CLEARVIEW
RESOURCES LTD

Clearview Resources Ltd.

Condensed Interim Financial Statements
(unaudited)

For the three and nine months ended September 30, 2021

Notice to Reader
The September 30, 2021 Condensed Interim Financial Statements have been prepared by and are the responsibility of management. These financial statements have not been reviewed by the Company's independent external auditors.

CLEARVIEW RESOURCES LTD.

Condensed Interim Statements of Financial Position

(thousands of Canadian dollars) (unaudited)

	Notes	September 30, 2021	December 31, 2020
Assets			
Current assets			
Trade and other receivables		**3,866**	2,724
Prepaid expenses and deposits		**685**	640
Total current assets		**4,551**	3,364
Exploration and evaluation assets	5	**425**	304
Property, plant and equipment	6	**59,258**	66,830
Total assets		**64,234**	70,498
Liabilities			
Current liabilities			
Bank debt	7	**9,247**	12,296
Accounts payable and accrued liabilities		**4,873**	2,767
Fair value of financial instruments	15	**3,085**	433
Decommissioning obligations	9	**342**	342
		17,547	15,838
Convertible debentures	8	**1,204**	1,194
Decommissioning obligations	9	**23,551**	26,387
Total liabilities		**42,302**	43,419
Shareholders' equity			
Common shares	10	**75,003**	75,003
Equity component of convertible debentures	10	**53**	53
Contributed surplus	10	**3,733**	3,580
Deficit		**(56,857)**	(51,557)
		21,932	27,079
Total liabilities and shareholders' equity		**64,234**	70,498

Commitments – Note 16

See accompanying notes to the condensed interim financial statements

Approved by the Board of Directors:

*"Lindsay Stollery"*______________
Director

*"Richard Carl"*___________
Director

CLEARVIEW RESOURCES LTD.

Condensed Interim Statements of Operations and Comprehensive Loss

(thousands of Canadian dollars except per share amounts) (unaudited)

	Notes	Three Months Ended September 30 2021	Three Months Ended September 30 2020	Nine Months Ended September 30 2021	Nine Months Ended September 30 2020
Revenues					
Oil and natural gas sales	12	**7,788**	4,371	**21,446**	11,263
Royalties		**(936)**	(208)	**(2,611)**	(786)
		6,852	4,163	**18,835**	10,477
Realized gain (loss) - financial instruments	15	**(1,432)**	(44)	**(2,939)**	1,276
Unrealized gain (loss) - financial instruments	15	**(417)**	(464)	**(2,652)**	(501)
Processing income		**77**	142	**344**	399
		5,080	3,797	**13,588**	11,651
Expenses					
Transportation		**325**	319	**1,016**	881
Operating		**2,999**	2,491	**9,050**	7,785
General and administrative		**568**	296	**1,613**	1,170
Stock based compensation	10	**34**	46	**153**	255
Depletion and depreciation		**1,996**	2,102	**6,168**	6,009
Impairment of property and equipment	6	**-**	-	**-**	22,300
Other costs (income)	13	**(129)**	-	**(372)**	-
		5,793	5,254	**17,628**	38,400
Finance costs	11	**388**	304	**1,260**	984
Net loss before taxes		**(1,101)**	(1,761)	**(5,300)**	(27,733)
Income taxes		**-**	-	**-**	-
Net loss and comprehensive loss		**(1,101)**	(1,761)	**(5,300)**	(27,733)

Net loss per common share – basic and diluted	10	**(0.09)**	(0.15)	**(0.45)**	(2.38)

See accompanying notes to the condensed interim financial statements

CLEARVIEW RESOURCES LTD.

Condensed Interim Statements of Changes in Shareholders' Equity

(thousands of Canadian dollars) (unaudited)

	Common Shares	Equity Component of Convertible Debentures	Contributed Surplus	Deficit	Shareholders' Equity
Balance as at December 31, 2019	75,003	-	3,202	(40,715)	37,490
Stock based compensation expense	-	-	255	-	255
Net loss and comprehensive loss	-	-	-	(27,733)	(27,733)
Balance as at September 30, 2020	75,003	-	3,457	(68,448)	10,012
Balance as at December 31, 2020	75,003	53	3,580	(51,557)	27,079
Stock based compensation expense	-	-	153	-	153
Net loss and comprehensive loss	-	-	-	(5,300)	(5,300)
Balance as at September 30, 2021	**75,003**	**53**	**3,733**	**(56,857)**	**21,932**

See accompanying notes to the condensed interim financial statements

CLEARVIEW RESOURCES LTD.

Condensed Interim Statements of Cash Flows

(thousands of Canadian dollars) (unaudited)

	Notes	Three Months Ended September 30 2021	Three Months Ended September 30 2020	Nine Months Ended September 30 2021	Nine Months Ended September 30 2020
Cash provided by (used in):					
Operating activities					
Net loss and comprehensive loss		**(1,101)**	(1,761)	**(5,300)**	(27,733)
Adjustments for:					
Unrealized (gain) loss - financial instruments		**417**	464	**2,652**	501
Stock based compensation		**34**	46	**153**	255
Accretion of decommissioning obligations and convertible debentures	8,9	**154**	80	**407**	198
Depletion and depreciation	6	**1,996**	2,102	**6,168**	6,009
Impairment of property and equipment	6	**-**	-	**-**	22,300
Decommissioning expenditures		**(177)**	-	**(482)**	(53)
Changes in non-cash working capital	14	**737**	(57)	**250**	251
		2,060	874	**3,848**	1,728
Investing activities					
Additions to exploration and evaluation assets		**(121)**	-	**(121)**	(3)
Acquisition of property, plant and equipment	4	**-**	114	**-**	261
Additions to property, plant and equipment	6	**(672)**	(233)	**(1,347)**	(580)
Changes in non-cash working capital	14	**505**	199	**669**	(10)
		(288)	80	**(799)**	(332)
Financing activities					
Repayment of bank debt	7	**(1,772)**	(954)	**(3,049)**	(1,396)
		(1,772)	(954)	**(3,049)**	(1,396)
Change in cash		**-**	-	**-**	-
Cash and cash equivalents, beginning of period		**-**	-	**-**	-
Cash and cash equivalents, end of period		**-**	-	**-**	-
Supplemental information					
Interest paid on debt		**199**	162	**760**	643

See accompanying notes to the condensed interim financial statements

1. Nature of operations

Clearview Resources Ltd. ("Clearview" or "the Company") is a privately owned, crude oil and natural gas company, engaged in the acquisition, exploration, development and production of crude oil and natural gas from properties located in the province of Alberta, Canada. The Company's head office is located at 2400, 635 – 8th Ave. SW, Calgary, AB T2P 3M3.

2. Basis of preparation

Statement of compliance and authorization

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" using the same accounting policies as those set out in Note 3 of the audited financial statements for the year ended December 31, 2020, except as indicated in Note 3 below. The condensed interim financial statements contain disclosures that are supplemental to the Company's December 31, 2020 audited financial statements. Certain disclosures, which are normally required to be included in the notes to the audited annual financial statements, have been condensed or omitted. The condensed interim financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the period ended December 31, 2020. In the opinion of management, these condensed interim financial statements contain all adjustments necessary to present fairly the Company's financial position as at September 30, 2021 and the results of its operations and cash flows for the three and nine months then ended.

The condensed interim financial statements were approved and authorized for issuance by the Board of Directors on November 18, 2021.

3. Changes in accounting policies

Future accounting pronouncements

On January 23, 2020, the International Accounting Standards Board announced an amendment to IAS 1 "Presentation of financial statements re; classification of liabilities as current or non-current which is effective for annual periods beginning on or after January 1, 2023. The amendment clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The Company does not plan to early adopt these amendments.

4. Acquisitions and dispositions

(a) Acquisition of assets

During the year ended December 31, 2020, the Company acquired partner working interests of jointly owned assets in 9 gross (3.5 net) wells in its Central Alberta Oil CGU. The partners paid Clearview $0.3 million to acquire their working interests, as the cost of decommissioning obligations assumed of $0.3 million exceeded the value of the assets.

(tabular amounts in thousands of Canadian dollars) (unaudited)

(b) Disposition of assets

In the year ended December 31, 2020, the Company closed the disposition of a non-operated minor working interest in a natural gas property in its Central Alberta Gas CGU for nil proceeds. No gain or loss was recorded in earnings related to the disposition. The disposition resulted in a reduction of $88 thousand in decommissioning obligations.

5. Exploration and evaluation assets

Exploration and evaluation assets ("E&E") consist of the Company's exploration projects which are pending the determination of proved plus probable reserves.

As at	**September 30, 2021**	December 31, 2020
Balance, beginning of the period	**304**	405
Additions	**121**	3
Expense	**-**	(104)
Balance, end of the period	**425**	304

During the third quarter of 2021, the Company acquired lands in the Jarvie area of Alberta for $121 thousand. Due to the expiry of certain lands in E&E, the Company incurred an expense of $0.1 million during the year ended December 31, 2020.

6. Property, plant and equipment

(a) Oil and natural gas assets

As at	**September 30, 2021**	December 31, 2020
Cost		
Balance, beginning of the period	**126,497**	123,969
Acquisitions (see Note 4 (a))	**-**	34
Asset retirement costs	**(2,751)**	2,529
Additions	**1,347**	635
Disposals (see Note 4 (b))	**-**	(670)
Balance, end of the period	**125,093**	126,497
Accumulated depletion, depreciation and impairment		
Balance, beginning of the period	**(59,667)**	(47,882)
Depletion and depreciation	**(6,168)**	(8,067)
Impairment expense	**-**	(4,300)
Disposals (see Note 4 (b))	**-**	582
Balance, end of the period	**(65,835)**	(59,667)
Net book value, end of the period	**59,258**	66,830

The Company does not capitalize any of its general and administrative costs associated with exploration and development activities.

(b) Depletion and depreciation

The depletion cost base includes future development costs ("FDC") as appropriate. At September 30, 2021, the Company estimated its FDC to be $145.7 million (December 31, 2020 - $145.7 million).

(c) Impairment

At December 31, 2020, Clearview identified indicators of impairment reversal, primarily due to the increase in commodity prices and significant positive technical revisions, due to reduced decline rates and reduced operating costs, since the last impairment test performed on March 31, 2020. As a result, the Company completed an impairment reversal test on two of its three CGU's and determined that the net recoverable amount exceeded the carrying values for the Central Alberta Gas CGU and Central Alberta Oil CGU.

The estimated net recoverable amount was based on before-tax discount rates specific to the underlying reserve category as determined by the Company's independent third-party reserve evaluator at December 31, 2020 and risk profile of each CGU, net of decommissioning obligations. The discount rate used in the valuation was an average of 15%. The impairment reversal tests, using the fair value less costs to sell method, indicated the Central Alberta Gas CGU's recoverable amount was higher than its carrying value resulting in an impairment reversal of $10.9 million and that the Central Alberta Oil CGU's recoverable amount was higher than its carrying value resulting in an impairment reversal of $7.7 million, both recorded as a reversal of impairment in earnings, for a total reversal of impairment of $18.6 million.

At December 31, 2020, Clearview identified indicators of impairment, primarily due to continued production declines with no capital spending directed to its Southern Alberta Oil CGU. As a result, the Company completed an impairment test on the CGU and determined that the net carrying amount exceeded the net recoverable amount for the Southern Alberta Oil CGU.

The estimated net recoverable amount was based on before-tax discount rates specific to the underlying reserve category as determined by the Company's independent third-party reserve evaluator at December 31, 2020 and risk profile of the CGU, net of decommissioning obligations. The discount rate used in the valuation was an average of 15%. The impairment test, using the fair value less costs to sell method, indicated the Southern Alberta Oil CGU's recoverable amount was lower than its carrying value resulting in an impairment of $0.6 million being recorded in earnings.

At March 31, 2020, due to the decline in current and forward oil, natural gas and natural gas liquids prices, Clearview determined there were indicators of impairment present affecting all of its CGU's. As a result, the Company completed an impairment test on its three CGU's, Central Alberta Gas, Central Alberta Oil and Southern Alberta Oil at March 31, 2020 based on fair value less cost to sell to calculate the estimated recoverable amount of each CGU. The estimated recoverable amount was based on before-tax discount rates specific to the underlying reserve category and risk profile of each CGU, net of decommissioning obligations. The discount rates used in the valuation ranged from 10 to 20 percent. The tests indicated an impairment in all three CGU's. For the Central Alberta Gas CGU, the carrying value exceeded the recoverable amount by $13.8 million, the Central Alberta Oil CGU carrying value exceeded the recoverable amount by $7.0 million and the Southern Alberta Oil CGU carrying value exceeded the recoverable amount by $1.5 million. This resulted in a total impairment of $22.3 million.

(tabular amounts in thousands of Canadian dollars) (unaudited)

As a result of the impairment tests completed during 2020, the Company recognized a net impairment expense of $4.3 million.

7. Bank debt

At September 30, 2021, the Company has a revolving, operating demand loan ("Operating Facility") with an Alberta based financial institution ("Lender") with a facility limit of $11.0 million (December 31, 2020 - $15.0 million). Additionally, Clearview has a $6.25 million term loan through its Lender under the Business Credit Availability Program ("BCAP"), supported by the Export Development Canada ("EDC") Guarantee ("EDC Facility") providing a total credit capacity of $17.25 million.

At September 30, 2021, Clearview had the following outstanding bank debt.

As at	**September 30, 2021**	December 31, 2020
Operating Facility - prime-based loans	**500**	49
Operating Facility - guaranteed notes	**2,497**	5,997
EDC Facility	**6,250**	6,250
Total	**9,247**	12,296

The Operating Facility is reserve-based, revolving and payable on demand. As the available lending limits are based on the lender's interpretation of the Company's reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review. Drawings under the facility can be undertaken in the form of prime-based loans or guaranteed notes offered by the Lender.

The EDC Facility is a non-revolving term facility to be used exclusively to provide additional liquidity for the Company's business operations. The facility can be used to pay operating expenses, G&A expenses, interest on the Operating Facility and pay down temporary advances on the Operating Facility. The EDC Facility cannot be used to repay or refinance permanent reductions to the Operating Facility or to make shareholder contributions, shareholder loans, share buy backs or pay any bonuses or increase executive compensation.

The EDC Facility is payable on demand by the Lender and is non-revolving. The facility has a term of five years with the EDC providing a guarantee to the Company's lender for 80% of the principal amount outstanding. The principal amount outstanding must be repaid no later than 50% at the end of the fourth year with the remaining principal outstanding due for repayment at the end of the fifth year.

The Operating Facility and EDC Facility are secured by a general security agreement providing a security interest over all present and acquired property and a floating charge on all oil and natural gas assets.

The interest rates applicable to drawings under the facilities are based on a pricing margin grid and can change quarterly as a result of the ratio of all outstanding indebtedness to annualized quarterly funds flows as calculated in accordance with the agreement governing the facility ("Debt to Funds Flow").

Annualized quarterly funds flow is defined as earnings before depletion and depreciation, stock based compensation, accretion of decommissioning obligations and debenture discounts, unrealized gains or losses on commodity contracts, gains or losses on dispositions and deferred income taxes.

Under the Operating Facility, prime-based loans are subject to an interest rate of lender prime plus a credit spread of 3.75% to 6.75%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0. As of September 30, 2021, the Company is paying 6.70% (lender's prime rate of 2.45% plus a credit spread of 4.25%) on prime based loans.

Guaranteed notes are subject to the Canadian Dollar Offered Rate ("CDOR") plus a stamping fee of 4.75% to 7.75%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0. Guaranteed notes may be undertaken for terms of 30, 60, 90 or 180 days. As of September 30, 2021, the Company is paying 5.68% (CDOR of 0.43% plus a stamping fee of 5.25%) on guaranteed notes.

Under the EDC Facility, the loan is subject to an interest rate of lender prime plus a credit spread of 3.75% to 6.75%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0. As of September 30, 2021, the Company is paying 6.70% (lender's prime rate of 2.45% plus a credit spread of 4.25%) on the EDC Facility. The Company is required to pay an upfront fee of 1.8% of the outstanding balance, annually to the EDC.

The Company is subject to certain reporting and financial covenants, pursuant to its lending agreement. The agreement requires compliance with a working capital covenant whereby the Company must maintain a minimum working capital ratio of 1 to 1. For calculating compliance with this covenant, the amount drawn on the Operating Facility and EDC Facility, classified as a current liability, and the fair value of financial instruments are excluded from working capital. Conversely, the amount of the undrawn portion of the Operating Facility is added to current assets. At September 30, 2021, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.4:1 (4.0:1 at December 31, 2020). In addition, the Company and its lender have agreed to a covenant whereby the Company shall maintain a liability management rating ("LMR") of no less than 2.0. Clearview's LMR as at September 30, 2021 was 2.3. The Company is also required to maintain commodity swap contracts for 50% of its oil and natural gas production volumes. The Company has satisfied the requirement to contract a portion of its production volumes as per the lending agreement.

At September 30, 2021, the Company had $2.5 million of guaranteed notes, $0.5 million in prime-based loans and $10 thousand in letters of credit outstanding on the Operating Facility and $6.25 million outstanding on the EDC Facility.

In November of 2021, the Company's lender completed its annual credit review. As a result of the review the Company's Operating Facility was reduced to $8.75 million, resulting in total credit capacity of $15.0 million. The next credit review is scheduled to be completed by June 30, 2022. In the event that the Operating Facility limit is reduced and the amount outstanding exceeds this facility limit, the Company shall have thirty days to repay any shortfall.

(tabular amounts in thousands of Canadian dollars) (unaudited)

8. Convertible debentures

	Number of Convertible Debentures	Liability Component	Equity Component
Issuance of convertible debentures	12,621	1,193	69
Deferred income tax liability	-	-	(16)
Accretion of discount	-	1	-
Balance at December 31, 2020	12,621	1,194	53
Accretion of discount	-	10	-
Balance at September 30, 2021	**12,621**	**1,204**	**53**

On December 1, 2020, the Company issued $1.26 million of unsecured convertible debentures at a price of $100 per debenture. The interest rate on the debenture is 10%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. During the term of the debenture, the debenture is convertible into common shares of the Company at the option of the holder based on a conversion price of $1.50 per common share.

The debentures have a term of five years and mature on November 30, 2025. The debentures may not be redeemed by the Company prior to December 1, 2021. During the remainder of the term, the Company may redeem the debentures based on the following basis:

Year 2 – 110% of the principal amount plus accrued interest
Year 3 – 105% of the principal amount plus accrued interest
Years 4 and 5 – 100% of the principal amount plus accrued interest

9. Decommissioning obligations

The following table presents the continuity of the Company's decommissioning obligations.

As at	**September 30, 2021**	December 31, 2020
Balance, beginning of the period	**26,729**	23,842
Disposition of obligations (see 5 (b))	**-**	(88)
Obligations settled	**(482)**	(136)
Acquisition of obligations (see Note 5 (a))	**-**	296
Changes in estimates	**(2,751)**	2,529
Accretion (see Note 12)	**397**	286
Total	**23,893**	26,729
Current portion of decommissioning obligations	**(342)**	(342)
Balance, end of the period	**23,551**	26,387

The future estimated cash outflows required to settle the obligations have been discounted using a risk-free rate of 1.98% at September 30, 2021 (December 31, 2020 at 1.21%). An inflation rate of 1.73% at September 30, 2021 (December 31, 2020 at 1.49%) was used as an estimate to determine the future cash outflows required to settle the obligations. The total undiscounted and inflated amount of future cash outflows as estimated at September 30, 2021 was $34.3 million (December 31, 2020 - $33.3 million). Payments to settle decommissioning obligations occur over the operating lives of the underlying assets, estimated to be over the next 47 years, with most of the expected expenditures to be incurred between 2029 and 2050.

(tabular amounts in thousands of Canadian dollars) (unaudited)

The higher discount rate and higher inflation rate at September 30, 2021, relative to the prior year, resulted in a decrease in decommissioning obligations of $2.8 million, outlined as a change in estimates in the table above.

During the nine months ended September 30, 2021, the Company incurred $0.5 million, including Alberta Site Rehabilitation Program ("SRP") grants of $0.3 million, in abandoning 12 gross (9.3 net) wells (see Note 13). Pursuant to the Company's enrollment in the Area Based Closure ("ABC") program for the abandonment of inactive wells, sites and facilities, the Company is required to spend approximately $0.3 million, exclusive of SRP grants, in decommissioning obligations over the next twelve months. This amount has been reflected as a current liability on the balance sheet.

10. Share capital

(a) Authorized shares

Unlimited voting common shares – without nominal or par value
Unlimited non-voting common shares – without nominal or par value
Unlimited preferred shares with multiple classes – par value of $1.00

(b) Issued voting common shares

	#	$
As at December 31, 2020 and September 30, 2021	**11,671,387**	**75,003**

(c) Contributed surplus

The following table presents the continuity of contributed surplus.

	Nine Months Ended September 30, 2021	Year Ended December 31, 2020
Balance, beginning of the period	**3,580**	3,202
Stock based compensation	**153**	378
Balance, end of the period	**3,733**	3,580

(tabular amounts in thousands of Canadian dollars) (unaudited)

(d) Per share amounts

The loss per voting common share was determined as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	**2021**	2020
Net loss and comprehensive loss	**(1,101)**	(1,761)	**(5,300)**	(27,733)
Weighted average shares outstanding- basic and diluted (thousands)	**11,671**	11,671	**11,671**	11,671
Total	**(0.09)**	(0.150	**(0.45)**	(2.38)

For the three and nine months ended September 30, 2021 and 2020, options for voting common shares were excluded from the computation of diluted per share amounts and for the three and nine months ended September 30, 2021, the conversion of convertible debentures into common shares and deferred share units were excluded from the computation of diluted per share amounts as the Company was in a net loss position for each of those periods.

(e) Options for voting common shares

The Company has provided for equity-settled, share based payments in the form of options to acquire voting common shares which the Board of Directors has granted to directors, officers and employees. The numbers of options, the exercise price and all other terms thereof were set by the Board of Directors at the time of the grants. The options vest 1/3 on the first anniversary of the grant date, 1/3 on the second anniversary and 1/3 on the third anniversary. The options expire seven years from the date of grant.

The following presents the continuity of the voting common shares under option.

	Number of shares under option	Weighted average exercise price
Balance as at December 31, 2019	1,061,167	$4.83
Granted	321,600	$1.25
Expired	(10,667)	$4.86
Cancelled	(804,000)	$4.88
Balance as at December 31, 2020	568,100	$2.74
Cancelled	(50,000)	$1.25
Balance as at September 30, 2021	**518,100**	**$2.89**

During the three months ended September 30, 2021, an officer of the Company resigned resulting in the cancellation of the officer’s unvested options.

(tabular amounts in thousands of Canadian dollars) (unaudited)

The following table summarizes the options outstanding at September 30, 2021.

Outstanding			Exercisable		
Number of shares under option	Remaining contractual life (Years)	Weighted average exercise price	Number of shares under option	Remaining contractual life (Years)	Weighted average exercise price
246,500	2.11	$4.69	246,500	2.11	$4.69
271,600	6.15	$1.25	-	-	-
518,100	**4.23**	**$2.89**	**246,500**	**2.11**	**$4.69**

(f) Deferred share units

In 2020, the Company granted 79,540 deferred share units ("DSU's") to officers and directors. The DSU's are granted as a long-term incentive and entitle the holder to receive the underlying number of shares of the Company's common shares when settled. The DSU's are to be settled at the retirement, resignation or death of the holder of the DSU's.

In the nine months ended September 30, 2021, the Company granted 46,243 deferred share units ("DSU's") to officers and directors.

The following table presents the continuity of deferred share units.

As at	**Nine Months Ended September 30, 2021**	Year Ended December 31, 2020
Balance, beginning of the period	**79,540**	-
Grants	**46,243**	79,540
Balance, end of the period	**125,783**	79,540

11. Finance expense

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	**2021**	2020
Accretion of decommissioning obligations	**151**	80	**397**	198
Accretion of convertible debenture discount	**3**	-	**10**	-
Interest on bank debt	**198**	211	**738**	720
Interest on convertible debentures	**31**	-	**95**	-
Interest rate swaps	**-**	13	**9**	24
Credit facility fees and other	**5**	-	**11**	42
Total	**388**	304	**1,260**	984

(tabular amounts in thousands of Canadian dollars) (unaudited)

12. Revenue

The Company derives its revenue from contracts with customers for oil and natural gas sales through the transfer of commodities at particular sales points and for processing income through the provision of services at particular facilities. All revenue of the Company is generated through sales in Alberta.

Oil and natural gas sales are comprised of the following major product types.

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	**2021**	2020
Crude oil	**3,273**	2,133	**9,201**	5,257
Natural gas liquids	**2,025**	850	**5,124**	2,089
Natural gas	**2,490**	1,388	**7,121**	3,917
Total	**7,788**	4,371	**21,446**	11,263

13. Other costs (income)

Other costs (income) consists of the following:

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	**2021**	2020
Bad debt expense	**-**	-	**(18)**	-
Earned non-refundable deposit	**(50)**		**(50)**	
Site rehabilitation program grant	**(79)**	-	**(304)**	-
Total	**(129)**	-	**(372)**	-

During the three months ended September 30, 2021, the Company earned $50 thousand as a non-refundable deposit from a company interested in purchasing a property from Clearview. The acquirer was unable to complete the purchase and hence forfeited the deposit.

As of September 30, 2021, approximately $1.2 million has been awarded as grants to the Company through the Alberta Site Rehabilitation Programs and Saskatchewan Accelerated Site Closure Program to pay service companies to complete abandonment and reclamation operations. In the nine months ended September 30, 2021, the Company received $0.3 million, representing its working interest share, of $0.4 million of grant funds for abandonment and reclamation operations undertaken on 12 gross (9.3 net) wells. Remaining grants of $0.7 million are eligible to be applied to future abandonment and reclamation operations.

(tabular amounts in thousands of Canadian dollars) (unaudited)

14. Supplemental cash flow information

Changes in non-cash working capital are comprised of:

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	**2021**	2020
Cash provided by (used in):				
Trade and other receivables	**(172)**	(66)	**(1,143)**	591
Prepaid expenses and deposits	**201**	35	**(45)**	(62)
Accounts payable and accrued liabilities	**1,213**	173	**2,107**	(288)
	1,242	142	**919**	241
Related to:				
Operating activities	**737**	(57)	**250**	251
Investing activities	**505**	199	**669**	(10)
Changes in non-cash working capital	**1,242**	142	**919**	241

15. Risk management and financial instruments

(a) Overview of risk management

The Company's activities expose it to a variety of financial risks that arise from its exploration, development, production and financing activities. The risks include credit risk, liquidity risk and market risk. The Company employs risk management strategies and polices to ensure that any exposure to risk complies with the Company's business objectives and risk tolerance levels. While the Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable are substantially due from oil and natural gas marketers and industry partners.

The Company's operations are conducted in Canada. The Company's exposure to credit risk is based on the credit worthiness of each customer, however, changes in industry conditions that negatively impact its customers' ability to generate cash flow will increase the risk of not collecting receivables. Management believes the risk is mitigated by the size and reputation of the companies to which credit is extended.

The Company currently markets its production to two oil and natural gas marketers and monitors the credit rating of those marketers. Revenues from the sale of oil and natural gas are normally collected on the 25th day of the month following production.

(tabular amounts in thousands of Canadian dollars) (unaudited)

The Company has an allowance for doubtful accounts as at September 30, 2021 of $0.2 million (December 31, 2020 - $0.3 million). When determining whether past due accounts are collectible, the Company factors in the credit history of the counterparties. The Company considers amounts outstanding more than 90 days as past due. The maximum exposure to credit risk is the amount of trade and other receivables comprised of the following carrying amounts, of which $0.2 million (December 31, 2020 - $0.2 million) was greater than 90 days.

As at	**September 30, 2021**	December 31, 2020
Oil and natural gas revenue	**2,619**	1,712
Industry partners	**856**	1,012
Other	**391**	-
Total trade and other receivables	**3,866**	2,724

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Company's earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Commodity price risk

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Commodity prices for oil and natural gas are impacted by global economic and political events that dictate the levels of supply and demand. Management continuously monitors commodity prices and contracts to manage exposure to these risks when it deems appropriate. The Company does not utilize derivative financial instruments for trading or speculative purposes.

The Company hedges a portion of oil and natural gas sales using derivative financial instruments or may use forward sales contracts or physical sales contracts when deemed appropriate. The Company does not apply hedge accounting for these contracts. The Company's production is usually sold using "spot" or near-term contracts, with prices fixed at the time of transfer of custody or based on a monthly average market price.

(tabular amounts in thousands of Canadian dollars) (unaudited)

The Company has the following financial risk management contracts.

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
January 1, 2021	October 31, 2021	GJ/day	1,000	AECO 5A	$2.43
January 1, 2021	December 31, 2021	GJ/day	1,000	AECO 5A	$2.10
April 1, 2021	October 31, 2021	GJ/day	2,000	AECO 5A	$1.86
November 1, 2021	October 31, 2022	GJ/day	3,000	AECO 5A	$2.75
January 1, 2021	October 31, 2021	Bbls/day	100	Edmonton Par	$49.45
January 1, 2021	October 31, 2021	Bbls/day	100	Edmonton Par	$52.05
February 1, 2021	October 31, 2021	Bbls/day	100	Edmonton Par	$58.45
November 1, 2021	June 30, 2022	Bbls/day	250	Edmonton Par	$75.95
July 1, 2022	September 30, 2022	Bbls/day	100	Edmonton Par	$80.30
July 1, 2022	September 30, 2022	Bbls/day	150	Edmonton Par	$72.00 to $86.00*
January 1, 2021	December 31, 2021	Bbls/day	100	US WTI	$65.00**

* Contract is a costless collar
** The Company sold a call option for 2021 on 150 barrels per day at US $65.00 per barrel and transferred the value for selling the call into the financial hedge for US $58.05 per barrel in 2020.

The mark to market value of the instruments contracted and outstanding at September 30, 2021 was an unrealized loss of $3.1 million, classified as a current liability (at December 31, 2020 – unrealized loss of $0.4 million). The change in the mark to market value during the nine months ended September 30, 2021 resulted in an unrealized loss of $2.7 million (nine months ended September 30, 2020 – unrealized loss of $0.5 million) which was recorded in the statement of operations. The realized loss for the nine months ended September 30, 2021 was $2.9 million (nine months ended September 30, 2020 – realized gain of $1.3 million).

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by monitoring cash flows from operating activities, reviewing actual capital expenditures against budget, managing maturity profiles of financial assets and liabilities and managing its commodity price risk management program. These activities ensure sufficient funds are available to meet the Company's financial obligations when due.

The Company's financial liabilities at September 30, 2021 which mature within one year are as follows:

Bank debt	9,247
Accounts payable and accrued liabilities	4,873
Current portion of decommissioning obligations	342
Fair value of financial instruments	3,085
Total	17,547

Management prepares an operating and capital budget for presentation to the Board of Directors of the Company and its lender. Management presents quarterly updates of the operating (including hedge contracts) and capital budgets (including potential acquisitions and dispositions) to the Board of Directors of the Company and adjustments to planned activities are made depending on projected cash flows and capital resources.

The Company's credit facilities are demand loans and as such the lender could demand repayment at any time. As the available lending limits are based on the lender's interpretation of the Company's reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review. Management is not aware of any indications the lender would demand repayment in the next 12 months. At September 30, 2021, the Company had made all its interest and fee payments and was compliant with all the financial covenants.

In November of 2021, the Company's lender completed its annual credit review. As a result of the review, the Company's Operating Facility was reduced to $8.75 million, resulting in total credit capacity of $15.0 million. The next credit review is scheduled to be completed by June 30, 2022. Depending on the final credit facility limit approved by the lender, the Company may seek alternate financing arrangements, if necessary, to execute its planned capital program. Given that the credit facility is a demand loan and the uncertainty regarding the renewal amount and terms, there is liquidity risk for the Company.

(e) Capital management

The Company's objective is to maintain access to sources of capital, defined to be working capital, shareholders' equity, its credit facilities, convertible debentures and cash flow from operations, with which to finance its operations. The Company maintains a capital structure of equity and debt as appropriate. The Company manages its capital structure and revises the structure for changes in economic conditions, opportunities for accretive acquisitions and the risk characteristics of the underlying investments. The Company balances its overall capital structure through share issues and the use of debt as deemed appropriate in the circumstances. The Company is not subject to any externally imposed capital requirements other than the working capital covenant associated with its credit facility.

The Company's credit facility requires compliance with a covenant whereby the working capital ratio can be no less than 1:1 as outlined in Note 7. At September 30, 2021, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.4:1 (as at December 31, 2020 4.0:1).

The Company monitors net debt in managing its capital. Net debt is defined as current assets less current liabilities, excluding the fair value of its commodity contracts, less convertible debentures.

(tabular amounts in thousands of Canadian dollars) (unaudited)

The components of the Company's net debt calculation are as follows:

As at	**September 30, 2021**	December 31, 2020
Trade and other receivables	**3,866**	2,724
Prepaid expenses and deposits	**685**	640
Bank debt	**(9,247)**	(12,296)
Accounts payable and accrued liabilities	**(4,873)**	(2,767)
Decommissioning obligations	**(342)**	(342
Convertible debentures	**(1,204)**	(1,194)
Net debt	**(11,115)**	(13,235)

(f) Fair value

As at September 30, 2021 and December 31, 2020, the carrying value of trade and other receivables and accounts payable and accrued liabilities included in the statement of financial position approximate fair value due to the short-term nature of those instruments. The fair value of the bank debt approximates its carrying value as it bears a floating rate of interest and the margin charged by the lenders is indicative of current credit spreads. The fair value of the convertible debentures approximates its carrying value based on similar instruments derived from quoted indices. Fair value is measured on the following basis:

Level 1 fair value measurements are based on unadjusted quoted market prices.
Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.
Level 3 fair value measurements are based on unobservable information.

The fair value of financial instruments are measured using level 2 inputs.

16. Commitments

The Company is committed to future minimum payments for natural gas transmission and office space. The Company has a new lease for office space which expires June 30, 2022 and may be cancelled by either the Company or the landlord on ninety days notice to the other party. Payments required under these commitments for each of the next five years are as follows:

	2021	2022	2023	2024	2025	Total
Gas transportation	2	4	-	-	-	6
Office leases	28	56	-	-	-	84
Total	30	60	-	-	-	90