

September 30, 2020

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Preliminary unaudited financial results for the year ended March 31, 2020**

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA-ME), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce its preliminary unaudited consolidated financial results for the year ended March 31, 2020.

Following consultations with its independent auditor, PKF LittleJohn, and a result of the imminent potential award of a new 25-year license in the Republic of the Congo for the Tilapia oilfield, the Company will publish its audited financial results for the year ended March 31, 2020 around the week starting October 19, 2020.

Zenith can also confirm that it has engaged the auditors to perform an ISRE 2410 review on the interim financial statements for the six months ended September 30, 2020.

Further, the Company is in the process of engaging a Big 4 accounting firm to perform a Purchase Price Allocation exercise ("PPA") in respect of the acquisition of Anglo African Oil & Gas Congo S.A.U ("AAOG Congo").

Shareholders are cautioned not to place undue reliance on these preliminary results as material differences may arise once the audited financial results are published.

The Company and its subsidiaries have been impacted by the COVID-19 pandemic and continue to be affected. The pandemic has caused problems with international travel and in the availability of appropriate individuals both within the Company and among suppliers and government-sector bodies with which it interacts. In addition, the sharp decline in world economic output as a result of the pandemic, has had a negative impact on oil prices and demand for oil products. While the Board believes matters will improve substantially in the future as the effects of the COVID-19 pandemic are progressively overcome, there remains a material possibility that the pandemic situation may deteriorate further, which would impact the financial situation of the Company.

**Commenting on the results, Mr. Andrea Cattaneo, Chief Executive Officer, stated:**

"We are pleased to have achieved significant reductions in our G&A expenses for the year ended March 31, 2020.

These results also reflect the reconfiguration of the Company's geographic footprint following the cessation of oil production activities in Azerbaijan and our new focus on acquiring onshore oil production and development assets in Africa.

We are fully confident our recently announced acquisitions will strongly position the Company, especially in terms of profitability, when oil prices progressively recover with a return to normalised worldwide economic activity following the progressive alleviation of the COVID-19 pandemic.

In agreement with our independent auditors, we have delayed the publication of our audited financial results for the year ended March 31, 2020 whilst we await a final decision from the Ministry of Hydrocarbons of the

Republic of the Congo in response to our comprehensive technical and commercial offer for a new 25-year license for the Tilapia oilfield.

I look forward to reporting on our exciting progress in due course."

**Further Information:**

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**Notes to Editors:**

Zenith Energy Ltd. is an international oil and gas production company, listed on the London Stock Exchange (LSE:ZEN) and the Merkur Market of the Oslo Stock Exchange (ZENA:ME).

Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the onshore oil & gas sector, specifically in Africa. The Company's board of directors and senior management team have the experience and technical expertise to develop the Company successfully.

**CHAIRMAN'S STATEMENT**

**Introduction**

In the year ended March 31, 2020, a number of material changes took place with regards to the Company's development strategy and geographic concentration.

The Company is pursuing an ambitious acquisition campaign in Africa by maximizing the use of its financial resources to enrich its portfolio, at a time of singular opportunity made possible by the significant decline in oil prices caused by the COVID-19 pandemic, to acquire highly prospective production, development and exploration assets in Tunisia and the Republic of the Congo.

The Board believes this strategy will enable Zenith to develop successfully and, in doing so, create value for all stakeholders.

## **New African development strategy**

On March 2, 2020, the Company announced that, in view of Zenith's strategic focus on pursuing large-scale oil production and development opportunities in Africa, it would return the Contract Rehabilitation Area ("CRA") to SOCAR.

The Company's publicly reported difficulties in increasing production from the CRA since 2016, as well as its past and future investment obligations, led the Board of Directors to unanimously agree, in the interest of shareholders, that the Company's future success could be better achieved in other assets with existing production and near-term development and exploration potential in Africa.

The low oil price environment has facilitated access to a number of highly attractive acquisition opportunities as a result of large international oil companies restructuring their portfolios and selling, at advantageous commercial terms, their working interests in small to medium size assets across the region.

Zenith's recent acquisitions in Tunisia from KUFPEC and CNPC, two world-renowned oil companies, are evidence of this strategy being implemented. Upon completion, conditional upon regulatory approval being granted by the *Comité Consultatif des Hydrocarbures* ("CCH") of the Republic of Tunisia, it is expected that Zenith will have a daily production ranging between 250-300 barrels of oil per day. The Board of Directors is highly satisfied with the commercial terms agreed for both transactions and is currently exploring further opportunities of this kind.

The acquisition of Anglo African Oil & Gas Congo S.A.U ("AAOG Congo") from AAOG plc (a company quoted on the AIM of the London Stock Exchange), the former operator of the highly prospective Tilapia license in the Republic of the Congo, represents a potentially transformational opportunity for the Company. The Board is pleased to have been able to renegotiate the initially agreed consideration of £1 million for an 80% interest (announced on December 27, 2020) to a final consideration of £200,000 for a 100% interest in AAOG Congo (announced on April 17, 2020). The acquisition of AAOG Congo has not only enabled Zenith to acquire an existing operator in the Republic of the Congo, but also US\$5.3 million in receivables owed to AAOG Congo by Société Nationale des Pétroles du Congo ("SNPC"), the national oil company of the Republic of the Congo, and the novation to Zenith of 100% of the inter-company loans between AAOG Congo and AAOG plc, equivalent to approximately to approximately £12.5 million as of the date of completion of the acquisition.

As publicly announced, the Company has submitted a comprehensive commercial and technical offer to the Ministry of Hydrocarbons of the Republic of the Congo for the award of a new 25-year license for the Tilapia oilfield. The Company has established Zenith Energy Congo SA ("Zenith Congo"), at the request of the Ministry of Hydrocarbons of the Republic of the Congo, for the purpose of participating in the bid process and, it is hoped, receive a new 25-year license for the Tilapia oilfield.

We thank shareholders for their support during what have been unprecedented times and we look forward with enthusiasm to delivering on our publicly announced objectives.

**DR. JOSÉ RAMÓN LÓPEZ-PORTILLO**

**Chairman**

September 30, 2020

## Production activities

During the financial year ended March 31, 2020, the Group:

- a) Produced 74,290 bbls of oil from its assets in Azerbaijan, as compared to 85,524 bbls of oil produced in the 2019 similar period.
- b) Sold 70,005 bbls of oil from its assets in Azerbaijan, as compared to 75,913 bbls of oil sold in the 2019 similar period. As at March 31, 2020, inventory consists of CAD \$264 (2019 – CAD \$nil) of crude oil that has been produced but not yet sold, and CAD \$1,623k of materials (2019 – CAD \$156k).
- c) Sold 17,666 mcf of natural gas from its Italian assets, as compared to 10,868 mcf of natural gas in the 2019 similar period.
- d) Sold 10,500 MWh of electricity from its Italian electricity production assets, as compared to 9,433 MWh for the corresponding period of 2019.
- e) Sold 214 bbls of condensate from its Italian assets, as compared 628 bbls of condensate in the 2019 similar period.

## Financing activities

The Company issued equity during the course of the financial year ended March 31, 2020, raising a combined net total of CAD\$20.226m to finance its operational activities and fund the purchase of key operational equipment for the development of its operational activities in Azerbaijan.

During the year, 316,645,857 new common shares were issued, as detailed in the financial statements (note 15).

On January 20, 2020, the Company announced the issuance of the following unsecured, multi-currency Euro Medium Term Notes at par value (the "**Notes**"):

- EURO 1,000,000 bearing an interest of 10.125 per cent per year (the "**EUR-Notes**")
- GBP 1,000,000 bearing an interest of 10.50 per cent per year (the "**GBP-Notes**")
- USD 1,000,000 bearing an interest of 10.375 per cent per year (the "**USD-Notes**")
- CHF 1,000,000 bearing an interest of 10.00 per cent per year (the "**CHF-Notes**")

The Notes were issued under Zenith's EUR 25,000,000 multi-currency Euro Medium Term Notes Programme, as announced by the Company on November 6, 2019, and will be due on January 27, 2024. The Notes were admitted to trading on the Third Market (MTF) of the Vienna Stock Exchange ("**Wiener Borse AG**").

The Notes are governed by Austrian law and, since the Notes are not convertible into equity of Zenith, the issuance of the Notes was not subject to the approval of the TSX Venture Exchange in Canada.

The issue of the Notes is aligned with the Company's strategy of diversifying its financing towards non-equity dilutive funding to support its successful development.

## Financial Results

The Group recorded an after-tax loss of CAD\$562,551k for the year ended March 31, 2020, compared to a loss of CAD\$9,762k for the year ended March 31, 2019.

Group production costs for the year were CAD\$1,626k, compared to CAD\$4,900k in 2019.

Net finance income for the year was CAD\$ 35k (2019: CAD\$1,188k expense).

Cash balances of CAD\$ 1,209k (2019: CAD\$3,058k) were held at the end of the financial year.

Total equity attributable to the ordinary shareholders of the Group was CAD\$ 17,632k as at March 31, 2020, (2019: CAD\$ 569,081k).

## Post Balance Sheet Events

The Group continued its financing activities through issuing 465,000,000 shares, with gross proceeds of CAD\$5,022k.

Details of the capital raising are available in note 29 to the Financial Statements.

- On April 17, 2020, the Company announced that it has successfully renegotiated the terms for the acquisition from AIM listed Anglo African Oil & Gas plc ("AAOG") of its fully owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U, ("AAOG Congo") which has a 56 per cent. majority interest in, and is the operator of, the Tilapia oilfield in the Republic of the Congo (the "License").

The Company entered into a new conditional Deed of Variation (the "**Deed of Variation**") which included the acquisition of a 100 per cent interest in AAOG Congo and related intercompany loans (the "**Acquisition**") for a revised total consideration of £200,000 ("**Revised Consideration**").

- On April 20, 2020, the Company announced that its newly created wholly owned subsidiary Zenith Energy Netherlands B.V. ("**Zenith Netherlands**") has signed a conditional sale and purchase agreement ("**SPA**") with KUFPEC (Tunisia) Limited ("**Seller**"), a 100% subsidiary of Kuwait Foreign Petroleum Exploration Company K.S.C.C, a subsidiary of the State of Kuwait's national oil company, for the acquisition of a working interest in, inter alia, the North Kairouan permit and the Sidi El Kilani Concession (the "**Tunisian Acquisition**"), which contains the Sidi El Kilani oilfield ("**SLK**").

The Seller holds an undivided 22.5% interest in the Tunisian Acquisition, together with 25 Class B shares in Compagnie Tuniso-Koweito-Chinoise de Pétrole (CTKCP), the operator, representing 22.5% of the issued share capital of the company.

The Seller agreed to sell, assign and transfer to Zenith Netherlands the Tunisian Acquisition on the terms and subject to the conditions set out in the SPA.

The consideration payable by Zenith Netherlands under the SPA was US\$500,000.

- On April 22, 2020, the Company announced the total repayment of the Loan Facility for US\$1,485,000 and accrued interest.

The amount of the principal, and related accrued interest, of the Loan Facility is represented and accounted as a liability in the audited Annual Financial Report of the Company as of March 31, 2019, and in the unaudited Q2 Financial Statements as of September 30, 2019, for an aggregate amount of US\$2,080,523.

On October 1, 2019, the Company announced that, following negotiations with the lender, it had successfully agreed to settle the aforementioned liability for a reduced amount of US\$1,000,000, representing a profit of US\$1,080,523.

The Company subsequently confirmed that the liability had been settled in full.

- On May 5, 2020, the Company announced the successful completion of the acquisition from AIM listed Anglo African Oil & Gas plc ("AAOG") of a 100 percent interest in its fully owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U ("AAOG Congo"), which has a 56 percent majority interest in, and is the operator of, the Tilapia oilfield.

In accordance with the terms of the amended share purchase agreement, completion ("Completion") has taken place within one business day of AAOG shareholder approval being obtained at the AAOG general meeting held yesterday, May 4, 2020.

- On May 28, 2020, the Company announced the TSX Venture Exchange ("TSX-V") has confirmed that effective at the close of business Friday, May 29, 2020, the common shares of the Company will be delisted from the TSX-V at Zenith's request.
- On June 11, 2020, the Company announced that it has made payment for a total of US\$250,000 to Kuwait Foreign Petroleum Exploration Company K.S.C.C ("KUFPEC"), a subsidiary of the State of Kuwait's national oil company, in relation to the acquisition of a 22.5% working interest in the North Kairouan permit and the Sidi El Kilani Concession (the "Tunisian Acquisition"), which contains the Sidi El Kilani oilfield ("SLK").

Completion of the Tunisian Acquisition remains conditional on approval being granted by the Comité Consultatif des Hydrocarbures of the Republic of Tunisia in respect of the transfer of the Seller's right, title and interest in and under the Tunisian Acquisition to Zenith Netherlands. Zenith has initiated the necessary formalities in relation to the aforementioned approval process, and that a decision is expected in due course.

- On June 25, 2020, the Company announced it completed the handover process (the "Handover") of the Contract Rehabilitation Area to SOCAR in the Republic of Azerbaijan. As a result of the Handover, Zenith has ceased all oil production operations in Azerbaijan and all field production personnel, approximately 170 employees, have been transferred to a division of SOCAR.
- On July 7, 2020, the Company announced that it has entered into a joint venture agreement (the "Agreement") with a local oil & gas company in the Republic of the Congo.

The primary objective of the Agreement is the potential acquisition of an onshore oil production license (the "Potential Acquisition"), last producing at a rate of approximately 300 barrels of oil per day from the regionally proven Mengo formation as recently as 2019. Production has currently been suspended pending the assignation of a new license.

The Potential Acquisition is located in the Kouilou region of the Republic of the Congo in proximity of Pointe-Noire, the country's second largest city, and is also in the vicinity of Tilapia, the Company's recently acquired oil production asset with transformational production potential.

Under the terms of the Agreement, the Company and its local partner will jointly submit an application to the relevant authorities in the Republic of the Congo, including the Ministry of Hydrocarbons, for the award of a new license in relation to the Potential Acquisition.

Further, in accordance with the Agreement, it is stipulated that Zenith shall have the role of joint operator and majority partner in the event that a new license is successfully obtained in relation to the Potential Acquisition.

Following preliminary technical analysis of the Potential Acquisition, as part of the due diligence activities conducted prior to entering into the Agreement, Zenith is confident that profitable oil production operations can be achieved following the reactivation of the Potential Acquisition and the performance of targeted, low-intensity workover activities.

- On July 31, 2020, the Company announced the termination, by mutual agreement between the parties, of the sale and purchase agreement entered into with Coro Energy plc ("Coro") relating to the proposed acquisition by Zenith of Coro's entire Italian natural gas production and exploration portfolio.
- On August 10, 2020, the Company announced it had incorporated Zenith Energy Congo SA ("Zenith Congo"), a fully owned subsidiary of the Company, created under the laws of the Republic of Congo. Zenith Congo has been established at the request of the Ministry of Hydrocarbons for the purpose of receiving a new 25-year license following the submission of a comprehensive commercial and technical offer (the "Offer") to the Ministry of Hydrocarbons of the Republic of the Congo for the award of a new 25-year license for the Tilapia oilfield to be named "Tilapia II". As a result, and in agreement with the Ministry of Hydrocarbons, the Company has terminated the Plan for the Continuation of Activities, first announced to the market on July 20, 2020, and returned operatorship of the Tilapia license from AAOG Congo to a subsidiary of SNPC. It is planned that, in the event the Offer is accepted by the Ministry of Hydrocarbons of the Republic of the Congo, the new operator of Tilapia II will be Zenith Congo.
- On August 26, 2020, the Company announced that BCRA Credit Rating Agency AD ("BCRA") has assigned Zenith a "B-" with Stable Outlook long-term debt issuer credit rating.
- On September 8, 2020, the Company announced that its wholly owned subsidiary Zenith Energy Netherlands B.V. ("Zenith Netherlands") had signed a conditional sale and purchase agreement ("SPA") with CNPC International (Tunisia) Ltd., ("Seller"), a 100% subsidiary of CNPCI, CNPC International Ltd., for the acquisition of a working interest in, inter alia, the North Kairouan permit and the Sidi El Kilani Concession (the "Tunisian Acquisition"), which contains the Sidi El Kilani oilfield ("SLK").

The Seller holds an undivided 22.5% interest in the Tunisian Acquisition, together with 25 Class B shares in Compagnie Tuniso-Koweito-Chinoise de Pétrole (CTKCP), the operator, representing 25% of the issued share capital of the company.

The Seller agreed to sell, assign and transfer to Zenith Netherlands the Tunisian Acquisition on the terms and subject to the conditions set out in the SPA.

The consideration payable by Zenith Netherlands under the terms of the SPA was US\$300,000 (the "Consideration").

Completion of the SPA is conditional on approval being granted by the Comité Consultatif des Hydrocarbures ("CCH") of the Republic of Tunisia in respect of the transfer of the Seller's right, title and interest in and under the SLK Concession to Zenith Netherlands ("Completion").

#### **CEO STATEMENT**

Zenith Energy Ltd. ("Zenith" or "the Group") is an international oil and gas production Group, incorporated in Canada, listed on the Main Market for listed securities of the London Stock Exchange under the ticker symbol "ZEN" and on the Merkur Market of the Oslo Stock Exchange under the ticker "ZENA:ME".

Zenith's strategic objective is to become a mid-tier, Africa focused hydrocarbon production and exploration company. Specific attention is directed towards assets with proven development potential via development drilling, field rehabilitation, and low-risk exploration activities.

In view of the recent decline in oil prices, as well as macroeconomic developments caused by the COVID-19 pandemic, a singular time of opportunity has come about for companies such as Zenith to acquire, at highly commercially advantageous terms, oil and gas production and exploration assets being divested by many oil majors and leading oil and gas companies. As a leadership team, we are seeking to maximize this opportunity in order to ensure Zenith emerges from the current low oil price environment a much stronger and larger entity with significant future development potential.

We are very pleased to have recently concluded two separate transactions with CNPC, one of the largest oil and gas corporations in the world, and KUFPEC, a subsidiary of the State of Kuwait's national oil company, to acquire their respective working interests of 22.5% in the Sidi El Kilani Concession and the North Kairouan permit in Tunisia, which contain the producing Sidi El Kilani oilfield. We look forward with confidence to receiving regulatory approval from the *Comité Consultatif des Hydrocarbures* of the Republic of Tunisia in respect of the transfer of ownership for both acquisitions in due course.

Similarly, we are delighted to have established a presence in the Republic of the Congo following our acquisition of Anglo African Oil & Gas Congo S.A.U ("AAOG Congo"), the former Congolese subsidiary of Anglo African Oil & Gas plc (a company listed on the AIM of the London Stock Exchange) in May 2020. The decline in oil prices brought about by the COVID-19 pandemic, as well as renegotiations with the seller, enabled Zenith to acquire, at highly advantageous terms, an interest, albeit brief, in the now expired Tilapia I license (expired on July 18, 2020), as well as receivables of approximately US\$5.3 million dollars owed by SNPC (Société Nationale des Pétroles du Congo) and the full novation to Zenith of intercompany loans between AAOG plc and AAOG Congo equivalent to US\$16 million.

As publicly announced, the Company has presented a comprehensive commercial and technical offer (the "Offer") to the Ministry of Hydrocarbons of the Republic of the Congo in order to be awarded a new 25-year license for the Tilapia oilfield (to be named Tilapia II). We are confident that we shall be successful in obtaining a new 25-year license. In the event our Offer is accepted, the Company will look to begin drilling activities in well TLP-103C at the earliest opportunity.

We are aware that the Company's operational track record in Azerbaijan, and the handover of the Contract Rehabilitation Area ("CRA") to SOCAR announced to the market on March 2, 2020, disappointed market expectations. However, in view of the significant resources deployed to date and the future obligations

required for future development, as well as the underwhelming operational results, the Board of Directors is firmly of the view that this outcome was in the best interests of shareholders and the future commercial success of the Company. The operational challenges, as publicly communicated on a number of occasions, was due, *inter alia*, to the severely dilapidated condition of the wells from the Soviet era, the unreliability of historical data, and the highly challenging geology of the field.

The results for the year ended March 31, 2020, (“**2020 FY**”) reflect the significant changes the Group has undergone during the course of the 2020 Financial Year, specifically in result of the impairment resulting from the handover of the CRA in Azerbaijan and its associated reserves. However, it should be underlined, on a positive note, that we have been able to achieve a significant reduction in our General and Administrative Expenses during the 2020 FY to CAD\$3,361k, compared to CAD\$5,251k incurred in the preceding financial year ended March 31, 2019.

We are very excited about our countercyclical acquisition campaign in Africa in the current low oil price environment, especially the highly prospective development production potential of the Tilapia oilfield in the event we are successful in being awarded a new 25-year license and the material daily production revenue to be obtained from completion of our acquisitions in Tunisia. Indeed, we are hopeful to conclude further acquisitions of a similar kind in due course.

I thank shareholders for their loyal support. As is clear, my confidence in Zenith, as well as that of the team, remains unchanged. We fully believe that our new geographic concentration in Africa, in less geologically challenging assets acquired at highly advantageous commercial terms, will enable the Company to achieve its operational objectives and deliver value to our investors.

The Board is committed to sustained growth and exploiting any value accretive opportunities that may present themselves. We shall continue to evaluate the acquisition of additional energy production opportunities building on the momentum of our recent progress to further support the Group’s expansion.

**Andrea Cattaneo**  
**President, CEO and Director**

September 30, 2020

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>Continuing operations</b>	<b>Financial year ended</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>CAD \$'000</b>	<b>CAD \$'000</b>
Revenue	718	6,567
<b>Cost of sales</b>		
Production costs	(2,952)	(4,900)
Depletion and depreciation	(726)	(2,283)
<b>Gross loss</b>	<b>(2,960)</b>	<b>(616)</b>
Administrative expenses	(5,479)	(7,957)
<b>Operating loss</b>	<b>(8,439)</b>	<b>(8,573)</b>
Gain on business combination	20,111	-
Finance income/(expense)	25	(1,188)
<b>Gain/(loss) for the year before taxation</b>	<b>11,697</b>	<b>(9,761)</b>
Taxation	(4)	(1)
<b>Gain/(loss) for the year from continuing operations attributable to owners of the parent</b>	<b>11,693</b>	<b>(9,762)</b>
Loss from discontinued operations	(580,404)	-
<b>Loss for the year attributable to owners of the parent</b>	<b>(568,711)</b>	<b>(9,762)</b>
<b>Other comprehensive income</b>		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations, net of tax	(655)	(132)
Other comprehensive income for the year, net of tax	(655)	(132)
<b>Total comprehensive income for the year attributable to owners of the parent</b>	<b>(569,366)</b>	<b>(9,894)</b>
<b>Earnings per share</b>	<b>CAD \$</b>	<b>CAD \$</b>
Basic from loss for the year	(1.42)	(0.04)
Diluted from loss for the year	(1.42)	(0.04)
From continuing operations - basic	0.03	(0.04)
From continuing operations - diluted	0.02	(0.04)
From discontinued operations - basic and diluted	(1.45)	-

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Financial year ended	
	Unaudited	Audited
	March 31, 2020	March 31, 2019
	CAD '000	CAD '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,537	1,079,639
Financial assets at amortised cost	13	422
	<b>33,550</b>	<b>1,080,061</b>
<b>Current assets</b>		
Inventory	799	156
Trade and other receivables	30,902	5,413
Cash and cash equivalents	1,221	3,058
	<b>32,922</b>	<b>8,627</b>
<b>TOTAL ASSETS</b>	<b>66,472</b>	<b>1,088,688</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	40,400	28,866
Share warrants & option reserve	1,010	1,147
Contributed surplus	4,320	4,125
Retained earnings	(34,307)	534,943
<b>Total equity</b>	<b>11,423</b>	<b>569,081</b>
<b>Non-current liabilities</b>		
Loans	1,266	3,417
Non-convertible bonds	20,669	4,759
Deferred consideration payable	-	483,178
Deferred tax liabilities	-	2,398
Decommissioning provisions	13,501	9,089
Retirement provision	50	-
<b>Total non-current liabilities</b>	<b>35,486</b>	<b>502,841</b>
<b>Current Liabilities</b>		
Trade and other payables	17,289	12,115
Loans	2,188	3,776
Non-convertible bonds	86	199
Deferred consideration payable	-	676
<b>Total current liabilities</b>	<b>19,563</b>	<b>16,766</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,472</b>	<b>1,088,688</b>

Signed

Jose Ramon Lopez-Portillo  
Chairman

**Attributable to owners of the parent**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share				Total
	Share capital	warrants & option reserve	Contributed surplus	Retained earnings	
	CAD \$'000	CAD \$'000	CAD \$'000	CAD \$'000	
<b>Balance as at 1 April 2018</b>	<b>22,792</b>	<b>875</b>	<b>3,390</b>	<b>544,837</b>	<b>571,894</b>
Loss for the year	-	-	-	(9,762)	(9,762)
Other comprehensive income	-	-	-	(132)	(132)
Total comprehensive income	-	-	-	(9,894)	(9,894)
Share issue net of costs – debt settlement	371	-	-	-	371
Share issue net of costs - private placement	5,703	-	-	-	5,703
Value of warrants issued	-	167	-	-	167
Issue of options	-	928	-	-	928
Fair value of options expired	-	(401)	313	-	(88)
Warrants expired	-	(422)	422	-	-
Total transactions with owners recognised directly in equity	6,074	272	735	-	7,081
<b>Balance as at March 31, 2019</b>	<b>28,866</b>	<b>1,147</b>	<b>4,125</b>	<b>534,943</b>	<b>569,081</b>
Loss for the year	-	-	-	(568,711)	(568,711)
Other comprehensive income	-	-	-	(655)	(655)
Total comprehensive income	-	-	-	(569,366)	(569,366)
Share issue net of costs – debt settlement	748	-	-	-	748
Share issue net of costs - private placement	10,628	-	-	-	10,628
Value of warrants issued	-	174	-	-	174
Exercise of options	158	(116)	-	116	158
Warrants expired	-	(195)	195	-	-
Total transactions with owners recognised directly in equity	11,534	(137)	195	116	11,708
<b>Balance as at March 31, 2020 (unaudited)</b>	<b>40,400</b>	<b>1,010</b>	<b>4,320</b>	<b>(34,307)</b>	<b>11,423</b>

Reserve	Description and purpose
Share capital	Amount subscribed for share capital
Share warrants & settled option reserve	Relates to increase in equity for services received – equity share transactions
Contributed surplus	Expired share options issued in previous years
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**Financial year ended**

	<b>Unaudited March 31, 2020</b>	<b>Audited March 31, 2019</b>
	<b>CAD \$'000</b>	<b>CAD \$'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the year before taxation	(568,707)	(9,761)
Shares issued for services	-	371
Options/warrants charge	58	1,007
Foreign exchange	23,176	(441)
Gain on business combination	(20,111)	-
Depletion and depreciation	726	2,283
Discontinued operations	580,404	-
Finance (income)/expense	(538)	1,188
Change in working capital	(20,118)	(1,401)
<b>Net cash outflows from operating activities</b>	<b>(5,110)</b>	<b>(6,754)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(22,017)	(5,205)
Proceeds from disposal of property, plant and equipment	1,066	378
<b>Net cash outflows from investing activities</b>	<b>(20,951)</b>	<b>(4,827)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of shares, net of transaction costs	11,376	5,703
Proceeds from exercise of options	158	-
Proceeds from issue of bonds	8,692	1,099
Repayments of loans	(5,029)	(208)
Proceeds from loans	2,004	2,109
Repayment of bonds	(2,790)	(375)
Proceeds from bonds in treasury	9,813	3,814
<b>Net cash flows from financing activities</b>	<b>24,224</b>	<b>12,142</b>
Net (decrease)/increase in cash and cash equivalents	(1,837)	561
<b>Cash and cash equivalents at beginning of year</b>	<b>3,058</b>	<b>2,497</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,221</b>	<b>3,058</b>

## Notes to the financial statements

### 1. Corporate and Group information

The unaudited financial information for the year ended March 31, 2020 contained in this preliminary announcement was approved by the Board on September 30, 2020. This announcement does not constitute the final accounts for the Group but is derived from those accounts. Accounts for the year ended March 31, 2019 have been lodged as required. Statutory accounts for the year ended March 31, 2020 will be lodged as required. The auditors have reported on the 2019 accounts. Their reports were not qualified but within the key audit matter in relation to the carrying value of D and P assets drew attention to the fact the licenses may be lost should the required production levels within the REDSPA not be satisfied. It also included a material uncertainty in relation to going concern.

### New standards and interpretations

#### a. Adoption of new and revised standards

The following IFRSs or IFRIC interpretations are those that were effective for the first time for the financial year beginning April 1, 2019 and relevant to the entity:

Standard / Interpretation/Amendments	
IFRS 9	Prepayment Features with Negative Compensation to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarified an aspect of the accounting for financial liabilities following a modification.
IFRS 16	Leases
IAS 19 (plan amendments)	Plan Amendment, Curtailment or Settlement to harmonise accounting practices and to provide more relevant information for decision-making.
IAS 28 (long-term interests)	Long-term Interests in Associates and Joint Ventures to clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.
IFRIC 23	Uncertainty over Income Tax Treatments.
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IAS 12 "Income Taxes", IAS 23 "Borrowing Costs", IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements" as result of the IASB's annual improvements project.

The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the Group's accounting policies that have affected the amounts reported for the current or prior years.

#### b. New standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Standard / Interpretation	Impact on initial application	Effective date
IFRS 17	Insurance contracts.	1 January 2021

The Directors do not expect that the adoption of the Standards listed above, in particular IFRS 16, will have a material impact on the financial statements of the Group in future periods.

### **Business combinations**

The acquisition method of accounting is used to account for acquisitions of subsidiaries and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, a bargain purchase gain is recognised immediately in the consolidated statement of comprehensive income.

Transaction costs that are incurred in connection with a business combination other than those associated with the issue of debt or equity instruments are expensed as incurred.

Intercompany balances and transactions are eliminated on consolidation, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

## **2. Administrative expenses**

During the year ended March 31, 2020, the Group incurred CAD\$ 5,479k (2019 - CAD\$ 7,957k) of Administrative Expenses. Furthermore, during the same period the Group incurred CAD\$ 2,118k (2019 - CAD\$ 2,706k) of non-recurrent expenses which relate to the cost of raising funds, negotiation for potential acquisition of producing assets and the share based payments costs, which is a non-cash item.

	Unaudited March 31, 2020 CAD\$'000	Audited March 31, 2019 CAD\$'000
Auditors remuneration - audit fees Group	105	129
Auditors remuneration - associates of Group auditors	-	-
Accounting and bookkeeping	23	30
Consultancy fees	538	1,021
Legal	45	163
Office	630	627

Administrative expenses	420	481
Foreign exchange (gain)/loss	(150)	(314)
Salaries	1,325	2,547
Travel	425	567
<b>General and administrative expenses</b>	<b>3,361</b>	<b>5,251</b>
<b><u>Non-recurring expenses</u></b>		
Bond issue costs	44	127
Listing costs (Norway and UK)	658	1,167
Negotiation costs for acquisitions	823	-
Aborted Transaction Costs	-	405
Share based payments	174	1,007
Release of prepaid insurance	419	-
<b>Total non-recurring expenses</b>	<b>2,118</b>	<b>2,706</b>
<b>Total general and administrative expenses</b>	<b>5,479</b>	<b>7,957</b>

### 3. Business combinations

On May 5, 2020, the Company announced it had successfully completed the acquisition of a 100 percent interest in Anglo African Oil & Gas Congo S.A.U ("AAOG Congo") from AIM listed Anglo African Oil & Gas plc (the "Seller"). At the time of the acquisition, AAOG Congo had a 56 percent majority interest in, and was the operator of, the Tilapia oilfield in the Democratic Republic of the Congo.

As previously announced on April 17, 2020, the Company had entered into a conditional deed of variation to vary the terms of a share purchase agreement with AAOG for the acquisition of a **100 per cent** interest in AAOG Congo and related intercompany loans (the "Acquisition") for a revised total consideration of **£200,000** ("Consideration").

Pursuant to the terms of the Acquisition, the Seller novated 100% of the intercompany loans with AAOG Congo, thereby transferring all its rights and obligations relating to these intercompany loans, to Zenith as of the date of Completion, equivalent to approximately £12.5 million. As a result, this credit balance has been transferred to Zenith's balance sheet.

The Business Combinations outlines the accounting process to be followed when an acquirer obtains control of a business. Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

The Company has engaged a Big 4 accounting firm to perform a Purchase Price allocation exercise ("PPA") in respect of the acquisition of Anglo African Oil & Gas Congo S.A.U ("AAOG Congo").

Zenith can also confirm that it has engaged PKF LittleJohn to perform an ISRE 2410 review on the interim financial statements for the six months ended September 30, 2020.

This number may change as a result of the above reviews and would also be impacted in the event that Zenith did not receive a new license in relation to the oil and gas assets owned by AAOG Congo at the time of the acquisition.

**Fair value of net assets acquired CAD\$'000 (unaudited)**

	CAD\$'000
Development and production assets	20,184
Other net assets	5,839
Decommissioning obligations	(5,561)
Less consideration payable	(351)
<b>Gain on business combination</b>	<b>20,111</b>

**4. Staff cost**

(a) *Employee compensation cost*

During the year, the Group had an average of 190 (2019: 207) full time employees based in its offices in London in the UK, Baku in Azerbaijan, and Genoa in Italy.

The following table details the amounts of total employee compensation included in the consolidated statement of comprehensive income:

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Operating	42	2,285
General and administrative	1,325	2,547
Share based payments	174	1,007
<b>Total employee compensation cost</b>	<b>1,541</b>	<b>5,839</b>

(b) *Key management compensation*

Key management personnel are those people having authority and responsibility for planning, directing and controlling the activities of an entity, either directly or indirectly. The following table summarises annual compensation and long-term compensation of the Group's "Named Executive Officers" for the two most recently completed financial years that ended on March 31, 2020. The named executive officers equate to key management personnel:

Name and principal position	Year <sup>(2)</sup>	Short term employee benefit CAD \$'000	Other short-term benefits CAD \$'000	Other long-term benefits CAD \$'000	Share based payments CAD \$'000	Other benefits CAD \$'000	Total CAD \$'000
Andrea Cattaneo <sup>(1)</sup>	2019	667	-	-	462	419	1,548
	2020	567	-	-	-	181	748
Luigi Regis Milano <sup>(2)</sup>	2019	60	-	-	36	17	113
	2020	61	-	-	-	-	61
Jose Ramon	2019	-	-	-	22	-	22
	2020	-	-	-	-	-	-

Name and principal position	Year <sup>(2)</sup>	Short term employee benefit CAD \$'000	Other short-term benefits CAD \$'000	Other long-term benefits CAD \$'000	Share based payments CAD \$'000	Other benefits CAD \$'000	Total CAD \$'000
Lopez-Portillo							
Dario Sodero <sup>(3)</sup>	2019	8	-	-	18	-	26
	2020	19	-	-	-	-	19
Erik Larre	2019	-	-	-	62	-	62
	2020	-	-	-	-	-	-
Sergey Borovskiy	2019	-	-	-	62	-	62
	2020	-	-	-	-	-	-
Luca <sup>(4)</sup> Benedetto	2019	199	-	-	116	23	338
	2020	231	-	-	-	7	238

Notes:

1. Andrea Cattaneo was appointed President and Chief Executive Officer effective 01 January 2009. As proposed by the Compensation Committee, Mr. Cattaneo's annual consulting fee payment is approximately £210k (CAD \$367k), payable in equal monthly instalments, plus benefits for the year ended March 31, 2020, and yearly bonus compensation of CAD\$200k from the parent Company. During the FY 2019, Mr. Cattaneo has agreed to swap his full salary for new Common Shares ("Salary Sacrifice Shares"), with effect from 1 April 2019. The new Common Shares were issued on a quarterly basis at a price that is the average price at which the Common Shares traded during the period, based on the mid-market closing price on the London Stock Exchange.
2. Mr. Luigi Regis Milano had a yearly compensation of CAD\$61k from subsidiary undertakings for the year ended March 31, 2020
3. Mr. Sodero received a fee for professional consulting services of approximately CAD\$19k during the year ended March 31, 2020.
4. Mr. Luca Benedetto was appointed as Chief Financial Officer from April 2017 and received a compensation of CAD\$168k from the parent Company and CAD\$63k from subsidiary undertakings, as well as benefits for CAD\$7k, during the year ended March 31, 2020.

5. Finance expense

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Interest and debt waived	(1,376)	-
Interest expense	621	469
Accretion of decommissioning provision	356	363
Effective interest on financial liabilities held at amortised cost	424	356
Decretion of bonds	-	-
<b>Net finance expense</b>	<b>25</b>	<b>1,188</b>

## 6. Taxation

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Current tax	4	1
Deferred tax	-	-
<b>Total tax charge for the year</b>	<b>4</b>	<b>1</b>

The difference between tax expense for the year and expected income taxes based on the statutory tax rate arises as follows:

	Unaudited, March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Profit/(loss) before taxation	(563,496)	(9,761)
Expected tax at 27%	(152,144)	(2,635)
Differences on tax rates attributable to other jurisdictions	39,590	85
Non-deductible expenses	109,622	272
Changes in enacted rates and other	-	(48)
Temporary differences	(115,118)	(30)
Tax losses carried forward	118,046	2,355
<b>Under(over)provided in prior years</b>		-
<b>Tax charge</b>	<b>(4)</b>	<b>(1)</b>

The tax (charge) / credit for the year ended March 31, 2020 comprised CAD \$4 (2019 – CAD \$1) of current tax expense and CAD \$Nil deferred tax expense (2019 – CAD \$Nil deferred tax expense).

Recognised deferred tax liabilities are attributable to the following:

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Property and equipment	(2,109)	(2,554)
Decommissioning obligations	1,751	47
<b>Non-capital loss carry forwards</b>	<b>358</b>	<b>109</b>
<b>Recognised deferred tax liabilities</b>	<b>-</b>	<b>(2,398)</b>

Deferred tax assets have not been recognised in respect of the following temporary differences as it is not considered probable that sufficient taxable income will allow the deferred tax assets to be utilised and recovered:

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Non-capital loss carry forwards	606,733	64,980
Share issuance costs	603	156
Decommissioning obligations	1,827	-

Capital losses	1,467	3,408
Other	76	978
Unrecognised deferred tax assets	610,706	69,522

As at March 31, 2020, the Group has accumulated non-capital losses in Canada totalling CAD \$604,796 (2019 - CAD \$638,484k) which expire in varying amounts between 2022 and 2040 and CAD \$2,295k (2019 – CAD \$795k) of non-capital losses with no expiry date.

## 7. Property, plant and equipment

	D&P Assets CAD \$'000
<b>Carrying amount at March 31, 2018</b>	<b>1,077,445</b>
Additions	5,205
Disposals	(378)
Depletion and depreciation	(2,283)
Compensatory oil delivered	(347)
Foreign exchange differences	(3)
<b>Carrying amount at March 31, 2019 (audited)</b>	<b>1,079,639</b>
Additions	22,017
Disposals	(1,066)
Depletion and depreciation	(726)
Impairment – Discontinued operations (note 20)	(1,066,570)
Foreign exchange differences	243
<b>Carrying amount at March 31, 2020 (unaudited)</b>	<b>33,537</b>

### Impairment test for property, plant and equipment

As of March 31, 2020, a review was undertaken of the carrying amounts of property, plant and equipment to determine whether there was any indication of a trigger that may have led to these assets suffering an impairment loss. Following this review impairment triggers were noted in relation to the Azerbaijan assets due to the carrying amount of the Group net assets exceeding the Company's market capitalization and also the Group encountered some operational difficulty with well workovers which led to lower than expected production levels compared to forecasts for the same period.

As there is no readily available market for the Group's oil and gas properties, fair value is derived as the net present value of the estimated future cash flows arising from the continued use of the assets, incorporating assumptions that a typical market participant would take into account. The value in use of an oil and gas property is generally lower than its Fair Value Less Costs of Disposal ('FVLCD') as value in use reflects only those cash flows expected to be derived from the asset in its current condition. FVLCD includes appraisal and development expenditure that a market participant would consider likely to enhance the productive capacity of an asset and optimize future cash flows. Consequently, the Group determines recoverable amount based on FVLCD using a Discounted Cash Flow ('DCF') methodology.

The DCF was derived by estimating discounted after-tax cash flows for each CGU based on estimates that a typical market participant would use in valuing such assets. The impairment tests compared the recoverable amount of the respective CGUs noted below to the respective carrying values of their associated assets. The estimates of FVLCD meet the definition of level three fair value measurements as they are determined from unobservable inputs.

### Italian Cash Generating Unit

Key assumptions:

- **Production profiles:** these were based on the latest available information from management.
- **Capital and operating costs:** these were based on the current operating and capital costs in Italy.
- **Gas price:** An average 2020 gas price of \$4.944/Mscf based on information from the World Bank European gas price forecast and information provided by management.
- **Discount rate:** The estimated fair value less costs to sell of the Italian CGU was based on 15% (2019 – 15%). This was based on a Weighted Average Cost of Capital analysis consistent with that used in previous impairment reviews.

Based on the key assumptions set out above:

- The estimated recoverable amount of the Italian CGU on March 31, 2020 was higher than its carrying amount by CAD\$8m, therefore, no impairment was recognized in the year ended March 31, 2020 (2019 - CAD \$nil) in the consolidated statement of comprehensive income.

### Congo Cash Generating Unit

The assets in the Congo CGU were transferred to the group on 20 January 2020. As of the date of these financial statements no impairment review has been carried out because the assets have been in the group for less than three months. An impairment review will be undertaken in the next financial year.

## 8. Inventory

As of March 31, 2020, inventory consists of CAD \$14 (2019 – CAD \$nil) of crude oil that has been produced but not yet sold, and CAD \$785k of materials (2019 – CAD \$156k). The amount of inventory recognised in the statement of comprehensive income is CAD \$167k (2019 - CAD \$220k).

	Unaudited March 31, 2020		Audited March 31, 2019	
	Barrels	CAD \$'000	Barrels	CAD \$'000
Congo	-	14	-	-
Congo - materials	-	765	-	-
Azerbaijan	-	-	-	-
Azerbaijan - materials	-	-	-	148
Dubai – materials	-	12	-	-
Italy	-	8	-	8
	-	799	-	156

## 9. Trade and other receivables

	Unaudited March 31, 2020	Audited March 31, 2019
	CAD \$'000	CAD \$'000
Trade receivables	2,394	1,362
Bonds in treasury	16,550	3,835

Other receivables	11,958	52
Directors loan account	-	164
<b>Total trade and other receivables</b>	<b>30,902</b>	<b>5,413</b>

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The Group's customer base is of a similar bracket and share the same characteristics, as such these have been treated as one population. The Group's customers are all State customers, therefore, the lifetime expected losses are considered to be CAD\$ nil.

#### 10. Change in working capital

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Trade and other receivables	(25,445)	(3,510)
Inventory	(644)	21
Prepaid expenses	(39)	5
Prepaid property and equipment insurance	422	19
Trade and other payables	5,588	2,064
<b>Total change in working capital</b>	<b>(20,118)</b>	<b>(1,401)</b>

#### 11. Share Capital

Zenith is authorised to issue an unlimited number of Common Shares, of which 316,645,857 were issued at no par value and fully paid during the year ended March 31, 2020 (2019 – 101,628,366). All Common Shares have the right to vote and the right to receive dividends. Zenith is authorised to issue an unlimited number of preferred shares, issuable in series, of which none have been issued as of the date of these Financial Statements. The Directors of the Group may by resolution fix the rights, privileges, restrictions and conditions of the preferred shares of each series.

Following the issue of the new Ordinary Shares, the Company had 577,072,921 common shares in issue and admitted to trading on the Mekur Market of the Oslo Bors, as of March 31, 2020.

As of the same date, Zenith had 286,403,856 common shares in issue and admitted to trading on the Main Market of the London Stock Exchange.

Issued	Number of common shares	Amount CAD \$'000
<b>Balance – April 1, 2018</b>	<b>158,798,698</b>	<b>22.792</b>
Settlement of debt (i)	1,123,068	185
Non-brokered unit private placement (ii)	54,172,451	3,694
Finder's fee	-	187
<b>Balance – June 30, 2018</b>	<b>214,094,217</b>	<b>26.484</b>
Finder's fee	-	5
<b>Balance – September 30, 2018</b>	<b>214,094,217</b>	<b>26.479</b>
Settlement of debt (iii)	2,225,941	186
Non-brokered unit private placement (iv)	20,782,429	1,141
Non-brokered unit private placement (v)	2,857,143	157

Finder's fee	-	-	107
<b>Balance – December 31, 2018</b>	<b>239,959.730</b>		<b>27.856</b>
Non-brokered unit private placement (vi)	10,364.640		517
Non-brokered unit private placement (vi)	10,102.694		519
Finder's fee	-	-	26
<b>Balance – 31 March 2019</b>	<b>260,427.064</b>		<b>28.866</b>
Non-brokered unit private placement (vii)	20,000.000		1,000
Finder's fee	-	-	40
Non-brokered unit private placement (vii)	17,647.059		794
Finder's fee	-	-	63
Non-brokered unit private placement (viii)	14,334.602		702
Finder's fee	-	-	42
<b>Balance – 30 June 2019</b>	<b>312,408.725</b>		<b>31.217</b>
Exercise of stock option (ix)	622.407		75
Exercise of stock option (x)	688.797		83
Non-brokered unit private placement (xi)	47,812.500		1,913
Finder's fee	-	-	34
Settlement of debts (xii)	6,589.678		303
<b>Balance – 30 September 2019</b>	<b>368,122.107</b>		<b>33.557</b>
Settlement of debts (xiii)	11,421.402		445
Non-brokered unit private placement (xiv)	37,000.000		1,857
Finder's fee	-	-	97
Non-brokered unit private placement (xv)	35,000.000		1,124
<b>Balance – 31 December 2019</b>	<b>451,543.509</b>		<b>36.886</b>
Non-brokered unit private placement (xvi)	55,529.412		1,610
Non-brokered unit private placement (xvii)	9,000.000		232
Equity sharing agreement (xviii)	50,000.000		1,389
Non-brokered unit private placement (xix)	11,000.000		283
<b>Balance – 31 March 2020 (unaudited)</b>	<b>577,072.921</b>		<b>40.400</b>

## 12. Warrants and options

	Number of options	Number of warrants	Weighted average exercise price	Amount CAD\$'000
<b>Balance – April 1, 2018</b>	<b>4,100,000</b>	<b>27,027,644</b>	<b>0.19</b>	<b>875</b>
Options issued	10,500,000	-	0.12	927
Warrants issued	-	1,280,000	0.07	43
Warrants expired	-	(1,807,500)	0.25	(192)
Warrants expired	-	(8,628,813)	0.15	-
<b>Balance – June 30, 2018</b>	<b>14,600,000</b>	<b>17,871,331</b>	<b>0.19</b>	<b>1,653</b>
Warrants issued	-	6,977,988	0.05	59
Warrants expired	-	(1,350,000)	0.25	(46)
Options expired	(1,000,000)	-	0.15	(119)
Options expired	(1,500,000)	-	0.17	(193)

	<b>Number of options</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Amount CAD\$'000</b>
Options expired	(1,000,000)	-	0.12	(88)
Warrants expired	-	(4,214,125)	0.25	(107)
Warrants expired	-	(732,920)	0.20	-
<b>Balance – December 31, 2018</b>	<b>11,100,000</b>	<b>18,552,274</b>	<b>0.15</b>	<b>1,159</b>
Warrants issued	-	11,358,390	0.10	65
Warrants expired	-	(10,114,286)	0.18	(77)
<b>Balance – March 31, 2019</b>	<b>11,100,000</b>	<b>19,796,378</b>	<b>0.12</b>	<b>1,147</b>
<b>Balance – June 30, 2019</b>	<b>11,100,000</b>	<b>19,796,378</b>	<b>0.12</b>	<b>1,147</b>
Warrants issued	-	47,812,500	0.10	111
Options exercised	(1,311,204)		0.12	(116)
<b>Balance – September 30, 2019</b>	<b>9,788,796</b>	<b>67,608,878</b>	<b>0.12</b>	<b>1,142</b>
Options expired	(703,571)	-	0.12	(62)
<b>Balance – December 31, 2019</b>	<b>9,085,225</b>	<b>67,608,878</b>	<b>0.12</b>	<b>1,080</b>
Warrants expired	-	(18,422,628)	0.14	(133)
Warrants issued	-	6,477,734	0.06	63
<b>Balance – March 31, 2020 (unaudited)</b>	<b>9,085,225</b>	<b>55,663,984</b>	<b>0.12</b>	<b>1,010</b>

Type	Grant Date	Number of options	Exercise price per unit CAD\$	Expiry Date
Stock options	November 2016	1,100,000	0.10	November 2021
Stock options	November 2017	500,000	0.18	November 2022
Stock options	April 2018	9,500,000	0.18	April 2023
	<b>TOTAL OPTIONS</b>	<b>11,100,000</b>		
Stock options	November 2016	1,100,000	0.10	November 2021
Stock options	November 2017	500,000	0.18	November 2022
Stock options	April 2018	7,485,225	0.12	April 2023
	<b>TOTAL OPTIONS</b>	<b>9,085,225</b>		

### Options

The Group has a stock options plan (the "Plan") for its directors, employees and consultants. The maximum number of shares available under the Plan is limited to 10% of the issued and outstanding common shares at the time of granting options. Granted options are fully vested on the date of grant, at which time all related share-based payment expense is recognized in the consolidated statements of income (loss) and comprehensive income (loss). Share options expire five years from the date of granting.

As at March 31, 2020, the Group had 9,085,225 stock options outstanding (relating to 9,085,225 shares) and exercisable at a weighted average exercise price shown on the table above per share with a weighted average life remaining of 2.73 years.

The fair value of the options was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	0.50% - 0.70%
Expected volatility	100%
Expected life	5 years
Dividends	Nil

### Granting of options

On April 3, 2018, the Board of Directors resolved to grant its directors, certain employees and consultants a total of 10,500,000 stock options (the "Options"), in accordance with the Company's Stock Option Plan. The exercise price of the Options was equivalent to the Company's TSXV closing price of March 26, 2018, being CAD\$0.12 (approximately £0.067). The Options are fully vested and have an expiry date of five years from the date of granting.

### Exercise of options

- On July 3, 2019, the Chief Executive Officer & President of the Company, Mr. Andrea Cattaneo, exercised stock options to acquire 622,407 common shares of no-par value in the capital of the Company, at an exercise price of CAD\$0.12 per New Share.
- On July 4, 2019, the Chief Executive Officer & President of the Company, Mr. Andrea Cattaneo, exercised stock options and acquire 688,797 common shares of no-par value in the capital of the Company, at an exercise price of CAD\$0.12 per New Share.

### Expiry of options

A director, who had been granted share options, left the Group in previous quarters and, as stipulated in the stock option agreements, these options expired upon the elapsing of three months from the date of leaving. During the quarter ending December 31, 2019, the Group updated their holdings for the 703,571 (2018 - 3,500,000) expired stock options.

Type	Grant Date	Number of Warrants	Price per unit CAD\$	Expiry Date
Warrants	January-18	180,000	0.16	January-20
Warrants	April-18	93,750	0.40	May-21
Warrants	June-18	1,280,000	0.07	June-21
Warrants	September-18	6,977,988	0.05	February-20
Warrants	February-19	10,364,640	0.10	February-20
Warrants	February 19	900,000	0.10	February 20
<b>TOTAL WARRANTS</b>		<b>19,796,378</b>		
Warrants	April-18	93,750	0.40	May-21
Warrants	June-18	1,280,000	0.07	June-21
Warrants	August 19	47,812,500	0.10	August 20
Warrants	October-19	6,477,734	0.06	October-22
<b>TOTAL WARRANTS</b>		<b>55,663,984</b>		

As of March 31, 2020, the Group had 55,663,984 warrants outstanding (relating to 55,663,984 shares) and exercisable at a weighted average exercise price of CAD\$0.10 per share with a weighted average life remaining of 0.42 year.

The fair value of the warrants was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	0.50% - 0.70%
Expected volatility	75-100%
Expected life	2 years
Dividends	Nil

### 13. Trade and other payables

	Unaudited March 31, 2020	Audited March 31, 2019
	CAD \$'000	CAD \$'000
Trade payables	16,097	10,990
Other payables	1,192	290
Accrued interest	-	835
<b>Total trade and other payables</b>	<b>17,289</b>	<b>12,115</b>

### 14. Loans

	Unaudited March 31, 2020	Audited March 31, 2019
	CAD \$'000	CAD \$'000
Loan payable - current	2,188	3,776
Loan payable – non-current	1,266	3,417
<b>Total</b>	<b>3,454</b>	<b>7,193</b>

	Unaudited March 31, 2020	Audited March 31, 2019
	CAD \$'000	CAD \$'000
<b>Loans – current</b>		
As at 1 April	3,776	237
Transfer from non-current	2,151	3,747
Loan receipt	2,004	-
Loan waived	(584)	-
Repayments	(5,029)	(208)
Foreign exchange	(130)	-
<b>As at 31 March</b>	<b>2,188</b>	<b>3,776</b>

	Unaudited March 31, 2020	Audited March 31, 2019
	CAD \$'000	CAD \$'000
<b>Loans – non current</b>		
As at 1 April	3,417	4,949
Loan receipt	-	2,109
Transfer to current	(2,151)	(3,747)
Foreign exchange	-	106

As at 31 March	1,266	3,417
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**15. Non-convertible bonds**

Non-convertible bonds	Unaudited	Audited
	March 31, 2020	March 31, 2019
	CAD \$'000	CAD \$'000
Current	86	199
Non-current	20,669	4,759
<b>Total</b>	<b>20,755</b>	<b>4,958</b>

Non-convertible bonds	CAD \$'000
<b>Balance – March 31, 2018</b>	<b>407</b>
Interest	14
Issue of notes	153
Loan notes	4,759
Repayment of bonds	(375)
<b>Balance – March 31, 2019</b>	<b>4,958</b>
Interest	82
Issue of notes	-
Loan notes	18,505
Repayment of bonds	(2,790)
<b>Balance – March 31, 2020 (unaudited)</b>	<b>20,755</b>

(a) Loan Notes

To avoid the risk of the excessive dilution of the capital, the Company issued two different sets of EMTN (Bond) accruing interest payable semi-annually and listed on European Stock Exchanges.

a. Zenith 8% EMTN - ISIN AT0000A23S79

During the financial year 2019, as announced in September 2018 and January 2019, the Company issued Loan Notes to finance its development activities in Azerbaijan for a total amount of CAD\$4,759k, with the duration of 2 years.

During the financial year ended March 21, 2020, the Company issued additional loan Notes for a total amount of CAD\$9.8M.

The maturity date of the Notes is 20 December 2021, and they carry an interest charge of 8% per annum, payable upon the maturity of 20 December 2021.

b. Zenith EMTN Programme up to Euro 25M

On January 20, 2020, the Company announced the issuance of the following unsecured, multi-currency Euro Medium Term Notes at par value (the "Notes"):

- EURO 1,000,000 bearing an interest of 10.125 per cent per year

- GBP 1,000,000 bearing an interest of 10.50 per cent per year
- USD 1,000,000 bearing an interest of 10.375 per cent per year
- CHF 1,000,000 bearing an interest of 10.00 per cent per year

The Notes, as announced by the Company on November 6, 2019 (<https://www.zenithenergy.ca/investors/at-prospectus/>), are due on January 27, 2024. The Notes are admitted to trading on the Third Market (MTF) of the Vienna Stock Exchange ("Wiener Borse AG").

The Notes are governed by Austrian law and, since the Notes are not convertible into equity of Zenith.

The issue of the Notes is aligned with the Company's strategy of diversifying its financing towards non-equity dilutive funding to support its successful development.

The EMTN Programme was carried out primarily with the purpose of financing the Company's development activities in Azerbaijan (financing of the 1,200hp drilling rig and a new well). The Company chose the Vienna Stock Exchange because it was considered the most accessible market in terms of simplicity of process and listing costs. The currently available amount for the drawing under the Programme is intended to be used for the development of the Company's activities in Congo, Tunisia and Italy.

*c. Revolving credit facility*

On October 18, 2019, the Company entered into a revolving credit line facility for the total amount of Euro 200,000 (CAD\$294k) for a duration of 18 months. The facility is secured by a corresponding EMTN Zenith 8%, 2021 value.

*d. Accounting situation as of March 31, 2020*

At the year ended March 31, 2020, CAD\$82k (March 31, 2019 - CAD\$14k) is classified as a current liability and CAD\$18,505k (March 31, 2019 - CAD\$4,759k) is classified as long-term

## **16. Loss from discontinued operations (unaudited)**

On March 2, 2020, the Company announced that it would return the Contract Rehabilitation Area ("CRA") to SOCAR (the "Handover") and that it would continue to operate the CRA and maintain oil production activities in Azerbaijan without interruption until the Handover was completed. The Company stated it would achieve a near total reduction of operating expenses in Azerbaijan upon completion of the handover of the CRA, which was effectively completed in June 2020.

As a result of the Handover, all production infrastructure and employees associated with the CRA were transferred to a division of SOCAR. As per the REDPSA agreement with SOCAR, Zenith is not liable for any kind of compensation fee as a result of the termination thereof. In addition, there are no decommissioning fees to be borne by Zenith, whereas its Azerbaijan subsidiary has recently received a payment for oil production of approximately US\$508,000 from SOCAR corresponding to material revenues for the months of April, May and part of June 2020.

The unaudited results of the subsidiary in Azerbaijan have been included in the loss from discontinued operations in the statement of comprehensive income and they are comprised as follows:

	<b>Unaudited March 31, 2020 CAD\$'000</b>
Loss from operations in the year	(1,712)
Impairment of property, plant and equipment	(1,065,874)
Impairment of inventories	(395)
Impairment of assets acquired from Zena	(696)
Drilling	483,690
Write back of deferred consideration payable	1,790
Write back of decommissioning obligations	2,793
<b>Total</b>	<b>580,404</b>

## 17. Decommissioning provision

The following table presents the reconciliation of the carrying amount of the obligation associated with the reclamation and abandonment of the Group's oil and gas properties:

	<b>Unaudited March 31, 2020 CAD \$'000</b>	<b>Audited March 31, 2019 CAD \$'000</b>
<b>Balance – beginning of year</b>	<b>9,089</b>	<b>9,140</b>
Accretion	672	363
On acquisition of subsidiary	5,561	-
Eliminated on discontinued operations (Note 20)	(1,790)	-
Foreign currency translation	(31)	(414)
<b>Balance – end of year</b>	<b>13,501</b>	<b>9,089</b>

The provision has been made by estimating the decommissioning costs at current prices using existing technology. The following significant weighted average assumptions were used to estimate the decommissioning obligation:

	<b>2020</b>	<b>2019</b>
Undiscounted cash flows – uninflated	CAD \$8 million	CAD \$8 million
Undiscounted cash flows - inflated	CAD \$8 million	CAD \$8 million
Risk free rate	3.4%	3.4%
Inflation rate	1.4%	1.4%
Expected timing of cash flows	13.5 years	14.5 years

The timings of the cash flows depend on the capital expenditure incurred and the development of assets in each concession. Each concession has a license for a set number of years; however, the licenses could be extended for longer periods if the operator incurs capital expenditure and

develops the area. The application process starts after a license is not extended or when the reserves of a particular concession have been fully extracted.

## 18. Earnings per share

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Net loss for the year	(580,404)	(9,762)
Net profit/(loss) from continued operations	11,693	(9,762)
Net loss from discontinued operations	(568,711)	-
Basic weighted average number of shares	401,617	227,509
Potential dilutive effect on shares issuable under <del>warrants</del>	n/a	n/a
Potential diluted weighted average number of <del>shares</del>	n/a	n/a
Net earnings per share – basic (1)	\$ (1.42)	\$ (0.04)
Net earnings per share – diluted	\$ (1.42)	\$ (0.04)
From continuing operations - basic	\$ 0.03	\$ (0.04)
From continuing operations - diluted	\$ 0.02	\$ (0.04)
From discontinued operations - basic and diluted	\$ (1.45)	\$ -

<sup>(1)</sup> The Group did not have any in-the-money convertible notes, warrants and stock options during the years ended March 31, 2020 and 2019. The effect of convertible notes, warrants and stock options is anti-dilutive in loss periods.

The basic and diluted loss per share for 2020 are the same as there are no dilutive effects on earnings as the effect of the exercise of share options would be to decrease the earnings per share. Details of share warrants and options that could potentially dilute earnings per share in future years are set out in Note 15.

## 19. Commitments and contingencies

### *Acquisition commitments*

The Company acquired two producing assets in Africa, Tunisia and Congo, by the acquisition of local subsidiaries. Related to the acquisition, assets and liabilities were incorporated in the Company's balance sheet, with the commitment to pay the outstanding debt balances.

### *Asset Purchase commitments*

The Company acquired the Congolese asset for a consideration of GBP 200,000, which was completely paid during May 2020, and the Tunisian asset for a consideration of USD 500,000, of which USD 250,000 was paid in June 2020. The balance of the purchase price is due upon completion of the acquisition, that the Company estimates to be obtained during the month of October 2020.

**20. Financial risk management and financial instruments**

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
<b>Financial assets</b>		
Financial assets held at amortised cost	30,902	5,413
Cash and cash equivalents	1,221	3,058
<b>Total financial assets</b>	<b>32,123</b>	<b>8,471</b>

	Unaudited March 31, 2020	Financial liabilities at amortised cost CAD \$'000
<b>Financial liabilities</b>		
Trade and other payables	17,289	
Loans	3,454	
Non-convertible bond and notes	20,755	
Deferred consideration	-	
<b>Total financial liabilities</b>	<b>41,498</b>	

	Audited March 31, 2019	Financial liabilities at amortised cost CAD \$'000
<b>Financial liabilities</b>		
Trade and other payables	12,115	
Loans	7,193	
Non-convertible bond and notes	4,958	
Deferred consideration	483,854	
<b>Total financial liabilities</b>	<b>508,120</b>	

Zenith finances its operations through a mixture of equity, debt and retained earnings. Finance requirements are reviewed by the Board when funds are required for acquisition, exploration and development of projects.

Zenith's policy is to maintain an appropriate financial position to sustain future development of the business. There were no changes to the Group's capital management approach during the year ended March 31, 2020.

Zenith's treasury functions, which are managed by the board, are responsible for managing fund requirements and investments which include banking, cash flow management, interest and foreign exchange exposure to ensure adequate liquidity to meet cash requirements.

Zenith's principal financial instruments are cash and deposits, and also trade and other receivables. These instruments are used for meeting the Group's requirement for operations.

Zenith's main financial risks are foreign currency risk, liquidity risk, interest rate risk, commodity price risk and credit risks. Set out below are policies that are used to manage such risks:

*a) Credit risk*

Credit risk is the risk of an unexpected loss if a customer or counter party to a financial instrument fails to meet its commercial obligations. The Group's maximum credit risk exposure is limited to the carrying amount cash of CAD \$1,226k (2019 – CAD \$3,058k) and trade and other receivables of CAD \$30,902k (2019 – CAD \$5,248k).

Deposits are, as a general rule, placed with banks and financial institutions that have credit rating of not less than AA or equivalent which are verified before placing the deposits.

The composition of trade and other receivables is summarised in the following table:

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Oil and natural gas sales	2,394	1,321
Goods and services tax	-	41
Other	28,508	4,051
	<b>30,902</b>	<b>5,413</b>

The receivables related to the sale of oil and natural gas are due from large companies who participate in the oil and natural gas industry in Argentina and Italy. Oil and natural gas sales receivables are typically collected in the month following the sales month.

The Group considers its receivables to be aged as follows:

	Unaudited March 31, 2020 CAD \$'000	Audited March 31, 2019 CAD \$'000
Current	2,394	1,238
90 + days	-	124
	<b>2,394</b>	<b>1,362</b>

*b) Liquidity risk*

Liquidity risk is the risk that the Group will incur difficulties meeting its financial obligations as they are due. The Group'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 distressed conditions without incurring unacceptable losses or risking harm to the Group's reputation.

The Directors have considered the recoverability of the outstanding debts of the Group and do not consider there to be any impairment necessary.

## 21. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	<b>Unaudited</b> <b>March 31, 2020</b> <b>CAD \$'000</b>	<b>Audited</b> <b>March 31, 2019</b> <b>CAD \$'000</b>
Cash and cash equivalents	1,221	3,058
Loans – repayable within one year	(2,188)	(3,776)
Loans – repayable after one year	(1,266)	(3,417)
Non-convertible bond – repayable within one year	(86)	(199)
Non-convertible bond – repayable after one year	(20,669)	(4,759)
	<b>(22,988)</b>	<b>(9,093)</b>

	<b>Cash</b>	<b>Loans due within one year</b>	<b>Loans due after one year</b>	<b>Non-convertible bond due within one year</b>	<b>Non-convertible bond due after one year</b>	<b>Total</b>
<b>Net debt</b>	<b>CAD \$'000</b>	<b>CAD \$'000</b>	<b>CAD \$'000</b>	<b>CAD \$'000</b>	<b>CAD \$'000</b>	<b>CAD \$'000</b>
<b>April 1, 2018</b>	<b>2,497</b>	<b>(237)</b>	<b>(4,949)</b>	<b>(407)</b>	-	<b>(3,096)</b>
Issue of non-convertibles bonds	1,099	-	-	(154)	(945)	-
Interest on non-convertible bonds	-	-	-	(13)	-	(13)
Bonds in treasury	-	-	-	-	(3,814)	(3,814)
Repayment of non-convertible bonds	(375)	-	-	375	-	-
Transfer from current to non-current	-	(3,747)	3,747	-	-	-
Issue of convertible loans	-	-	(2,109)	-	-	(2,109)
Repayment of loans	(208)	208	-	-	-	-
Foreign exchange	-	-	(106)	-	-	(106)
Net cash flow	45	-	-	-	-	45
<b>March 31, 2019</b>	<b>3,058</b>	<b>(3,776)</b>	<b>(3,417)</b>	<b>(199)</b>	<b>(4,759)</b>	<b>(9,093)</b>
<b>March 31, 2019</b>	<b>3,058</b>	<b>(3,776)</b>	<b>(3,417)</b>	<b>(199)</b>	<b>(4,759)</b>	<b>(9,093)</b>
Issue of non-convertibles bonds	8,692	-	-	(8,692)	-	-
Interest on non-convertible bonds	-	-	-	(82)	-	(82)
Bonds in treasury	-	-	-	-	(9,813)	(9,813)

Repayment of non-convertible bonds	(2,790)			195	2,595	
Transfer from non-current to current		(2,151)	2,151			
Issue of loans	2,004	(2,004)				
Loan waived (net of expenses)		584				584
Repayment of loans	(5,029)	5,029				
Foreign exchange		130				130
Net cash flow	(4,714)					(4,714)
<b>March 31, 2020 (unaudited)</b>	<b>1,221</b>	<b>(2,188)</b>	<b>(1,266)</b>	<b>(86)</b>	<b>(20,669)</b>	<b>(22,988)</b>

## 22. Operating segments

The Group's operations are conducted in one business sector, the oil and natural gas industry. Geographical areas are used to identify Group's reportable segments. A geographic segment is considered a reportable segment once its activities are regularly reviewed by the Board of the Directors.

The Group has three reportable segments which are as follows:

- Italy, which commenced gas operations following the acquisition of assets in June 2013;
- The Republic of the Congo, which was acquired during the 2020 FY
- Other, which includes corporate assets and the operations in the Canadian, Swiss, Argentinian and Norwegian entities.

Azerbaijan, which was acquired during the FY 2017 and divested during FY 2020, is mentioned only for comparative purposes with the past financial year. The unaudited results for Azerbaijan as of March 31, 2020 are included in the "Discontinued Operations" (section 16).

YEAR 2019 (audited)	Azerbaijan CAD \$000	Italy CAD \$000	Other CAD \$000	Total CAD \$000
Property and equipment	1,064,988	8,369	6,281	1,079,638
Other assets	1,058	1,025	6,966	9,049
Total liabilities	492,921	8,401	18,285	519,607
Capital Expenditures	719	74	4,412	5,205
Revenue	5,733	834	-	6,567
Operating and transportation	(4,370)	(210)	(320)	(4,900)
General and Administrative	(1,528)	(405)	(6,024)	(7,957)
Depletion and depreciation	(1,857)	(375)	(50)	(2,283)
Finance and other expenses	(68)	(380)	(741)	(1,188)
Taxation	-	-	(1)	(1)
<b>Segment loss</b>	<b>(2,090)</b>	<b>(536)</b>	<b>(7,136)</b>	<b>(9,762)</b>

YEAR 2020 (unaudited)	Azerbaijan CAD \$000	Congo CAD \$000	Italy CAD \$000	Other CAD \$000	Total CAD \$000
Property and equipment	-	20,171	8,440	4,926	33,537
Other assets	985	10,531	1,263	20,156	32,935
Total liabilities	5,575	11,303	9,295	28,876	55,049
Capital Expenditures	1,021	20,184	61	751	22,017
Revenue	-	94	624	-	718
Operating and transportation	-	(131)	(416)	(2,405)	(2,952)
General and Administrative	-	(294)	(823)	(4,362)	(5,479)
Depletion and depreciation	-	(33)	(282)	(411)	(726)
Loss on discontinued operations	(580,404)	-	-	-	(580,404)
Gain on business combination	-	(2,742)	-	22,853	20,111
Finance and other expenses	-	-	(364)	389	25
Taxation	-	(4)		-	(4)
<b>Segment loss</b>	<b>(580,404)</b>	<b>(3,110)</b>	<b>(1,261)</b>	<b>16,064</b>	<b>(568,711)</b>

The following customers combined have 10% or more of the Group's revenue:

		Unaudited March 31, 2020	Audited March 31, 2019
		CAD \$000	CAD \$000
Customer A		-	5,734
Customer B		528	691