# SOFTROCK MINERALS LTD.
# STATEMENT OF RESERVES DATA
# AND OTHER OIL AND GAS INFORMATION
# (Form 51-101F1)

***Part 1 – Date of Statement***

This statement of reserves data and other oil and gas information is dated April 24, 2020.

The effective date is December 31, 2019.

The preparation date is April 24, 2020.

## *Part 2 – Disclosure of Reserves Data*

The following is a summary of the oil and natural gas reserves and the value of future net revenue of Softrock Minerals Ltd. (the "Company") as evaluated by Chapman Petroleum Engineering Ltd. (“Chapman”) as at December 31, 2019, and dated March 25, 2020 (the "Chapman Report"). Chapman is an independent qualified reserves evaluator and auditor.

**All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report. The recovery and reserves estimates on the Company's properties described herein are estimates only. The actual reserves on the Company's properties may be greater or less than those calculated.**

**All monetary values presented in this document are expressed in terms of Canadian dollars.**

**SUMMARY OF OIL AND GAS RESERVES**
**BASED ON FORECAST PRICES AND COSTS**
**AS AT DECEMBER 31, 2019**

| | Company Reserves(1) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Light and Medium Oil | | Heavy Oil | | Conventional Natural Gas(9) | | Natural Gas Liquids | |
| Reserves Category | Gross MSTB | Net MSTB | Gross MSTB | Net MSTB | Gross MMscf | Net MMscf | Gross Mbbl | Net Mbbl |
| **PROVED** | | | | | | | | |
| Developed Producing(2)(6) | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Developed Non-Producing(2)(7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undeveloped(2)(8) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED(2)** | **0** | **6** | **0** | **0** | **0** | **0** | **0** | **0** |
| **TOTAL PROBABLE(3)** | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED + PROBABLE(2)(3)** | **0** | **10** | **0** | **0** | **0** | **0** | **0** | **0** |

## SUMMARY O PRESENT VALUES
## BASED ON FORECAST PRICES AND COSTS
## AS AT DECEMBER 31, 2019

| | Net Present Values of Future Net Revenue | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Before Income Tax Discounted at | | | | | After Income Tax Discounted at | | | | |
| Reserves Category | 0%/yr M$ | 5%/yr. M$ | 10%/yr. M$ | 15%/yr. M$ | 20%/yr. M$ | 0%/yr M$ | 5%/yr. M$ | 10%/yr. M$ | 15%/yr. M$ | 20%/yr. M$ |
| **PROVED** | | | | | | | | | | |
| Developed Producing[(2)(6)] | 559 | 351 | 267 | 224 | 197 | 559 | 351 | 267 | 224 | 197 |
| Developed Non-Producing[(2)(7)] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undeveloped[(2)(8)] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED[(2)]** | **559** | **351** | **267** | **224** | **197** | **559** | **351** | **267** | **224** | **197** |
| **TOTAL PROBABLE[(3)]** | 376 | 161 | 111 | 90 | 77 | 376 | 161 | 111 | 90 | 77 |
| **TOTAL PROVED + PROBABLE[(2)(3)]** | **935** | **512** | **378** | **313** | **274** | **935** | **512** | **378** | **313** | **274** |

## TOTAL FUTURE NET REVENUE
## (UNDISCOUNTED)
## BASED ON FORECAST PRICES AND COSTS
## AS AT DECEMBER 31, 2019

| | Revenue / Royalty Income (M$) | Royalties (M$) | Operating Costs (M$) | Development Costs (M$) | Abandonment and Reclamation Costs (M$) | Future Net Revenue Before Income Taxes (M$) | Income Taxes (M$) | Future Net Revenue After Income Taxes (M$) |
|---|---|---|---|---|---|---|---|---|
| Total Proved[(2)] | 559 | 0 | 0 | 0 | 0 | 559 | 0 | 559 |
| Total Proved Plus Probable[(2)(3)] | 935 | 0 | 0 | 0 | 0 | 935 | 0 | 935 |

## FUTURE NET REVENUE BY PRODUCT TYPE
## BASED ON FORECAST PRICES AND COSTS
## AS AT DECEMBER 31, 2019

| Reserve Category | Product Type | Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M$) |
|---|---|---|
| Total Proved[(2)] | Light and Medium Oil (including solution gas and other by-products) | 267 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Conventional Natural Gas (including by-products but not solution gas) | 0 |
| Total Proved Plus Probable[(2)(3)] | Light and Medium Oil (including solution gas and other by-products) | 643 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Conventional Natural Gas (including by-products but not solution gas) | 0 |

## OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCT TYPE
## BASED ON FORECAST PRICES AND COSTS
## AS AT DECEMBER 31, 2019

| | Reserves | | | | | | Net Present Value (BIT) | Unit Values @ 10%/yr |
|---|---|---|---|---|---|---|---|---|
| | Oil | | Conventional Natural Gas[9] | | NGL | | | |
| Product Type by Reserve Category | Gross MSTB | Net MSTB | Gross MMscf | Net MMscf | Gross Mbbl | Net Mbbl | 10% M$ | $/STB |
| **Light and Medium Oil** | | | | | | | | |
| **Proved** | | | | | | | | |
| Developed Producing | 0 | 6 | 0 | 0 | 0 | 0 | 267 | 41.50 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| **Total Proved** | **0** | **6** | **0** | **0** | **0** | **0** | **267** | **41.50** |
| Probable | 0 | 3 | 0 | 0 | 0 | 0 | 111 | 31.70 |
| **Proved Plus Probable** | **0** | **10** | **0** | **0** | **0** | **0** | **378** | **38.05** |

**Notes:**

1. "Gross Reserves" are the Company's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the Company. "Net Reserves" are the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in reserves. All the Company's oil and gas interests are royalty interests.
2. "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
3. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
4. "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
5. "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
6. "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
7. "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
8. "Undeveloped" reserves are those reserves expected to be recovered from know accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.
9. Includes associated, non-associated and solution gas where applicable.

## *Part 3 - Pricing Assumptions*

The following tables detail the benchmark reference prices for the regions in which the Company operated, as at December 31, 2019, reflected in the reserves data disclosed above under “Part 2 – Disclosure of Reserves Data”. The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below:

**CRUDE OIL**
**HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES**

**January 1, 2020**

| Date | WTI [1] $US/STB | Brent Spot (ICE)[2] $US/STB | AB Synthetic Crude Price [3] $CDN/STB | Western Canada Select [4] $CDN/STB | Exchange Rate $US/$CDN |
|---|---|---|---|---|---|
| **HISTORICAL PRICES** | | | | | |
| 2010 | 79.48 | 79.61 | 80.56 | 66.58 | 0.97 |
| 2011 | 94.88 | 111.26 | 102.45 | 77.43 | 1.01 |
| 2012 | 94.05 | 111.63 | 92.56 | 71.70 | 1.00 |
| 2013 | 97.98 | 108.56 | 100.17 | 75.76 | 0.97 |
| 2014 | 93.12 | 99.43 | 101.07 | 82.07 | 0.91 |
| 2015 | 48.69 | 53.32 | 62.17 | 46.23 | 0.78 |
| 2016 | 43.17 | 45.06 | 57.98 | 38.90 | 0.76 |
| 2017 | 50.86 | 54.75 | 67.75 | 49.63 | 0.77 |
| 2018 | 64.92 | 71.64 | 75.06 | 50.17 | 0.77 |
| 2019 | 57.00 | 64.11 | 75.28 | 57.86 | 0.75 |
| **CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)** | | | | | |
| | **55.75** | **62.58** | **73.67** | **56.38** | **0.75** |
| **FORECAST PRICES** | | | | | |
| 2020 | **61.00** | 68.93 | 81.00 | 62.37 | 0.75 |
| 2021 | **63.00** | 71.19 | 81.49 | 62.75 | 0.77 |
| 2022 | **66.00** | 74.58 | 85.38 | 65.75 | 0.77 |
| 2023 | **67.32** | 76.07 | 87.10 | 67.07 | 0.77 |
| 2024 | **68.67** | 77.59 | 88.85 | 68.41 | 0.77 |
| 2025 | **70.04** | 79.14 | 90.63 | 69.79 | 0.77 |
| 2026 | **71.44** | 80.73 | 92.45 | 71.19 | 0.77 |
| 2027 | **72.87** | 82.34 | 94.31 | 72.62 | 0.77 |
| 2028 | **74.33** | 83.99 | 96.20 | 74.07 | 0.77 |
| 2029 | **75.81** | 85.67 | 98.13 | 75.56 | 0.77 |
| 2030 | **77.33** | 87.38 | 100.10 | 77.08 | 0.77 |
| 2031 | **78.88** | 89.13 | 102.11 | 78.62 | 0.77 |
| 2032 | **80.45** | 90.91 | 104.16 | 80.20 | 0.77 |
| 2033 | **82.06** | 92.73 | 106.24 | 81.81 | 0.77 |
| 2034 | **83.70** | 94.59 | 108.38 | 83.45 | 0.77 |
| 2035 | **85.38** | 96.48 | 110.55 | 85.12 | 0.77 |
| **Escalated 2% thereafter** | | | | | |

Notes: [1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.
[2] The Brent Spot price is estimated based on historic data.
[3] Equivalent price for Light Sweet Crude (D2/S2) & Synthetic Crude landed in Edmonton.
[4] Western Canada Select (20.5API), spot price for B.C., Alberta, Saskatchewan, and Manitoba.

The weighted average price received in 2019 by the Company for crude oil was $51.29/STB.

## *Part 4 – Reconciliation of Changes in Reserves*

The following table sets forth a reconciliation of the changes in the Company's net reserves as at December 31, 2019, against such reserves as at December 31, 2018, based on the forecast price and cost assumptions. As all of Company's oil and gas interests are royalties and gross reserves do not include royalties receivable, the Company does not have any gross reserves.

**RECONCILIATION OF COMPANY NET RESERVES (ROYALTY INTERESTS)**
**BY PRINCIPAL PRODUCT TYPE**
**BASED ON FORECAST PRICES AND COSTS**
**AS AT DECEMBER 31, 2019**

| | Light and Medium Oil | | | Heavy Oil | | | Conventional Natural Gas (Associated and Non-Associated) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proved (Mbbl) | Probable (Mbbl) | Proved Plus Probable (Mbbl) | Proved (Mbbl) | Probable (Mbbl) | Proved Plus Probable (Mbbl) | Proved (MMscf) | Probable (MMscf) | Proved Plus Probable (MMscf) |
| At Dec 31, 2018 | **4** | **2** | **6** | **0** | **0** | **0** | **0** | **0** | **0** |
| Production (Sales) | (2) | 0 | (2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions Dispositions | 3 | 1 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Discoveries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Extensions & Improved Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Factors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technical Revisions | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| At Dec.31, 2019 | **6** | **3** | **10** | **0** | **0** | **0** | **0** | **0** | **0** |

## *Part 5 – Additional Information Relating to Reserves Data*

### *Undeveloped Reserves*

The Company had no proved, probable and possible undeveloped reserve as at December 31, 2019 or in prior years.

### *Significant Factors or Uncertainties*

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecast, prices and economic conditions. All of the Company's reserves are evaluated by Chapman Petroleum Engineering Ltd., an independent engineering firm.

As circumstances change and additional data becomes available, reserves estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Company to ensure that reserves estimates are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves the accuracy of the reserve estimate improves.

**Future Development Costs**

No development costs were deducted in the estimation of the future net revenues attributable to the proved and probable reserves of the Company.

No capital expenditures were anticipated for the Company's oil and gas interests, which are limited to royalty interests in respect of three oil wells.

## *Part 6 – Other Oil and Gas Information*

### *Oil and Gas Properties and Wells*

The Company holds royalty interests in three producing oil wells located in Charlie Lake and Grand forks areas of Alberta, Canada. The Company does not have any working interests in any oil and gas properties.

### *Properties with No Attributed Reserves*

The Company does not have an interest in any properties with no attributed reserves.

### *Forward Contracts*

Currently, the Company has no forward contracts.

### *Tax Horizon*

The Company is not expected to become taxable under the proved and proved plus probable cash flows forecast in this report.

### *Costs Incurred*

The Company did not make any capital expenditures on oil and gas properties for the year ended December 31, 2019.

### *Exploration and Development Activities*

The Company did not drill or develop any additional reserves in the fiscal year.

### *Production Estimates*

The following table sets forth the volume of production estimated by Chapman for the twelve months ended December 31, 2020:

## TOTAL PROVED NET RESERVES (ROYALTY INTERESTS)

| AREA | Light and Medium Oil (Mbbl) | Heavy Oil (Mbbl) | Conventional Natural Gas (MMscf) | Natural Gas Liquids (Mbbl) |
|---|---|---|---|---|
| Charlie Lake, Alberta | 1.142 | 0 | 0 | 0 |
| Grand Forks, Alberta | 0.215 | 0 | 0 | 0 |
| **Total for all areas** | **1.357** | **0** | **0** | **0** |

## TOTAL PROVED PLUS PROBABLE NET RESERVES (ROYALTY INTERESTS)

| AREA | Light and Medium Oil (Mbbl) | Heavy Oil (Mbbl) | Conventional Natural Gas (MMscf) | Natural Gas Liquids (Mbbl) |
|---|---|---|---|---|
| Charlie Lake, Alberta | 1.307 | 0 | 0 | 0 |
| Grand Forks, Alberta | 0.216 | 0 | 0 | 0 |
| **Total for all areas** | **1.523** | **0** | **0** | **0** |

### *Production History*

The Company did not have any production from oil and gas properties in 2019, but rather received royalties in respect of the production from three producing oil wells it has a royalty interest in.

The following table summarizes annual production from the Company's royalty interests in 2019, presented on a net basis.

## NET PRODUCTION VOLUMES (ROYALTY INTERESTS) IN 2019

| AREA | Light and Medium Oil (Mbbl) | Heavy Oil (Mbbl) | Conventional Natural Gas (MMscf) | Natural Gas Liquids (Mbbl) |
|---|---|---|---|---|
| Charlie Lake, Alberta | 1.305 | 0 | 0 | 0 |
| Grand Forks, Alberta | 0.215 | 0 | 0 | 0 |
| **Total for all areas** | **1.520** | **0** | **0** | **0** |

## ABBREVIATIONS AND CONVERSION

In this document, the abbreviations set forth below have the following meanings:

### Oil and Natural Gas Liquids

| | |
|---|---|
| Bbl | barrel |
| Bbls | barrels |
| MSTB | 1,000 stock tank barrels |
| NGLs | natural gas liquids |
| STB | stock tank barrels of oil |

### Natural Gas

| | |
|---|---|
| Mscf | thousand standard cubic feet |
| MMscf | million standard cubic feet |

### Other

| | |
|---|---|
| BIT | Before Income Tax |
| $M | thousands of dollars |
| WTI | West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade |