



Condensed Interim Financial Statements

March 31, 2020

Management's Comments on the Unaudited Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Westcore Energy Ltd. as at and for the three months ended March 31, 2019 and 2018 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

WESTCORE ENERGY LTD.
Statements of Financial Position
Expressed in Canadian Dollars

	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	\$ 4,802	\$ 4,148
Receivables (Note 4)	356	3,344
Joint venture partner receivable (Note 5)	10,560	10,560
Total current assets	15,718	18,052
Non-current assets		
Reclamation deposit	66,862	66,862
Property and equipment (Note 5)	374,743	391,261
Total non-current assets	441,605	458,123
Total assets	\$ 457,323	\$ 476,175
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities		
Accounts payable and accrued liabilities (Note 6 and 16)	\$ 1,595,886	\$ 1,554,913
Current portion of long term debt (Note 8)	67,187	67,187
Related party advances payable (Note 15)	1,474,653	1,435,103
Promissory note payable (Note 15)	36,973	36,514
Joint venture partner payable (Note 5)	69,779	69,779
Total current liabilities	3,244,478	3,163,496
Non-current liabilities		
Decommissioning liabilities (Note 7)	1,375,945	1,365,658
Long term debt (Note 8)	286,811	301,535
Total non-current liabilities	1,662,756	1,667,193
Total liabilities	4,907,234	4,830,689
Shareholders' equity (deficiency)		
Share capital (Note 9(a))	15,007,952	15,007,952
Contributed Surplus (Note 9(c))	1,930,283	1,930,283
Deficit	(21,388,146)	(21,292,749)
Total shareholders' equity (deficiency)	(4,449,911)	(4,354,514)
Total liabilities and shareholders' equity (deficiency)	\$ 457,323	\$ 476,175

Basis of presentation (Note 2)

Approved on behalf of the Board of Directors:

(signed) "Andrew Davidson"

Andrew Davidson, Director

(signed) "Tom MacNeill"

Tom MacNeill, Director

The accompanying notes are an integral part of these financial statements.

WESTCORE ENERGY LTD.
Statements of Loss and Comprehensive
Loss
Expressed in Canadian Dollars

For the three months ended March 31,	2020	2019
Revenue		
Operating revenue	\$ -	\$ 33,637
Royalties	-	(3,715)
	-	29,922
Expenses		
Accretion (Note 8)	10,287	9,987
Amortization and depletion (Note 5)	16,518	30,554
General and administrative (Note 13)	14,104	73,775
Well Operating expense	54,488	70,274
	(95,397)	(184,590)
Net loss and comprehensive loss for the period	\$ (95,397)	\$ (154,668)
Loss per common share, basic and diluted (Note 14)	\$ (0.00)	\$ (0.00)

The accompanying notes are an integral part of these financial statements.

WESTCORE ENERGY LTD.
Statements of Changes in Shareholders' Equity (Deficiency)
Expressed in Canadian Dollars

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Equity (Deficiency)
January 1, 2019	69,003,489	\$ 15,007,952	\$ 1,930,283	\$ (18,449,523)	\$ (1,511,288)
Net loss for the period	-	-	-	(154,668)	(154,668)
March 31, 2019	69,003,489	\$ 15,007,952	\$ 1,930,283	\$ (18,604,191)	\$ (1,665,956)
January 1, 2020	69,003,489	\$ 15,007,952	\$ 1,930,283	\$ (21,292,749)	\$ (4,354,514)
Net loss for the period	-	-	-	(95,397)	(95,397)
March 31, 2020	69,003,489	\$ 15,007,952	\$ 1,930,283	\$ (21,388,146)	\$ (4,449,911)

The accompanying notes are an integral part of these financial statements.

WESTCORE ENERGY LTD.
Statements of Cash Flows
Expressed in Canadian Dollars

For the three months ended March 31,	2020	2019
Cash used in operating activities		
Operating activities:		
Net loss for the period	\$ (95,397)	\$ (154,668)
Adjustments:		
Accretion	10,287	9,987
Amortization and depletion	16,518	30,554
Accrued interest	4,515	4,972
Changes in non-cash working capital balances:		
Receivables	2,988	1,049
Accounts payable and accrued liabilities	60,129	99,366
Total cash used in operating activities	(960)	(8,740)
Cash provided by (used in) financing activities:		
Long term debt repayments	(16,186)	(15,963)
Related party loans and advances, net	17,800	12,000
Total cash provided by financing activities	1,614	(3,963)
Total decrease in cash	654	(12,703)
Cash, beginning of the period	4,148	16,589
Cash, end of the period	\$ 4,802	\$ 3,886
Supplemental cash flow information (Note 17)		

The accompanying notes are an integral part of these financial statements.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

1. CORPORATE INFORMATION

Westcore Energy Ltd. ("**Westcore**" or the "**Company**") is a publicly listed company incorporated under the *Business Corporations Act* (Alberta) since March 30, 2007. The Company has been listed on the TSX Venture Exchange (the "**Exchange**") since March 12, 2008, having the symbol WTR, as a Tier 2 mining issuer. The Company is engaged in the business of acquiring, exploring, and developing resource properties in Western Canada.

The Company's head office and principal business address is Suite 602, 224 4th Avenue S, Saskatoon, Saskatchewan, S7K 5M5.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**") applicable to the preparation of interim financial statements, including International Accounting Standards 34 ("**IAS 34**"), Interim Financial Reporting.

These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were authorized for issue by the Board of Directors on July 3, 2020.

These financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2020 the Company has accumulated losses of \$21,388,146 (December 31, 2019 - \$21,292,749) and recognized a net loss of \$95,397 (Fiscal 2019 - \$2,843,226) for the period. The ability of the Company to continue as a going concern, fund operating expenditures and provide funds for ongoing general and administrative costs is anticipated to require further equity issuances in 2020. There can be no certainty that such an attempt to raise funds will be successful. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Subsequent to period-end, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had material adverse effect on the global economy and, specifically, the regional economies in which the Corporation operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Corporation's shares, the value of its portfolio and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Corporation's operations. These material uncertainties cast a substantial doubt regarding the Corporation's ability to continue as a going concern. These financial statements do not reflect any adjustments or other changes that may be required should the Corporation be unable to continue as a going concern.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

2. BASIS OF PRESENTATION – continued**b) Basis of measurement**

These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. In addition, these financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2019.

Accounting standards, amendments and interpretations not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the Company.

4. RECEIVABLESAmounts receivable

	March 31, 2020	December 31, 2019
GST receivable	\$ 356	\$ 3,344

All amounts are current and the net carrying value is considered a reasonable approximation of fair value. The Company anticipates full recovery of these amounts and therefore no allowances have been recorded.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

5. PROPERTY AND EQUIPMENT

Cost	Oil and gas interests and equipment	Oil and water transportation Equipment	Field office and buildings	Total
January 1, 2019	\$ 2,344,849	\$ 438,529	\$ 235,448	\$ 3,018,826
Impairment	(2,049,139)	-	-	(2,049,139)
December 31, 2019	\$ 295,710	\$ 438,529	\$ 235,448	\$ 969,687
Additions	-	-	-	-
March 31, 2020	\$ 295,710	\$ 438,529	\$ 235,448	\$ 969,687
Accumulated depletion/ amortization				
January 1, 2019	\$ 276,898	\$ 153,637	\$ 37,110	\$ 467,645
Additions	18,812	85,469	6,500	110,781
December 31, 2019	\$ 295,710	\$ 239,106	\$ 43,610	\$ 578,426
Additions	-	14,957	1,561	16,518
March 31, 2020	\$ 295,710	\$ 254,063	\$ 45,171	\$ 594,944
Carrying amounts				
At December 31, 2019	\$ -	\$ 199,423	\$ 191,838	\$ 391,261
At March 31, 2020	\$ -	\$ 184,466	\$ 190,277	\$ 374,743

On July 14, 2015 the Company announced that it had entered into a binding letter agreement (the “Letter Agreement”) with 49 North Resources Inc. (“49 North”) and Allstar regarding the acquisition of a 100% working interest in the oil and gas properties (the “Properties”) of 49 North and Allstar (the “Transaction”). On May 26, 2016 the Transaction was completed. Pursuant to the Letter Agreement, the Company obtained a 100% working interest in all of the Properties and title to all associated property and equipment for an aggregate purchase price of \$2,625,000. The purchase price was paid via the issuance of an aggregate of 15,000,000 common shares in the capital of the Company at a fair value of \$0.075 per share and a promissory note in the aggregate principal amount of \$1,500,000. The promissory note bears interest at the rate of 5% per annum and matured on May 26, 2018. As at March 31, 2020 \$36,973 remains unpaid (December 31, 2019 - \$36,514).

On February 3, 2017, the Company entered into a Farm-out Arrangement (the “Arrangement”) with EROS Resources Corp. (“EROS”) whereby EROS would fund the drilling and completion of 3 new wells on the Flaxcombe section of the Company’s Riverside Project. Pursuant to the Arrangement, EROS advanced \$1,600,000 to the Company to fund the development, which was the estimated budget for costs agreed to by the parties. The majority of the funds were then advanced by the Company to Allstar, as operator of the Riverside Project. The 3 new wells were completed and all 3 have commenced operations during the year ended December 31, 2017.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

5. PROPERTY AND EQUIPMENT – continued

As consideration for the funding of the wells, EROS is entitled to 90% of the revenues generated from the wells until such point that their initial investment has been recouped. The remaining 10% is retained by the Company. Once EROS' investment has been recouped, the working interest in the wells will be adjusted to 50% to each of EROS and the Company. In addition, EROS has a right of first refusal to complete an additional two drilling programs on the same terms, subject to the same maximum investment per program.

Total costs incurred on the 3 wells were \$1,545,261, (of which the Company has expended \$1,303,172). As at March 31, 2020, a total of \$69,779 (December 31, 2019 - \$69,779) is owing to EROS in respect of operations from the wells.

On April 5, 2017, the Company completed the acquisition of 2 wells from Teine Heavy Oil Partnership ("Teine") for cash proceeds of \$101,000.

On September 14, 2017, the Company completed the disposition of certain sections of land included as part of the Riverside Project to Original Oil Inc. for nominal proceeds. In connection with the disposition, the Company derecognized the remaining carrying value and the decommissioning liability of the well, and recognized a gain of \$7,914 on the transaction.

On October 12, 2017, the Company entered into a Joint Operating Agreement (the "Agreement") with Saturn Oil & Gas Inc. ("Saturn") whereby the parties have agreed to jointly operate certain adjacent land sections. The Agreement resulted in a unitisation of the sections, with each of the parties contributing their portion of the sections at a value equal to the other's contribution. Costs of the jointly operated land sections will be funded by each party in proportion to their working interests, being 50% to each. As at March 31, 2020 \$6,341 (December 31, 2019 \$6,341) is receivable from Saturn in respect of joint operations relating to the Agreement.

On November 7, 2017, the Company completed the sale of 1 well to Saturn for cash proceeds of \$10,150. In connection with the disposition, the Company derecognized the remaining carrying value and the decommissioning liability of the well, and recognized a gain of \$1,737 on the transaction.

Saturn also offset an existing amount owing to them by \$40,000 to acquire a 100% working interest in 1 of the wells that the Company had acquired from Teine (discussed above). No gain or loss was recognized on the disposition, as the amount received reflected the Company's carrying value of the well.

On December 14, 2017, the Company entered into a Farm-out arrangement (the "Farm-Out") with Hillcrest Petroleum Ltd. ("Hillcrest") whereby Hillcrest would fund the recompletion of 2 wells on the Flaxcombe section of the Company's Riverside Project. Pursuant to the Farm-out, Hillcrest advanced \$135,000 to the Company to fund the recompletion, which was the estimated budget for costs agreed to by the parties, in exchange for a 50% working interest in the 2 wells of which \$96,735 remained un-spent as at December 31, 2017. During the year ended December 31, 2018 the 2 wells were recompleted at a total cost of \$152,427 with the Company recording a gain to the statement of loss and comprehensive loss of \$64,927. As at March 31, 2020 \$10,560 (December 31, 2019 \$10,560) is recoverable from Hillcrest in respect of operations from the wells.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

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For the periods ended March 31, 2020 and 2019

5. PROPERTY AND EQUIPMENT – continued

On August 13, 2019, the operator of the Company's wells was issued a suspension notice from the Minister of Energy and Resources, Saskatchewan ("MER"). The suspension can be lifted if the required security deposit is provided to the MER or the Company reports the wells as suspended before September 12, 2019. Following discussions with the MER, the Company has reported the wells as suspended. The Company is currently working on a plan, with the MER, to reduce the security deposit requirement through reclamation of wells, providing the required security deposit or restarting the wells.

In 2019, the Company recorded a \$2,049,139 (2018 - \$nil) impairment on its oil and gas interests and equipment based on the suspension order issued and the Company's restriction on producing from its wells and has recorded an \$80,261 (2018 - \$nil) impairment on its joint venture partner receivable.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities include the following components:

	March 31, 2020	December 31, 2019
Trade payables and other	\$ 499,041	\$ 493,019
Accrued liabilities	6,000	6,000
Related party - trade payable (Note 16)	1,090,845	1,055,894
Total	\$ 1,595,886	\$ 1,554,913

All amounts are current and the net carrying value is considered a reasonable approximation of fair value.

7. DECOMMISSIONING LIABILITIES

	March 31, 2020	December 31, 2019
Balance, beginning of period	\$ 1,365,658	\$ 1,325,709
Accretion expense	10,287	39,949
Balance, end of period	\$ 1,375,945	\$ 1,365,658

The total of the decommissioning liabilities are estimated based on the Company's net ownership interest in all the wells and facilities, the estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that based on their net ownership interest, the total undiscounted cash flows required to settle the obligations will be \$1,836,370. The obligations have been discounted using a risk free rate of 3% and an inflation rate of 2% per year. Most of these obligations are not expected to be paid until approximately 20 years in the future and will be funded from general Company resources at that time.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

8. LONG TERM DEBT

	Scotiabank	Credit Union #1	Credit Union #2	Total
Balance, January 1, 2019	\$ 177,699	\$ 161,727	\$ 86,156	\$ 425,582
Repayments	(10,379)	(41,837)	(22,536)	(74,752)
Accrued interest	4,858	8,526	4,508	17,892
Balance, December 31, 2019	\$ 172,178	\$ 128,416	\$ 68,128	\$ 368,722
Repayments	(2,595)	(10,459)	(5,727)	(18,781)
Accrued interest	1,191	1,873	993	4,057
Balance, March 31, 2020	\$ 170,774	\$ 119,830	\$ 63,394	\$ 353,998
Less: current portion due	(10,379)	(34,800)	(22,008)	(67,187)
Portion due beyond one year	\$ 160,395	\$ 85,030	\$ 41,386	\$ 286,811
Repayment due on long term debt in each of the next 5 years is as follows:				
2021	\$ 10,379	\$ 41,832	\$ 22,015	\$ 74,226
2022	10,379	41,832	19,371	71,582
2023	10,379	1,366	-	11,745
2024	10,379	-	-	10,379
2025	10,379	-	-	10,379
	\$ 51,895	\$ 85,030	\$ 41,386	\$ 178,311

Scotiabank Mortgage

2.79% closed Scotiabank mortgage, secured by the field office and buildings (Note 6), blended monthly payments of \$865, maturing on March 10, 2022. The mortgage can be prepaid up to 15% of the original mortgage amount annually, and in addition, the monthly blended mortgage payment can be increased by up to 15%.

Doddsland District Credit Union Term Loans

5.50% Doddsland and District Credit Union term loan #1, secured by the pressure truck (included in the Company's oil and water transportation equipment (Note 6)), blended monthly payments of \$3,486, maturing on April 30, 2022.

5.50% Doddsland and District Credit Union term loan #2, secured by the Freightliner (included in the Company's oil and water transportation equipment (Note 6)), blended monthly payments of \$1,909, maturing on July 31, 2022.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

9. SHARE CAPITAL AND RESERVES**a) Authorized shares**

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series. No preferred shares have been issued since the Company's inception.

On September 28, 2018, the Company completed a rights offering for the issuance of 28,226,800 units at a price of \$0.02 per unit for gross proceeds of \$564,536. Each unit was comprised of one common share and one warrant, exercisable into an additional common share at a price of \$0.085 until September 28, 2020. In accordance with the Company's accounting policy, the values of the share and warrant components of the units were bifurcated under the relative fair value method, attributing a value of \$377,263 to the shares and \$187,273 to the warrants. In assessing the value of the warrants, the Company used the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, stock price volatility of 145%, no dividend yield, and a risk-free rate of 2.19%.

b) Share purchase warrants

A summary of the outstanding and exercisable warrants during the period is presented below:

	March 31, 2020		December 31, 2019	
	Warrants	Price	Warrants	Price
Beginning of period	28,226,800	\$ 0.09	35,559,800	\$ 0.12
Warrants expired	-	-	(7,333,000)	0.25
End of period	28,226,800	\$ 0.09	28,226,800	\$ 0.09

As at March 31, 2020, the Company had warrants outstanding and exercisable as follows:

Issue date	Exercise price	Financing Warrants	Expiry date
September 28, 2018	\$0.085	28,226,800	September 28, 2020

c) Contributed surplus

The balance of contributed surplus as at March 31, 2020 is \$1,930,283 (December 31, 2019 -\$1,930,283) and was comprised of the valuation of previously issued stock options and warrants issued in connection with private placement unit offerings.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

11. SHARE-BASED COMPENSATION**a) Stock option plan**

The Company has an incentive Stock Option Plan (the "Plan") administered by the Board of Directors, in which up to 10% of the issued and outstanding common shares are reserved for issuance. The period during which an option is granted, subject to any vesting limitations which may be imposed by the Board of Directors at the time such option is granted, provide that no option shall be exercisable for a period exceeding five (5) years from the date the option is granted.

The number and weighted average exercise price of stock options are as follows:

	Weighted average exercise price	Number
Balance, December 31, 2018	0.11	3,050,000
Cancelled	0.08	(400,000)
Cancelled	0.15	(200,000)
Cancelled	0.22	(200,000)
Balance, December 31, 2019 and March 31, 2020	\$0.11	2,250,000

As at March 31, 2020, the weighted average remaining life of stock options is 1.78 years (December 31, 2019 – 2.03 years).

As at March 31, 2020, the Company had stock options outstanding and exercisable as follows:

Issue date	Exercise price	Options	Expiry date
November 4, 2016	\$0.08	1,800,000	November 4, 2021
September 27, 2017	\$0.22	450,000	September 27, 2022
		2,250,000	

12. INCOME TAXES

As at December 31, 2019, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income in future years. The total non-capital losses available as at December 31, 2019 are \$7,596,000. These non-capital losses expiry from 2027 to 2039.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

13. GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses include the following:

For the three months ended March 31,	2020	2019
Insurance	\$ 3,188	\$ 2,349
Interest	4,182	4,972
Investor relations	6,698	12,223
Legal and accounting fees	-	7,425
Management fees	-	39,000
Miscellaneous	36	306
Office expenses	-	7,500
Total	\$ 14,104	\$ 73,775

14. LOSS PER SHARE

The calculation of basic and diluted loss per share for the periods ended March 31, 2020 and 2019 is based on the following data:

	March 31, 2020	March 31, 2019
Weighted average number of common shares outstanding (basic and diluted)	69,003,489	69,003,489

All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

15. FINANCIAL RISK MANAGEMENT**Capital management**

The Company's objectives in managing capital are to safeguard its ability to operate as a going concern while pursuing opportunities for resource property exploration and development. The Company defines capital as the Company's shareholders' equity (deficiency) of \$(4,449,911) at March 31, 2020 (December 31, 2019 – shareholders' deficiency of \$(4,254,514)), and the Company's March 31, 2020 working capital deficiency of \$3,228,760 (December 31, 2019 - working capital deficiency of \$3,145,444). The Company sets the amount of capital in proportion to risk and corporate growth objectives. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain the capital structure, the Company may attempt to issue shares or dispose of certain assets. The Company anticipates it will require further equity issues in 2020 to meet its planned operations and administrative costs through the next fiscal year. The Company is not subject to any externally imposed capital requirements. The Company did not make any changes to the way it manages its capital in the period ended March 31, 2020.

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Notes to the Annual Financial Statements

Expressed in Canadian Dollars

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15. FINANCIAL RISK MANAGEMENT – continued**Financial instruments – fair value**

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

At March 31, 2020, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the statement of financial position at fair value on a recurring basis are categorized as follows:

	Category	At March 31, 2020 \$
Cash	Level 1	4,802

Financial instruments – risk

The Company is exposed to various risks in relation to financial instruments. This note presents information about the Company's exposure to credit, liquidity and market risks arising from its use of financial instruments and the Company's objectives, policies and processes for measuring and managing such risks.

i. Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and receivables. Cash consists of bank balances held at a Canadian Schedule I bank and amounts held in trust. The Company's receivables are comprised of Input Tax Credits receivable from the Government of Canada and trade receivables. The carrying amount of receivables represents the maximum credit exposure.

As at March 31, 2020, the Company had receivables and a joint venture partner receivable totaling \$10,916 (December 31, 2019 - \$13,904). The company's credit provisions are represented by its loss allowance based on lifetime expected credit losses as at March 31, 2020 of \$nil (December 31, 2019 - \$80,261). The amount of the loss allowance was calculated based on historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment.

ii. 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's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. The carrying value of accounts payables and accrued liabilities approximates its fair value due to their relatively short period to maturity.

WESTCORE ENERGY LTD.

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For the periods ended March 31, 2020 and 2019

15. FINANCIAL RISK MANAGEMENT – continued

At March 31, 2020 and December 31, 2019, the Company's current financial liabilities were \$3,244,478, and \$3,163,496 respectively. The Company ensures that it has enough cash on demand for operational expenses by preparing annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

iii. Market risks

Market risk is the risk that changes in market prices (such as foreign exchange rates), commodity prices, and interest rates will affect the Company's operations, net loss or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. All of the Company's transactions are in Canadian dollars, therefore the Company is not exposed to any market risks.

iv. Commodity price risks

The value of the Company's resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

16. RELATED PARTY TRANSACTIONS**a) Related party expenses**

The Company's related parties include directors and officers and companies which have directors and officers in common.

During the three months ended March 31, 2020, fees in the amount of \$nil (2019 – \$45,000) were paid or accrued to directors and officers who provided services to the Company. Included in accounts payable and accrued liabilities at March 31, 2020 is \$413,250 (December 31, 2019 - \$413,250) owing to related parties. Amounts due to related parties do not bear any interest, are unsecured, and have no specific terms of repayment.

As at March 31, 2020, an additional amount of \$1,090,845 (December 31, 2019 - \$1,055,894) is owed to a related party and included in accounts payable and accrued liabilities (Note 6).

As at March 31, 2020, a total of \$1,474,653 is owing to a related party for advances received (December 31, 2019 - \$1,435,103). The advances are repayable on demand, are unsecured and do not bear interest.

b) Key management personnel compensation

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

For the three months ended March 31,	2020	2019
Short-term benefits	\$ -	\$ 45,000
	\$ -	\$ 45,000

(i) Short-term benefits includes management and accounting fees.

WESTCORE ENERGY LTD.

Notes to the Annual Financial Statements

Expressed in Canadian Dollars

For the periods ended March 31, 2020 and 2019

16. RELATED PARTY TRANSACTIONS - continued**c) Promissory note payable**

In conjunction with the transaction with Allstar and the Company (Note 5), there remains a balance of \$36,973 on the promissory note payable to Allstar (December 31, 2019 – \$36,514). The promissory note bears interest at a rate of 5% per annum and is due on demand after having matured on May 26, 2018. Since the closing of the transaction, the Company has made \$1,494,864 in repayments on the promissory note (December 31, 2019 - \$1,494,864 in repayments).

17. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended March 31, 2019, the Company had the following non-cash financing and investing activities:

- a) \$2,595 in long term debt payments were made by a related party and included in accounts payable and accrued liabilities.

During the period ended March 31, 2020, the Company had the following non-cash financing and investing activities:

- a) \$2,595 in long term debt payments were made by a related party and included in accounts payable and accrued liabilities.