57,919	91,608	387	149,914
Depreciation	(9,983)	(13,741)	(11,382)	(35,106)
Disposals	–	–	–	–
Foreign currency translation change	(13,051)	–	–	(13,051)
September 30, 2020	\$ 39,644	\$ 77,867	\$ 29,362	\$ 146,873

6. Note Receivable

In April 2015, the Company loaned \$38,570 to a Bulgarian company pursuant to a revolving credit facility, enabling such Bulgarian company to buy and manage land in Bulgaria to be leased by the Company for future well sites. The credit facility has a maximum loan obligation of BGN 1,000,000 (\$562,500 USD at September 30, 2020) bears interest at 6.32%, has a five-year term and is secured by the land the Bulgarian company buys. Payment on the facility is due the earlier of the end of the five-year term (April 6, 2020) or on demand by the Company. As of September 30, 2020, the outstanding balance on the loan receivable was \$52,888 (December 31, 2019 - \$50,671). The change in balance was due to changes in foreign currency translations.

In July 2020, the Company loaned \$7,454 to a third party. The amount is due on demand, non-interest bearing and unsecured. The loan was received in full subsequent to September 30, 2020.

7. Loans Payable

As at	September 30, 2020	December 31, 2019
Unsecured, interest bearing loans at 10% per annum	\$ 162,632	\$ 176,067
Unsecured, interest bearing loans at 12% per annum	300,966	283,828
Unsecured, interest bearing loan at 20.5% per annum	27,249	46,283
Unsecured, interest bearing loan at 13.25% per annum	47,018	–
Non-interest bearing loans	58,240	54,855
Total loans payable	596,105	561,033
Current portion of loans payable	(46,164)	(14,304)
Long term portion of loans payable	\$ 549,941	\$ 546,729

Loans bearing interest, accrue at 10% and 12% per annum are all unsecured.

On August 2, 2019, Garanti Bank extended a long-term loan to Park Place Turkey Limited in the amount of ₺300,000 (or approximately US\$53,600). The loan matures on August 2, 2022 and bears interest at 20.5% per annum. Principal and accrued interest are paid monthly.

On February 4, 2020, Garanti Bank extended a long-term loan to Park Place Turkey Limited in the amount of ₺500,000 (or approximately US\$83,500). The loan matures on February 4, 2022 and bears interest at 13.25% per annum. Principal and accrued interest are paid monthly.

8. Leases

The Company leases certain assets under lease agreements. On January 1, 2020 the Company entered into a one-year lease for office space, which the Company elected the short-term lease measurement and recognition exemption. On January 3, 2020 the Company entered into a five-year lease for an office space that was classified as an operating lease on recognition.

During the three and nine months ended September 30, 2020, the Company recognized operating lease expense of \$7,456 and \$19,299, respectively (2019 - \$4,813 and \$10,077, respectively), which is included in general and administrative expenses. As of September 30, 2020, the Company's leases had a weighted average remaining lease term of 4.25 years. Operating right-of-use assets have been included within property and equipment as follows:

Right-of-use asset	September 30, 2020	December 31, 2019
Cost	\$ 57,919	\$ 18,345
Accumulated amortization	(5,224)	(13,586)
Foreign currency translation change	(13,051)	–
Net book value	\$ 39,644	\$ 4,759

Operating lease liabilities are measured at the commencement date based on the present value of future lease payments. As the Company's lease did not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The Company used a weighted average discount rate of 10% in determining its lease liabilities. The discount rate was derived from the Company's assessment of current borrowings.

Operating lease right-of-use assets include any prepaid lease payments and exclude any lease incentives and initial direct costs incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option.

As at September 30, 2020, the Company's lease liability is as follows:

Lease liability	September 30, 2020	December 31, 2019
Current portion of operating lease liabilities	\$ 11,489	\$ 4,759
Long-term portion of operating lease liabilities	28,155	-
	<u>\$ 39,644</u>	<u>\$ 4,759</u>

Future minimum lease payments to be paid by the Company as a lessee as of September 30, 2020 are as follows:

Operating lease commitments and lease liability	September 30, 2020
Remainder of 2020	\$ 2,872
2021	11,489
2022	11,489
2023	11,489
2034	11,489
Total future minimum lease payments	48,828
Discount	(9,184)
Total	<u>\$ 39,644</u>

9. Asset Retirement Obligations

Asset retirement obligations ("AROs") associated with the retirement of tangible long-lived assets are recognized as liabilities with an increase to the carrying amounts of the related long-lived assets in the period incurred. The fair value of AROs is recognized as of the acquisition date for business combinations. The cost of the tangible asset, including the asset retirement cost, is depleted over the life of the asset. AROs are recorded at estimated fair value, measured by reference to the expected future cash outflows required to satisfy the retirement obligations discounted at the Company's credit-adjusted risk-free interest rate. Accretion expense is recognized over time as the discounted liabilities are accreted to their expected settlement value. If estimated future costs of AROs change, an adjustment is recorded to both the ARO and the long-lived asset. Revisions to estimated AROs can result from changes in retirement cost estimates, revisions to estimated inflation rates and changes in the estimated timing of abandonment. The Company's ARO is measured using primarily Level 3 inputs. The significant unobservable inputs to this fair value measurement include estimates of plugging costs, remediation costs, inflation rate and well life. The inputs are calculated based on historical data as well as current estimated costs.

The following is a continuity of the Company's asset retirement obligations:

	September 30, 2020	December 31, 2019
Asset retirement obligations at beginning of period	\$ 3,633,427	\$ 4,026,129
Additions	-	-
Accretion expense	279,377	417,965
Change in estimate	-	(810,667)
Asset retirement obligations at end of period	<u>\$ 3,912,804</u>	<u>\$ 3,633,427</u>

10. Convertible Debentures

On September 30, 2019, the Company closed an unbrokered private placement of convertible debt, issuing \$123,095 (\$163,000 CAD) in debentures to two investors. The convertible debentures bear interest at 10% per annum, payable annually in advance. They are convertible any time during the term of the debenture into units (each unit consists of one share and one warrant; each warrant can acquire one share at an exercise price of \$0.20 USD or \$0.25 CAD per share, based on the currency initially subscribed) at a conversion price of \$0.12 USD or \$0.15 CAD per unit, based on the currency initially subscribed. The convertible debt matures on September 30, 2021 and is secured by a general security agreement over the assets of the Company.

As the September 30, 2019 convertible debt included an embedded conversion feature denominated in Canadian dollars, the debt was determined to be a financial instrument comprising an embedded derivative representing the conversion feature with a residual host debt component. On initial recognition, the Company used the residual value method to allocate the principal amount of the debentures between the embedded derivative conversion feature and host debt components. The conversion feature was valued first with the residual allocated to the host debt component.

On initial recognition of the convertible debt granted on September 30, 2019, the Company recognized a derivative liability of \$81,956 and an offsetting convertible debt discount of \$81,956.

On July 1, 2020, the Company amended the conversion price of the convertible debentures. Under the amended terms, they are convertible any time during the term of the debenture into units (each unit consists of one share and one warrant; each warrant can acquire one share at an exercise price of \$0.12 CAD per share, or approximately US\$0.09 per share) at a conversion price of \$0.075 CAD per unit (approximately US\$0.06 per unit). In accordance with ASC 470-50-40-10, the carrying value of the debt of \$90,264 was considered to be extinguished and a new issuance of \$120,295 was recognized. A loss of \$30,031 was recognized on the extinguishment.

On initial recognition of the convertible debt amended on July 1, 2020, the Company recognized a derivative liability of \$62,980 and an offsetting convertible debt discount of \$62,980.

On September 15, 2020, debt in the principal amount of \$9,870 (\$13,000 CAD) was converted by the holder to 173,333 units with a fair value of \$11,644. The Company recognized a gain on the conversion of the debt of \$1,030.

The following is a continuity of the Company's convertible debt:

	Host debt instrument	Embedded conversion feature	Total
Balance, January 1, 2019	\$ –	\$ –	\$ –
Issued during the period	123,095	–	123,095
Allocated to derivative	(81,956)	81,956	–
Accretion	6,101	–	6,101
Change in fair value of derivative	–	(2,498)	(2,498)
Foreign currency translation change	793	–	793
Balance, December 31, 2019	48,033	79,458	127,491
Extinguished during the period	(60,213)	(30,051)	(90,264)
Re-issued during the period	120,295	–	120,295
Allocated to derivative	(62,980)	62,980	–
Accretion	23,859	–	23,859
Change in fair value of derivative	–	(34,645)	(34,645)
Converted to units	(9,870)	(7,647)	(17,517)
Foreign currency translation change	(217)	–	(217)
Balance, September 30, 2020	\$ 58,907	\$ 70,095	\$ 129,002

11. Common Stock

For the nine months ended September 30, 2020

During the nine months ended September 30, 2020 the Company received \$24,533 in proceeds for a private placement. As at September 30, 2020 the stock remains to be issued.

On June 19, 2020 the Company closed a non-brokered private placement financing for aggregate gross proceeds of \$730,000 CAD (approximately US\$552,083) (approximately US\$ (the "Offering"). Under the Offering, the Corporation issued an aggregate of 14,400,000 units ("Units"), at a price of \$0.05 CAD per Unit (approximately US\$0.04 per Unit). Each Unit was comprised of one common share in the capital of the Corporation (each a "Common Share") and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.12 CAD (approximately US\$0.09) for a period of 24 months from the closing date. In connection with the Offering, the Corporation settled a total of \$30,000 in outstanding debt through the issuance to certain creditors of 600,000 Units, at a deemed issue price of \$0.05 per Unit (the "Debt Settlement"). Each Unit issued in the Debt Settlement consists of one Common Share and one Warrant under the same terms as the Offering.

On July 31, 2020 the Company closed a non-brokered private placement financing for aggregate gross proceeds of \$551,140 CAD (approximately US\$410,760) (the "July Offering"). Under the July Offering, the Corporation issued an aggregate of 56,000 Units, at a price of \$0.06 CAD per Unit (approximately US\$0.04 per Unit). Each Unit was comprised of one Common Share and one Warrant. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.12 CAD (approximately US\$0.09) for a period of 24 months from the closing date. In connection with the July Offering, the Corporation settled a total of \$495,140 in outstanding debt through the issuance to certain creditors of 8,252,334 Units, at a deemed issue price of \$0.06 per Unit. Each Unit issued in the Debt Settlement consists of one Common Share and one Warrant under the same terms as the Offering.

On July 31, 2020, the Company granted 525,000 restricted share units which vested immediately. In connection with the grant, 525,000 Common Shares with a fair value of \$29,400 were issued.

On September 4, 2020, the Company closed a private placement of 3,601,333 units for gross proceeds of \$216,080 CAD (approximately US\$156,538). Each unit consists of one Common Share and one Warrant. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.12 CAD (or US\$0.09) for a period of 24 months from the closing date. In connection with the private placement, the Company issued 149,800 broker warrants with a fair value of \$7,117.

On September 15, 2020, the Company issued 173,333 Units with a fair value of \$11,644 in settlement of convertible debt of \$9,870. Each Unit consists of one share and one warrant; each warrant can acquire one share at an exercise price of \$0.12 CAD per share, or approximately US\$0.09 per share.

For the year ended December 31, 2019

On February 15, 2019, the Company issued 112,500 units at \$0.10 per unit for gross proceeds of \$11,250, pursuant to a private placement which closed on November 12, 2018, and included in stock subscriptions and to be issued as of December 31, 2018. Each unit consisted of one common share and ½ of one share purchase warrant, resulting in the issuance of 56,250 warrants. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.12 CAD for a period of 24 months from the closing date.

On February 15, 2019, the Company issued 150,000 units at \$0.15 per unit for gross proceeds of \$22,500, pursuant to a private placement which closed on November 12, 2018, of which \$8,000 was cash and \$14,500 was included in stock subscriptions and to be issued as of December 31, 2018. Each unit consisted of one common share and one share purchase warrant, resulting in the issuance of 150,000 warrants. Each whole share purchase warrant is exercisable for a period of 24 months at an exercise price of \$0.30 per share of common stock. On July 19, 2019, the Company retired these 150,000 common shares as the incorrect number of shares were issued. The correct amount of 100,000 of shares and warrants was re-issued on July 23, 2019 for \$15,000. The \$22,500 was transferred back to 'stock subscriptions and stock to be issued'.

On September 30, 2019, the Company closed a private placement of 76,923 units for gross proceeds of \$7,692 which was received in cash. Each unit consists of one common share and $\frac{1}{2}$ of one share purchase warrant, resulting in the issuance of 38,462 warrants. Each whole share purchase warrant is exercisable for a period of 24 months at an exercise price of \$0.30 per share of common stock.

On September 30, 2019, the Company issued 3,393,434 units for a total of \$339,343. These units were issued to related parties (Note 15) and were used to reduce accounts payable owed to these parties. There was no gain or loss in the settlement of these accounts payable. Each unit consists of one common share and $\frac{1}{2}$ of one share purchase warrant, resulting in the issuance of 1,696,717 warrants. Each whole share purchase warrant is exercisable for a period of 24 months at an exercise price of \$0.30 per share of common stock.

12. Stock Options

The Board of Directors adopted the 2013 Long-Term Incentive Equity Plan (the “Incentive Plan” or “2013 Plan”) effective as of October 29, 2013. The Incentive Plan permits grants of stock options (including incentive stock options and nonqualified stock options), stock appreciation rights, restricted stock awards, and other stock-based awards.

The Incentive Plan authorizes the following types of awards:

- Incentive stock options and nonqualified stock options to purchase Common Stock at a set price per share;
- stock appreciation rights (“SARs”) to receive upon exercise Common Stock or cash equal to the appreciation in value of a share of Common Stock;
- restricted stock, which are shares of Common Stock granted subject to a restriction period and/or a condition which, if not satisfied, may result in the complete or partial forfeiture of the shares; and
- other stock-based awards, which provide for awards denominated in or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock of the Company, which may include performance shares or options and restricted stock units which provide for shares to be issued or cash to be paid upon the lapse of predetermined restrictions.

Under the 2013 Plan, the maximum number of shares of authorized stock that may be delivered is 10% of the total number of shares of common stock issued and outstanding of the Company as determined on the applicable date of grant of an award under the 2013 Plan. Under the 2013 Plan, the exercise price of each option (or other stock-based award) shall not be less than the market price of the Company’s stock as calculated immediately preceding the day of the grant. The vesting schedule for each option or other stock-based award shall be specified by the Board of Directors at the time of grant. The maximum term of options or other stock-based award granted is ten years or such lesser time as determined by the Board of Directors at the time of grant.

The following is a continuity of the Company’s outstanding stock options:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2018	4,565,000	0.13
Granted	3,800,000	0.13
Expired	(115,000)	0.10
Outstanding, December 31, 2019	8,250,000	\$ 0.13
Granted	2,470,000	0.06
Expired	(100,000)	0.19
Outstanding, September 30, 2020	10,620,000	\$ 0.11

At September 30, 2020, the Company had the following outstanding stock options:

Outstanding	Exercise Price	Expiry Date	Vested
900,000	0.18	March 26, 2021	900,000
1,000,000	0.12	September 15, 2022	1,000,000
2,450,000	0.12	October 24, 2023	2,450,000
3,800,000	0.12	September 19, 2024	3,800,000
2,470,000	\$ 0.06	July 31, 2025	2,470,000
<u>10,620,000</u>			<u>10,620,000</u>

As of September 30, 2020, all stock options have fully vested. The weighted average remaining contractual life of outstanding stock options is 3.48 years. The aggregate intrinsic value of the stock options at September 30, 2020 is \$nil.

For the three and nine months ended September 30, 2020, the Company recognized stock-based compensation expense of \$137,789 (2019 - \$379,225 and \$379,225, respectively) for options granted and vested. At September 30, 2020, the Company has no unrecognized compensation expense related to stock options.

13. Warrants

The following is a continuity of the Company's outstanding stock purchase warrants:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2018	17,498,532	0.25
Issued	1,891,429	0.30
Expired	–	–
Outstanding, December 31, 2019	19,389,961	\$ 0.26
Issued	28,110,133	0.09
Expired	(6,191,781)	0.30
Outstanding, September 30, 2020	41,308,313	\$ 0.14

At September 30, 2020, the Company had the following outstanding stock purchase warrants:

Outstanding	Exercise Price	Expiry Date
100,000	0.30	October 20, 2020
4,538,000	0.30	October 26, 2020
1,125,000	0.30	November 7, 2020
200,001	0.30	November 23, 2020
5,500,000	0.15	November 30, 2020
38,462	0.30	May 1, 2021
1,696,717	0.30	September 30, 2021
15,000,000	0.09 ^(a)	June 19, 2022
9,185,667	0.09 ^(a)	July 31, 2022
3,751,133	0.09 ^(a)	September 4, 2022
173,333	0.09 ^(a)	September 15, 2022
<u>41,308,313</u>		

^(a) \$0.12 CAD

The weighted average remaining contractual life of outstanding warrants as at September 30, 2020 is 1.29 years.

On June 19, 2020, in connection with a private placement of units, the Company issued 15,000,000 warrants with an exercise price of \$0.12 CAD (approximately US\$0.09) per warrant and a contractual life of 2 years. As the warrants have an exercise price denominated in a currency other than the Company's functional currency, they are derivative financial instruments measured at fair value at the end of each reporting period. The fair value of the derivative warrants on issuance was determined to be \$520,941 based on the Black-Scholes Option Pricing Model using the following assumptions: expected dividend yield - 0%, expected volatility - 282%, risk-free interest rate - 0.19% and an expected remaining life - 2.0 years.

On July 31, 2020, in connection with a private placement of units, the Company issued 9,185,667 warrants with an exercise price of \$0.12 CAD (approximately US\$0.09) per warrant and a contractual life of 2 years. As the warrants have an exercise price denominated in a currency other than the Company's functional currency, they are derivative financial instruments measured at fair value at the end of each reporting period. The fair value of the derivative warrants on issuance was determined to be \$410,666 based on the Black-Scholes Option Pricing Model using the following assumptions: expected dividend yield - 0%, expected volatility - 260%, risk-free interest rate - 0.11% and an expected remaining life - 2.0 years.

On September 4, 2020, in connection with a private placement of units, the Company issued 3,751,133 warrants with an exercise price of \$0.12 CAD (approximately US\$0.09) per warrant and a contractual life of 2 years. As the warrants have an exercise price denominated in a currency other than the Company's functional currency,

they are derivative financial instruments measured at fair value at the end of each reporting period. The fair value of the derivative warrants on issuance was determined to be \$163,621 based on the Black-Scholes Option Pricing Model using the following assumptions: expected dividend yield - 0%, expected volatility - 260%, risk-free interest rate - 0.13% and an expected remaining life - 2.0 years.

On September 4, 2020, in connection with the conversion of convertible debt, the Company issued 173,333 warrants with an exercise price of \$0.12 CAD (approximately US\$0.09) per warrant and a contractual life of 2 years. As the warrants have an exercise price denominated in a currency other than the Company's functional currency, they are derivative financial instruments measured at fair value at the end of each reporting period. The fair value of the derivative warrants on issuance was determined to be \$7,647 based on the Black-Scholes Option Pricing Model using the following assumptions: expected dividend yield - 0%, expected volatility - 231%, risk-free interest rate - 0.13% and an expected remaining life - 2.0 years.

The following is a continuity of the Company's derivative warrant liability:

	Total
Balance, January 1 and December 31, 2019	\$ 79,458
Issued during the period	1,222,242
Change in fair value of derivative	(43,221)
Balance, September 30, 2020	\$ 1,258,479

14. Restricted Stock Units

For the three and nine months ended September 30, 2020, the Company recognized \$29,200 (2019 - \$nil and \$nil, respectively) in stock-based compensation expense for RSUs granted and vested. At September 30, 2020, the Company has no unrecognized compensation expense related to RSUs.

	Number of restricted stock units	Weighted average fair value per award
Balance, December 31, 2018	-	\$ -
Granted	585,500	0.10
Vested	(585,500)	0.10
Balance, December 31, 2019	-	-
Granted	525,000	0.06
Vested	(525,000)	0.06
Balance, September 30, 2020	-	-

15. Related Party Transactions

At September 30, 2020, accounts payable and accrued liabilities included \$54,881 (December 31, 2019 - \$58,438) due to related parties for outstanding management and consulting fees. The amounts are unsecured, non-interest bearing and due on demand. The Company issued 3,393,434 units for the settlement of accounts payable owed to related parties in the amount of \$128,043, resulting in no gain or loss. Refer to Note 12.

During the nine and three months ended September 30, 2020, included in general and administrative expenses is \$215,766 and \$88,430, respectively, (2019 - \$235,500 and \$131,000, respectively) in respect to directors and management fees.

16. Segment Information

The Company's operations are in the resource industry in Bulgaria and Turkey with head offices in the United States and a satellite office in Sofia, Bulgaria. The Company's operating segments include a head office in Canada, oil and gas operations in Turkey and oil and gas properties located in Bulgaria.

As at and for the nine month period ended September 30, 2020

	Bulgaria	North America	Turkey	Total
Revenue				
Oil and natural gas sales	\$ —	\$ —	\$ 1,773,073	\$ 1,773,073
Cost and expenses				
Production	—	—	1,688,342	1,688,342
Depletion	—	—	201,875	201,875
Depreciation	—	—	35,106	35,106
Share-based payments	—	167,189	—	167,189
Accretion of asset retirement obligation	—	—	279,377	279,377
General and administrative	6,255	1,001,055	683,057	1,690,367
Total expenses	6,255	1,168,244	2,887,757	4,062,256
Loss before other income (expenses)	(6,255)	(1,168,244)	(1,114,684)	(2,289,183)
Other income (expenses)				
Interest expense	(103)	(71,873)	(14,853)	(86,829)
Interest income	—	—	12,771	12,771
Foreign exchange gain (loss)	759	1,110	29,934	31,803
Other income (expense)	—	—	—	—
Change in fair value of derivative liability	—	(43,221)	—	(43,221)
Loss on debt extinguishment	—	(29,001)	—	(29,001)
Total other income (expenses)	656	(142,985)	27,852	(114,477)
Net loss for the period	\$ (5,599)	\$ (1,311,229)	\$ (1,086,832)	\$ (2,403,660)
Long lived assets	\$ 3,118,740	\$ —	\$ 2,421,657	\$ 5,540,397

For the nine month period ended September 30, 2019

	<u>Bulgaria</u>	<u>North America</u>	<u>Turkey</u>	<u>Total</u>
Revenue				
Oil and natural gas sales	\$ –	\$ –	\$ 2,939,263	\$ 2,939,263
Cost and expenses				
Production	–	–	1,970,397	1,970,397
Depletion	–	–	468,373	468,373
Depreciation	–	–	31,425	31,425
Accretion of asset retirement obligation	–	–	309,572	309,572
Stock-based compensation	–	437,725	–	437,725
General and administrative	1,298	575,122	730,096	1,306,516
Total expenses	<u>1,298</u>	<u>1,012,847</u>	<u>3,509,863</u>	<u>4,524,008</u>
Loss before other income (expenses)	<u>(1,298)</u>	<u>(1,012,847)</u>	<u>(570,600)</u>	<u>(1,584,745)</u>
Other income (expenses)				
Interest income	–	–	23,253	23,253
Interest expense	–	(28,858)	(3,794)	(32,652)
Foreign exchange gain (loss)	–	2,067	(17,308)	(15,241)
Other income (expense)	–	–	69,843	69,843
Total other income (expenses)	<u>–</u>	<u>(26,791)</u>	<u>71,994</u>	<u>45,203</u>
Net loss for the period	<u>\$ (1,298)</u>	<u>\$ (1,039,638)</u>	<u>\$ (498,606)</u>	<u>\$ (1,539,542)</u>
Long lived assets at December 31, 2019	<u>\$ 3,117,229</u>	<u>\$ –</u>	<u>\$ 3,639,858</u>	<u>\$ 6,757,087</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to provide readers of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Our MD&A is presented in the following sections:

- Executive Summary
- Results of Operations
- Liquidity and Capital Resources
- Forward-Looking Statements.

Our MD&A should be read in conjunction with our unaudited financial statements of Trillion Energy International Inc. (“Trillion Energy”, Company”, “we”, and “our”) and related Notes in Part I, Item 1 of the Quarterly Report on Form 10-Q and Item 8, Financial Statements and Supplementary Data, of the Annual Report on Form 10-K for the year ended December 31, 2019.

Our website can be found at www.trillionenergy.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed with or furnished to the U.S. Securities and Exchange Commission (“SEC”), pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (“Exchange Act”), can be accessed free of charge by linking directly from our website under the “Investor Relations - SEC Filings” caption to the SEC’s Edgar Database.

Executive Summary

Trillion Energy International Inc. is focused on its oil and gas producing assets in Turkey and a coal bed methane exploration license in Bulgaria.

Turkey

On January 18, 2017, the Company completed the acquisition of three oil and gas exploration and production companies operating in Turkey (the “PPE Turkey”). As a result of the acquisition of PPE Turkey, the Company now owns interests in the producing Cendere oil field, and in the producing South Akcakoca Sub-Basin (“SASB”) gas field in Turkey.

PPE Turkey own 19.6% interest in the onshore Cendere oil field except three wells where PPE Turkey own 9.8% interest. PPE owns 49% working interest in the offshore SASB.

As at September 30, 2020, net production to the PPE Turkey from such fields was 147 barrels of oil equivalent per day or Boe/d. For the 2020 year-to-date, net production to the PPE Turkey averaged 183 Boe/d. With this base of operations in Turkey and its experienced management team, the Company is poised to exploit these assets and for further growth in the region.

At September 30, 2020, the gross oil production rate for the producing wells in Cendere was 578 bbls/day; the average daily 2020 gross production rate for the field was 555 bbls/day. At the end of July 2020, oil is currently sold at a price of approximately US\$40.6 per barrel for a netback per barrel of approximately US\$13/bbl. At September 30, 2020, the Cendere field was producing 109 barrels of oil per day net to the PPE Turkey; and averaged 116 barrels per day during 2020 net to the PPE Turkey.

SASB has four producing fields, each with a production platform plus subsea pipelines that connect the fields to an onshore gas plant. The SASB fields are located off the north coast of Turkey towards the western end of the Black Sea. total gross production to date from the four fields is 41.8 Bcf

As at September 30, 2020, the gross gas production rate for the 4 producing wells in SASB was 0.4719 MMcfd; the average daily 2020 gross production rate for the field was 0.8175 MMcfd. The average gas sale price year to date was, US\$6.14/Mcf and US\$5.31 per Mcf for the quarter ending September 30, 2020, for a netback per Mcf of approximately minus US\$4.22. The lower net back is a result of relatively lower production levels being incurred due to natural decline, down approximately 96% since peak production rates occurred during 2011, given no new wells have been drilled since 2011. The Company anticipates that as new wells come online, the netback will increase substantially.

Bulgaria license

In October of 2010, the Company was awarded an exploration permit for the “Vranino 1-11 Block”, a 98,205 acre oil and gas exploration land located in Dobrudja Basin, Bulgaria, by the Bulgarian Counsel of Ministers. On April 1, 2014, the Company entered into an Agreement for Crude Oil and Natural Gas Prospecting and Exploration in the Vranino 1-11 Block with the Ministry of Economy and Energy of Bulgaria (the “License Agreement”). The initial term of the License Agreement is five years. This five-year period will commence once the Bulgarian regulatory authorities approve of the Company’s work programs for the permit area. The License Agreement (or applicable legislation) provides for possible extension periods for up to five additional years during the exploration phase, as well as the conversion of the License Agreement to an exploitation concession, which can last for up to 35 years. Under the License Agreement, the Company will submit a yearly work program that is subject to the approval of the Bulgarian regulatory authorities.

Before the license for the Bulgarian CBM project is “effective”, the Company’s overall work program and first year annual work program must be approved by both the Bulgarian environmental ministry and the energy ministry. On August 26, 2014, the Bulgarian environmental agency approved the Company’s overall work program and first year annual work program. A number of parties appealed the decision of the environmental agency and an appeal proceeding was commenced before a three-judge administrative panel. The three-judge panel issued a decision on February 3, 2017 in which it ruled that the environmental agency had failed to follow its own regulations in approving the Company’s work programs. Both the environmental agency and the Company have appealed the decision to a five-judge panel whose decision will be final.

Strategic Focus

Our focus currently is obtaining funding to produce our reserves in our oil and gas fields in Turkey, which we expect will generate significant cash-flow and profits for the Company. Further development is contingent upon receiving further funding, and our plan is to further develop the fields when funding is received. The Bulgaria license area holds great upside attraction as a potential coal bed methane exploration project. The license area was extensively drilled for coal exploration from 1964 to 1990. It was determined that coal mining was not technically feasible. However, the coal exploration drilling provided us with an extensive database.

Results of Operations

The following summary of our results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2020 and 2019 which are included herein.

Revenue

For the three months ended September 30, 2020, the Company had oil and gas revenue of \$493,609, compared to \$914,791 for the three months ended September 30, 2019. Revenue decreased mainly due to the devaluation of the Turkish Lira compared to the U.S. dollar of approximately 22% over the comparable period and a 13% decrease in gross revenue in Turkish Lira, primarily driven by decreases in oil price and a marginal decrease in production output primarily due to the field's normal decline rate and relatively high WC%. Oil and gas revenue denominated in Turkish Liras was ₺4,544,765 for three months ended September 30, 2020, compared to ₺ 5,202,155 for the three months ended September 30, 2019.

For the nine months ended September 30, 2020, the Company had oil and gas revenue of \$1,773,073, compared to \$2,939,263 for the nine months ended September 30, 2019. Revenue decreased partially due to the devaluation of the Turkish Lira compared to the U.S. dollar of approximately 22% over the comparable period and a 23% decrease in gross revenue in Turkish Lira, primarily driven by decreases in oil price and a marginal decrease in production output primarily due to the field's normal decline rate and relatively high WC%. Oil and gas revenue denominated in Turkish Liras was ₺ 12,836,819 for nine months ended September 30, 2020, compared to ₺16,581,285 for the nine months ended September 30, 2019.

Expenses

For the three months ended September 30, 2020, the Company incurred production expenses related to its Turkey operations of \$488,930 (2019 - \$643,202), depletion charges of \$65,630 (2019 - \$152,120), depreciation expense of \$22,132 (2019 - \$7,779) and asset retirement obligation accretion expense of \$95,435 (2019 - \$105,749). Production expenses decreased by \$154,272 largely due to devaluation of the Turkish Lira compared to the U.S. dollar of approximately 22% over the comparable period, as well as marginally lower production volumes as discussed above. Depletion expenses were reduced by \$86,490 over the comparable quarter primarily due to updated reserve reports received December 31, 2019 which significantly decreased the depletion rate. Depreciation increased by \$14,353 for the three months ended September 30, 2020 primarily due to the accelerated depreciation of leasehold improvements after terminating an office lease arrangement in the comparative period. Accretion of asset retirement costs decreased by \$10,314 for the three months ended September 30, 2020 primarily due to revaluation of the asset retirement obligation at December 31, 2019 which decreased the carrying value of the obligation.

For the nine months ended September 30, 2020, the Company incurred production expenses related to its Turkey operations of \$1,688,342 (2019 - \$1,970,397), depletion charges of \$201,875 (2019 - \$468,373), depreciation expense of \$35,106 (2019 - \$31,425) and asset retirement obligation accretion expense of \$279,377 (2019 - \$309,572). Production expenses decreased by \$282,055 largely due to devaluation of the Turkish Lira compared to the U.S. dollar of approximately 22% over the comparable period, as well as marginally lower production volumes as discussed above. Depletion expenses were reduced by \$266,498 over the comparable quarter primarily due to updated reserve reports received December 31, 2019 which significantly decreased the depletion rate. Depreciation increased by \$3,681 for the nine months ended September 30, 2020 primarily due to the accelerated depreciation of leasehold improvements after terminating an office lease arrangement in the comparative period. Accretion of asset retirement costs decreased by \$30,195 for the nine months ended September 30, 2020 primarily due to revaluation of the asset retirement obligation at December 31, 2019 which decreased the carrying value of the obligation.

For the three months ended September 30, 2020, the Company had general and administrative expenses of \$698,005, compared to \$504,346 for the three months ended September 30, 2019. \$496,052 in expenses were from the North American head office and \$201,953 for the Turkey office

For the nine months ended September 30, 2020, the Company had general and administrative expenses of \$1,690,367, compared to \$1,306,516 for the nine months ended September 30, 2019. \$1,007,310 in expenses were from the North American head office and \$683,057 for the Turkey office.

Other Income (Expense)

For the three months ended September 30, 2020, the Company had other expenses of \$139,663 compared to other expenses of \$8,075 for the three months ended September 30, 2019. For the three months ended September 30, 2020, other expense consisted primarily of \$86,208 change in the fair value of the Company's derivatives. For the three months ended September 30, 2019, other expense consisted primarily of interest expense, partially offset by interest income.

For the nine months ended September 30, 2020, the Company had other expense of \$114,477 compared to other income of \$45,203 for the nine months ended September 30, 2019. For the nine months ended September 30, 2020, other expense consisted primarily of interest expense of \$86,829, a loss on the change in the fair value of the Company's derivative liabilities of \$43,221 and loss on the extinguishment of debt of \$29,001. For the nine months ended September 30, 2019, other income consisted primarily of other income, partially offset by interest expense.

Net Loss

The changes in overall net loss for the three and nine months ended September 30, 2020, compared to the three and nine months ended September 30, 2019 are a result of the factors as described above.

Liquidity and Capital Resources

The following table summarizes our liquidity position:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Cash	\$ 231,424	\$ 863,017
Working capital (deficiency)	(372,781)	391,237
Total assets	6,448,149	7,297,185
Total liabilities	7,088,819	5,497,278
Stockholders' equity	(640,670)	1,799,907

Cash Used in Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2020 was \$1,130,163, compared to \$113,040 cash used in operating activities for the nine months ended September 30, 2019. The current period loss of \$2,403,660 was offset by \$818,439 in net non-cash items and \$455,058 in changes in working capital items for the nine months ended September 30, 2020. This compares to a prior year loss of \$1,539,542, offset by \$1,282,285 in net non-cash items and \$370,297 in changes in working capital items.

Cash Used in Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2020 was \$104,270, compared to \$37,448 used for the nine months ended September 30, 2019. Oil and gas properties expenditures decreased to \$4,821 from \$37,448 in the comparative period.

Cash Provided by Financing Activities

We have funded our business to date from sales of our common stock through private placements and loans from shareholders.

Net cash provided by financing activities for the nine months ended September 30, 2020 was \$765,952, compared to \$127,974 for the nine months ended September 30, 2019. Cash provided by financing activities in the current period was primarily related to \$751,400 in stock subscription received related to a private placement and a new bank loan at the Company's Turkey subsidiary. In the comparative period the Company received \$77,644 in loans payable, \$123,095 in convertible debt and \$15,692 in stock subscriptions.

Future Operating Requirements

Based on our current plan of operations and due to a decline in oil prices, we estimate that we will require approximately \$850,000 to cover our plan of operations over the next 12 months. We plan to spend approximately \$50,000 on an environmental report for Bulgaria Vranino exploration block. We also plan to improve our working capital surplus by raising cash and paying off accounts payable. We will require approximately \$800,000 for general and administrative expenses.

Based on the recent increase in reserves on SASB, our current plan of operations is the drilling of up to five (5) new wells at SASB and to reenter three existing wells to perform workovers to increase gas production. Depending on the timing of the drilling operations at our current interest (currently 49%), we project we will incur up to an additional \$16 to \$25 million in capital expenditures over the next 12 months to enable us to conduct such operations.

To reduce our current outstanding trade payables and indebtedness will require approximately \$1.2 million; however, we may be able to negotiate terms that will require a lesser amount. To pay for the SASB drilling campaign, we will require an additional \$20 million.

As of September 30, 2020, the Company had unrestricted cash of \$244,871. The Company is attempting to raise additional capital to fund its future exploration and operating requirements.

Off-Balance Sheet Arrangements

On October 1, 2018 the Company entered into an agreement to grant to a consultant of the Company a 2% (two percent) gross overriding royalty on petroleum substances produced from certain of its currently undeveloped exploration properties, namely: Block 1-11 Vranino situated in Dobrich District, Bulgaria and seven contiguous exploration licences in the province of Hakkari Yuksekova Semdiali Derecik, Turkey. The Grant of the royalty agreement was for services involving technical and corporate advisory services.

On October 1, 2018 the Company entered into an agreement to grant to the CEO of the Company a 0.5% (one half of one percent) gross overriding royalty on petroleum substances produced from certain of its currently undeveloped exploration properties, namely: Block 1-11 Vranino situated in Dobrich District, Bulgaria and seven contiguous exploration licences in the province of Hakkari Yuksekova Semdiali Derecik, Turkey. The Grant of the royalty agreement was for services involving technical and corporate advisory services.

Forward-Looking Information

Certain statements in this Quarterly Report on Form 10-Q constitute “forward-looking statements” within the meaning of applicable U.S. securities legislation. Additionally, forward-looking statements may be made orally or in press releases, conferences, reports, on our website or otherwise, in the future, by us or on our behalf. Such statements are generally identifiable by the terminology used such as “plans,” “expects,” “estimates,” “budgets,” “intends,” “anticipates,” “believes,” “projects,” “indicates,” “targets,” “objective,” “could,” “should,” “may” or other similar words.

By their very nature, forward-looking statements require us to make assumptions that may not materialize or that may not be accurate. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors that may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements, including the factors discussed under Item 1A. Risk Factors in our most recent Annual Report on Form 10-K. Such factors include, but are not limited to, the following: fluctuations in and volatility of the market prices for oil and natural gas products; the ability to produce and transport oil and natural gas; the results of exploration and development drilling and related activities; global economic conditions, particularly in the countries in which we carry on business, especially economic slowdowns; actions by governmental authorities including increases in taxes, legislative and regulatory initiatives related to fracture stimulation activities, changes in environmental and other regulations, and renegotiations of contracts; political uncertainty, including actions by insurgent groups or other conflicts; the negotiation and closing of material contracts; future capital requirements and the availability of financing; estimates and economic assumptions used in connection with our acquisitions; risks associated with drilling, operating and decommissioning wells; actions of third-party co-owners of interests in properties in which we also own an interest; our ability to effectively integrate companies and properties that we acquire; our limited operating history; our history of operating losses; our lack of insurance coverage; and the other factors discussed in other documents that we file with or furnish to the U.S. Securities and Exchange Commission. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are interdependent upon other factors and our course of action would depend upon our assessment of the future, considering all information then available. In that regard, any statements as to: future oil or natural gas production levels; capital expenditures; the allocation of capital expenditures to exploration and development activities; sources of funding for our capital expenditure programs; drilling of new wells; demand for oil and natural gas products; expenditures and allowances relating to environmental matters; dates by which certain areas will be developed or will come on-stream; expected finding and development costs; future production rates; ultimate recoverability of reserves, including the ability to convert probable and possible reserves to proved reserves; dates by which transactions are expected to close; future cash flows, uses of cash flows, collectability of receivables and availability of trade credit; expected operating costs; changes in any of the foregoing and other statements using forward-looking terminology are forward-looking statements, and there can be no assurance that the expectations conveyed by such forward-looking statements will, in fact, be realized.

Although we believe that the expectations conveyed by the forward-looking statements are reasonable based on information available to us on the date such forward-looking statements were made, no assurances can be given as to future results, levels of activity, achievements or financial condition.

Readers should not place undue reliance on any forward-looking statement and should recognize that the statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described above, as well as others not now anticipated. The foregoing statements are not exclusive and further information concerning us, including factors that potentially could materially affect our financial results, may emerge from time to time. We do not intend to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable because we are a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure of Controls and Procedures

We carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2020 (the “Evaluation Date”). This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, we concluded that our disclosure controls and procedures were effective.

We believe that our consolidated financial statements contained in our Quarterly Report on Form 10-Q for the period ended September 30, 2020 fairly present our financial condition, results of operations and cash flows in all material respects.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently involved in any legal proceedings and we are unaware of any pending proceedings.

Item 1A. Risk Factors

Not applicable because we are a smaller reporting company. See risk factors described in Item 1A of the Company’s most recent Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mining Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

- 31.1 [Certification of Chief Executive Officer pursuant to Rule 13a-14 and Rule 15d-14\(a\), promulgated under the Securities and Exchange Act of 1934, as amended](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Rule 13a-14 and Rule 15d-14\(a\), promulgated under the Securities and Exchange Act of 1934, as amended](#)
- 32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The Company's unaudited Condensed Consolidated Financial Statements and related Notes for the quarterly period ended September 30, 2020 from this Quarterly Report on Form 10-Q, formatted in XBRL (extensible Business Reporting Language).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRILLION ENERGY INTERNATIONAL INC.

By: /s/ "Arthur Halleran"

Arthur Halleran
President and CEO (Principal Executive Officer)
Date: November 16, 2020

By: /s/ "David Thompson"

David Thompson
Chief Financial Officer (Principal Financial Officer)
Date: November 16, 2020

Rule 13a-14(a)/15d-14(a) Certification

I, Arthur Halleran, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020 of Trillion Energy International Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit Committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting

Date: November 16, 2020

/s/ Arthur Halleran

Arthur Halleran, Chief Executive Officer
(Principal Executive Officer)

Rule 13a-14(a)/15d-14(a) Certification

I, David Thompson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020 of Trillion Energy International Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit Committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 16, 2020

/s/ David Thompson

David Thompson, Chief Financial Officer
(Principal Financial Officer)

Section 1350 Certification

In connection with the Quarterly Report on Form 10-Q of Trillion Energy International Inc., (the “Company”) for the quarterly period ended September 30, 2020 as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Arthur Halleran, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 16, 2020

/s/ Arthur Halleran

Arthur Halleran, Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Section 1350 Certification

In connection with the Quarterly Report on Form 10-Q of Trillion Energy International Inc., (the “Company”) for the quarterly period ended September 30, 2020 as filed with the U.S. Securities and Exchange Commission (the “Report”), I, David Thompson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 16, 2020

/s/ David Thompson

David Thompson, Chief Financial Officer
(Principal Financial Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
