RAZOR ENERGY CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

RAZOR ENERGY CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

(Stated in thousands of Canadian dollars)	Note	June 30, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		2,710	1,098
Restricted cash	4	1,081	-
Accounts receivable	12	7,389	6,464
Prepaid expenses and deposits		3,176	1,547
Inventory	5	565	345
		14,921	9,454
Property, plant and equipment	6	140,464	154,255
TOTAL ASSETS		155,385	163,709
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	29,958	24,970
Commodity contracts	12	404	-
Decommissioning obligations	9	2,522	3,097
Current portion of lease obligation	8	1,774	2,905
Current portion of long-term debt	7	3,659	50,765
		38,317	81,737
Non-Current			
Long-term debt	7	59,019	113
Long-term lease obligation	8	708	389
Decommissioning obligations	9	123,130	136,080
TOTAL LIABILITIES		221,174	218,319
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	11	27,540	27,540
Contributed surplus	11	694	694
Deficit		(94,023)	(82,844)
		(65,789)	(54,610)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		155,385	163,709
Future Operations	2		
Commitments and Contingencies	13		
Subsequent Events	19		

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

RAZOR ENERGY CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(UNAUDITED)

		Three Months Ended June 30,		Six Months Ended June 30,	
(Stated in thousands of Canadian dollars, except per share amounts)	Note	**2021**	2020	**2021**	2020
REVENUES					
Commodity sales from production		**16,260**	8,638	**29,644**	21,738
Blending and processing revenue		**776**	1,061	**2,144**	2,674
Other revenue		**149**	(171)	**552**	761
Total revenues	14	**17,185**	9,528	**32,340**	25,173
Royalties		**(2,193)**	(871)	**(3,454)**	(2,457)
Net revenues		**14,992**	8,657	**28,886**	22,716
Other income	18	**557**	2,588	**1,125**	2,584
Realized loss on commodity contracts settlement	12	**(52)**	(937)	**(52)**	(1,753)
Unrealized gain (loss) on commodity risk	12	**(1,004)**	101	**(922)**	36
		14,493	10,409	**29,037**	23,583
EXPENSES					
Operating		**12,193**	7,360	**24,781**	20,779
Transportation and treating		**583**	580	**1,221**	1,247
Blending and processing		**521**	(88)	**962**	332
General and administrative		**929**	755	**2,144**	2,655
Bad debt		**82**	6	**139**	1
Financing	15	**2,573**	1,825	**4,984**	3,801
Depletion, depreciation and amortization	6	**3,250**	4,410	**6,143**	8,327
Impairment on property, plant and equipment	6	**-**	-	**-**	24,740
Impairment recovery on inventory	5	**-**	(360)	**-**	-
Realized foreign exchange loss		**55**	-	**75**	-
Unrealized foreign exchange (gain) loss		**(149)**	4	**(233)**	12
		20,037	14,492	**40,216**	61,894
Loss before income tax		**(5,544)**	(4,083)	**(11,179)**	(38,311)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		**(5,544)**	(4,083)	**(11,179)**	(38,311)
NET LOSS PER SHARE					
Basic and diluted	16	**(0.26)**	(0.19)	**(0.53)**	(1.82)

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

RAZOR ENERGY CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICENCY)

(UNAUDITED)

(Stated in thousands of Canadian dollars)	Note	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity (Deficiency)
December 31, 2019		27,540	694	(36,384)	(8,150)
Dividends	11	-	-	(263)	(263)
Net loss		-	-	(38,311)	(38,311)
June 30, 2020		**27,540**	**694**	**(74,958)**	**(46,724)**
December 31, 2020		27,540	694	(82,844)	(54,610)
Net loss		-	-	(11,179)	(11,179)
June 30, 2021		**27,540**	**694**	**(94,023)**	**(65,789)**

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

RAZOR ENERGY CORP.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)		Three Months Ended June 30,		Six Months Ended June 30,	
(Stated in thousands of Canadian dollars)	Note	**2021**	2020	**2021**	2020
Operating Activities					
Net loss for the period		**(5,544)**	(4,083)	**(11,179)**	(38,311)
Adjustments for non-cash items:					
Unrealized (gain) loss on commodity risk management	12	**1,004**	(101)	**922**	(36)
Unrealized (gain) loss on foreign currency translation		**(126)**	4	**(210)**	12
Gain on sale of assets	6	**(3)**	-	**(3)**	-
Other income	18	**(527)**	-	**(926)**	-
Financing costs	15	**2,573**	1,825	**4,984**	3,801
Depletion, depreciation and amortization	6	**3,224**	4,365	**6,150**	8,490
Impairment	6	**-**	-	**-**	24,740
Decommissioning costs incurred	9	**(229)**	(25)	**(282)**	(370)
Purchase commodity contracts		**(10)**	-	**(518)**	-
Changes in non-cash working capital	17	**41**	(2,525)	**(2,053)**	3,387
Net cash flows from (used in) operating activities		**403**	(540)	**(3,115)**	1,714
Financing Activities					
Proceeds from long-term debt	7	**-**	-	**14,006**	-
Repayment of long-term debt	7	**(1,820)**	(73)	**(1,907)**	(145)
Deferred financing cost	7	**-**	-	**(2,649)**	-
Payment of lease obligation	8	**(605)**	(565)	**(1,007)**	(839)
Interest expense	15	**379**	973	**(1,125)**	(337)
Dividends	11	**-**	-	**-**	(263)
Changes in non-cash working capital	17	**(685)**	(1,119)	**-**	-
Net cash flows from (used in) financing activities		**(2,731)**	(784)	**7,318**	(1,584)
Investing Activities					
Capital expenditures	6	**(6,231)**	(268)	**(7,090)**	(718)
Proceeds from government grants for assets	6	**1,363**	851	**1,363**	851
Proceeds on sale of assets	6	**22**	-	**22**	-
Restricted cash	4	**(327)**	(299)	**(1,081)**	(299)
Changes in non-cash working capital	17	**4,229**	(277)	**4,267**	(854)
Net cash flows from (used in) investing activities		**(944)**	7	**(2,519)**	(1,020)
Foreign currency translation		**(36)**	(3)	**(72)**	(12)
Change in cash and cash equivalents		**(3,308)**	(1,320)	**1,612**	(903)
Cash and cash equivalents, beginning of period		**6,018**	2,322	**1,098**	1,905
Cash and cash equivalents, end of period		**2,710**	1,002	**2,710**	1,002
Cash interest paid		**305**	147	**1,126**	337

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

RAZOR ENERGY CORP.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

AS AT JUNE 30, 2021 AND FOR THE THREE MONTHS ENDED JUNE 30, 2021 AND 2020

(Amounts expressed in Canadian dollars, except as otherwise noted)

1. CORPORATE INFORMATION

Razor Energy Corp. ("Razor" or the "Company") is a publicly listed company incorporated in the province of Alberta, Canada and its shares are listed on the TSX Venture Exchange ("**TSXV**"). The address of its head office is 800, 500-5th Avenue SW, Calgary, Alberta, Canada, T2P 3L5. Razor is engaged in the exploration, development and production, and the acquisition of oil and natural gas properties in western Canada. The Company trades under the symbol "RZE.V" on the TSXV.

2. BASIS OF PRESENTATION

FUTURE OPERATIONS

As at June 30, 2021, the Company has a working capital deficit of $23.4 million, of which $2.7 million is comprised of cash and cash equivalents and used cash in operating activities of $3.1 million for the six months ended June 30, 2021. Further, at June 30, 2021, the Company has contractual repayments of $44.3 million due in less than one year. At December 31, 2020, certain equipment loans and leases were in default due to cross covenant violations under the Amended Term Loan Facility with AIMCo and at December 31, 2020 these loans and leases were classified as potentially due on demand current liabilities. At March 31, 2021, the Company had not remedied the defaults for these equipment loans and leases and continued to classify these items as potentially due on demand current liabilities. The Company had cross covenant default provisions in the AIMCo Term Loan and the Arena Term Loan, which were in default as a result of the default on the equipment loans and leases at March 31, 2021 and as a result had classified the AIMCo Term Loan and the Arena Term Loan as potentially due on demand current liabilities at March 31, 2021.

At June 30, 2021, the Company has received executed agreements from all parties that waived all defaults conditions (notes 7 and 8). As a result, the loans and leases are currently no longer due on demand and have reverted to their original repayment terms.

Although the support of the lenders and lessors is important to the Company remaining a going concern, the fact remains that the Company has a significant working capital deficit and contractual payments. The Company anticipates funding the working capital deficit and contractual repayments, which include the Arena Term Loan, with a combination of cash from operations, other new debt or equity financings. The company is employing the following specific strategies to assist in funding the working capital deficit and making the contractual payments:

- Strict capital and operating cost discipline
- Working proactively with vendors on payment schedules
- Working with partners to bring non-operated production back on stream

- Strategic acquisitions (see note 19 Subsequent Events)

Further, the Company will utilize funds from the Arena Loan to reactivate wells in order to increase production, which is not without risk, to provide a positive contribution towards funding the working capital deficit. While commodity prices have shown a steady rebound in 2021, a material uncertainty remains as to whether the Company can generate sufficient positive cash flow from operations to meet all of its obligations as they come due. In addition, the debt has certain covenants that will come into effect in 2022 that based on current financial results will be difficult to maintain.

Due to the conditions noted above there remains a material uncertainty surrounding the Company's ability to generate adequate cash flow from operations to enable the Company to address the working capital deficit and contractual payment obligations. These material uncertainties create significant doubt with respect to the Company's ability to meet its obligations as they come due and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The unaudited interim condensed consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for the unaudited interim condensed consolidated financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. These adjustments could be material.

STATEMENT OF COMPLIANCE

The unaudited interim condensed consolidated financial statements are prepared according to International Accounting Standard (IAS) 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") effective as of June 30, 2021. They do not include all the disclosures required in annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020.

The accounting policies and significant accounting judgments, estimates and assumptions used in these unaudited interim condensed consolidated financial statements are consistent with those described in Notes 3 and 4 of the Company's consolidated financial statements for the year ended December 31, 2020.

These unaudited interim condensed consolidated financial statements include the accounts of Razor Energy Corp. and its wholly owned subsidiaries, Blade Energy Services Corp., FutEra Power Corp. and its subsidiaries, Razor Royalties Limited Partnership, Razor Holdings GP Corp. and Razor Resources Corp. All inter-entity transactions have been eliminated.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors, on August 26, 2021.

BASIS OF MEASUREMENT

These unaudited interim condensed consolidated financial statements are prepared on a historic cost basis; except for financial instruments which are measured at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's and its wholly owned subsidiary's functional currency. Transactions completed in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the time of the transactions. Foreign currency assets and liabilities are translated to functional currency at the period-end exchange rate. Revenue and expenses are translated to functional currency using the average exchange rate for the period. Realized and unrealized gains and losses resulting from the settlement or translation of foreign currency transactions are included in net income or loss.

3. COVID-19 ESTIMATION UNCERTAINTY

Management makes judgements and assumptions about the future in deriving estimates used in preparation of these unaudited interim condensed consolidated financial statements in accordance with IFRS. Sources of estimation uncertainty include estimates used to determine economically recoverable oil, natural gas, and natural gas liquids reserves, the recoverable amount of long-lived assets or cash generating units, the fair value of financial derivatives, the provision for asset retirement obligations and the provision for income taxes and the related deferred tax assets and liabilities.

During the three months ended June 30, 2021, the global economy continued to show signs of recovery from the impacts of the COVID-19 pandemic. The outlook for crude oil demand has improved due to the easing of restrictions combined with the distribution of vaccines in developed countries. Global spot prices for crude oil have recovered to pre-pandemic levels as optimism for demand recovery improves and OPEC continues to adhere to production curtailments that limit supply. While we have benefited from these recent improvements in crude oil prices there remains significant volatility in price, uncertainty related to the COVID-19, and OPEC production curtailments have been considered in our estimates for the period ended June 30, 2021.

4. RESTRICTED CASH

Restricted cash consists of cash held in a restricted account as collateral under the terms of the commodity contracts and is considered not available for general use by the Company. In addition, as per the terms of the Arena Term Loan $403 thousand ($USD 325 thousand) is held as restricted cash as at June 30, 2021. The Company held a total of $1,081 thousand as restricted cash at June 30, 2021 (December 31, 2020 - Nil).

5. INVENTORY

Razor’s product inventory consists of the Company’s unsold crude oil barrels, which is valued at the lower of cost and net realizable value. Costs include operating expenses and depletion associated with the unsold crude oil barrels on a CGU basis.

As at June 30, 2021, the Company held 9,784 barrels of oil (December 31, 2020 – 8,203 barrels) in inventory. The inventory at June 30, 2021 was valued at an average cost of $57.73 per barrel (December 31, 2020 - $42.01 per barrel) for a total value of $565 thousand (December 31, 2020 - $345 thousand). Included in this amount is $110 thousand of depletion expense for the period ended June 30, 2021 (December 31, 2020 - $103 thousand). For the current period there were no inventory impairments (June 30, 2020, impairment reversal of $360 thousand).

6. PROPERTY, PLANT AND EQUIPMENT

A reconciliation of the changes in the carrying amount of property, plant and equipment (PP&E) is as follows:

($000's)	**Total**
Cost	
December 31, 2020	**244,069**
Capital expenditures	7,090
Right-of-use asset	194
Asset disposals	(60)
Government grants	(1,363)
Change in decommissioning obligations	(13,543)
June 30, 2021	**236,387**
Accumulated depletion, depreciation and amortization	
December 31, 2020	**61,074**
Depletion, depreciation and amortization	6,150
Accumulated depreciation on asset disposal	(41)
June 30, 2021	**67,183**
Impairment	
December 31, 2020	28,740
Impairment expense	-
June 30, 2021	**28,740**
Net book value	
December 31, 2020	**154,255**
June 30, 2021	**140,464**

At June 30, 2021, Razor evaluated its PP&E for indicators of impairment or reversal of previously recognized impairment and determined that no such indicators were present compared to its last impairment test at March 31, 2020.

At March 31, 2020, Razor evaluated its developed and producing assets on a CGU (Swan Hills, Kaybob, and Southern Alberta) basis for indicators of any potential impairment. The declines in the forecasted commodity prices were identified as an indicator of impairment. As a result, the Company completed an impairment test on all of its CGU's in accordance with IAS 36. At March 31, 2020, the recoverable value of Razor's Swan Hills CGU exceeded its carrying value and no impairment was recorded. At March 31, 2020, it was determined that the carrying value of the Kaybob and Southern Alberta CGUs exceeded their recoverable amounts and impairment charges of $16.03 million and $8.71 million, respectively, were recognized for the CGUs.

At December 31, 2020, Razor evaluated its PP&E for indicators of impairment or reversal of previously recognized impairment and determined that no such indicators were present compared to its last impairment test at March 31, 2020.

There were no borrowing costs capitalized in the quarter, as the Company did not have any qualifying assets. As at June 30, 2021, future development costs required to develop proved and probable reserves in the amount of $43.1 million are included in the depletion calculation for PP&E (December 31, 2020 - $43.1 million).

7. LONG-TERM DEBT

Loan with Alberta Investment Management Corporation ("AIMCo")

On February 16, 2021, the Company extended the Amended Term Facility with AIMCo (the "AIMCo Term Loan") for an amended principal amount of $50.1 million, being the amounts outstanding with AIMCo on such date. Principal under the extended AIMCo Term Loan is due in full on January 31, 2024, with an interest rate of 10%, payable semi-annually. There were no additional proceeds received from the AIMCo Term Loan. Including the contingent consideration of $3.5 million (see below), the effective interest rate of the Amended Term Loan Facility is 12% per annum (December 31, 2020 - 12%).

As consideration for the AIMCo Term Loan, FutEra Power Corp. ("FutEra"), a wholly owned subsidiary of Razor at the time, granted AIMCo common shares of FutEra representing 22.4% of the total outstanding common shares and these shares are currently held in trust. The Swan Hills Geothermal Project has not been funded by July 31, 2021, the shares held in trust as part of this transaction shall be returned to Razor and $3.5 million will be added to the principal amount and due at maturity as part of the AIMCo Term Loan. The AIMCo Term Loan is secured by a first charge on all present and after-acquired personal property as well as a floating charge on land pursuant to a general security agreement and a promissory note. Razor has obtained exemptions to the first charge from AIMCo for certain field equipment for which Razor obtained loans or lease financing, in addition, Razor has obtained exemptions to the first charge from AIMCo to allow Arena Investors LP to have first lien security on all assets within Razor Royalties Limited Partnership and Razor Holdings GP Corp.

Subsequent to June 30, 2021, the Company did not meet the threshold for AIMCo's funding requirements at July 31, 2021 and therefore the FutEra shares are no longer in trust and $3.5 million is no longer a contingent consideration and has been added to the AIMCo Term Loan.

The AIMCo Term Loan is subject to the following financial covenants:

- a maximum adjusted net debt-to-adjusted cash flow ratio of 5:1 commencing for each fiscal year ended December 31, 2022, and December 31, 2023; and
- a minimum working capital ratio of 1:1 from and after each fiscal quarter commencing September 30, 2022.

Adjusted net debt is the sum of current liabilities, long-term debt (principal), and the fair value of commodity contracts classified as liabilities, less the sum of current assets and the fair value of commodity contracts classified as assets. Adjusted cash flow for the year is calculated as cash provided by and used in operating activities less changes in operating working capital, plus income taxes paid. Working capital ratio is the ratio of (i) current assets, excluding the fair value of commodity contracts, to (ii) the current liabilities, excluding the current portion of long-term debt and excluding the fair value of commodity contracts. All financial covenant calculations exclude FutEra and its subsidiaries.

As at June 30, 2021, Razor was in compliance with all of its non-financial debt covenants. At March 31, 2021, the default condition on certain equipment loans and leases (note 8) had created a cross covenant default for the AIMCo Term Loan and had resulted in this loan being potentially due on demand and classified as a current liability at March 31, 2021.

At June 30, 2021, Razor has received executed agreements from all parties that waived all default conditions for this loan and the other loans and leases impacted, and therefore the classification of the loan is a long-term liability based on the contractual terms.

Loan with Arena Investors, LP

On February 16, 2021, Razor Royalties Limited Partnership ("RRLP"), a wholly owned subsidiary of Razor, entered into a new term loan with Arena Investors, LP ("the Arena Term Loan") of US$11,042,617 (CAD$14,006,455).

The Arena Term Loan will be repaid over 29 months with principal and interest payments of approximately US$0.4 million per month, commencing April 1, 2021, and full repayment with interest of the loan on August 1, 2023. The funded principal amount, after the original issuer discount, is US$10,035,000 (CAD $12,702,532). The Arena Term Loan carries a fixed annual interest rate of 7.875%. Security consists of a first lien on all assets within Razor Royalties Limited Partnership ("RRLP") and Razor Holdings GP Corp. The Arena Term Loan is also secured by a second lien on the assets of Razor, excluding Razor's subsidiaries Blade Energy Services Corp. ("Blade"), FutEra Power and its subsidiaries, and Razor Resources Corp.

The Arena Term Loan is subject to the following covenants:

- Use at least US$6,700,000 (CAD$ 8,481,013) to complete the activities outlined in an agreed development plan for the period ended June 30, 2022;
- Minimum hedge requirements for not less than 80% of RRLP's 20 month forward projected overriding royalty;
- Commencing in April 2021, maintain minimum production 3,000 boe/day; and
- The general and administrative expenses of RRLP shall not exceed $100,000 in any fiscal year.

As at June 30, 2021, Razor was in compliance with all of its non-financial debt covenants. At March 31, 2021, the default condition on certain equipment loans and leases (note 8) had created a cross covenant default for the Arena Term Loan and had resulted in this loan being potentially due on demand and classified as a current liability at March 31, 2021.

At June 30, 2021, Razor has received executed agreements from all parties that waived all default conditions and therefore is classifying this loan into its current and long-term liability portions based on the contractual terms.

The changes in long-term debt are as follows:

($000's)	**June 30, 2021**	**December 31, 2020**
Balance, beginning of period	**50,878**	44,667
Arena Term Loan[1]	**14,006**	-
Unrealized FX gain on US denominated debt	**(283)**	-
AIMCo Term Loan – Futera consideration	**3,500**	-
Deferred financing costs	**(6,149)**	-
Repayment of Arena Term Loan	**(1,732)**	-
Repayment of Promissory Notes	**(175)**	(325)
Amortization of deferred financing costs	**792**	1,207
Amended Term Loan Facility - Interest deferral	**-**	2,693
Amended Term Loan Facility - Interest deferral	**-**	2,452
Amended Term Loan Facility – Interest deferral [2]	**1,841**	-
Promissory Note-3	**-**	184
Balance, end of period	**62,678**	50,878

1) The Arena Term Loan is U.S. dollar denominated debt of $11,042,617 converted at Feb.16 fx rate – date of inception and revalued at each statement of financial position date.

2) The interest payment due June 30, 2021 for the period of February 16, 2021 to June 30, 2021 was added to the existing $50.145 million principal based on 10% interest.

As at June 30, 2021 and December 31, 2020, Razor had the following outstanding long-term debt:

($000's)	Maturity	**June 30, 2021**	**December 31, 2020**
Amended Term Loan Facility – interest deferral	Jan-2021	**-**	2,693
Amended Term Loan Facility – interest deferral	Jan-2021	**-**	2,452
AIMCo Term Loan – principal	Jan-2024	**50,145**	45,000
AIMCo Term Loan – Futera consideration	Jan-2024	**3,500**	-
AIMCo Term Loan – interest deferral	Jan-2024	**1,841**	
Arena Term Loan	Jul-2023	**11,944**	-
Promissory Note-1	Sep-2022	**346**	478
Promissory Note-2	Dec-2022	**77**	101
Promissory Note-3	May-2024	**134**	154
		67,987	50,878
Deferred financing costs		**(5,309)**	-
Total debt		**62,678**	50,878
Current portion		**3,659**	50,765
Long-term portion		**59,019**	113
Total debt		**62,678**	50,878

Deferred financing costs totaling $6.1 million were netted against debt. Deferred financing costs related to the AIMCo Term Loan are comprised of contingent consideration of $3.5 million and legal fees of $111 thousand. Deferred financing costs related to the Arena Term Loan are comprised of the original issuer discount of CAD$1.3 million and various fees and expenses totaling CAD$1.3 million.

8. LEASE OBLIGATION

On April 20, 2021, the Company signed an extension to its existing lease agreement for the lease of office space in Swan Hills. The lease extension is for a period of three years and Razor has setup as a right-of-use asset to be amortized over the three-year lease term.

On March 1, 2021, the Company entered into a lease agreement for the lease of office space in Swan Hills for its subsidiary to replace its existing office lease. The lease is for a period of two years and Razor has setup as a right-of-use asset to be amortized over the two-year lease term.

At December 31, 2020, certain equipment loans and leases were in default due to cross covenant default issues related to covenant violations under the Amended Term Loan Facility with AIMCo and at December 31, 2020 these loans and lease were classified as potentially due on demand current liabilities. This condition remained in effect as at March 31, 2021.

At June 30, 2021, the Company has received executed agreements from all impacted lessors that waived all the default provisions, therefore classifying the leases into its current and long-term liability portions based on the contractual terms.

The changes in lease obligations are as follows:	**June 30,**	**December 31,**
($000's)	**2021**	**2020**
Balance, beginning of period	**3,294**	4,744
Liabilities incurred	**195**	196
Liabilities settled	**(1,107)**	(1,997)
Interest expense	**100**	351
Balance, end of period	**2,482**	3,294
Current portion	**1,774**	2,905
Long-term portion	**708**	389
Lease obligation	**2,482**	3,294

The total undiscounted amount of the estimated future cash flows to settle the lease obligations over the remaining lease term is $2.7 million.

Razor's minimum lease payments are as follows:

	June 30,	**December 31,**
($000's)	**2021**	**2020**
Within one year	**1,884**	2,938
Later than one year but not later than three years	**621**	251
Later than three years	**232**	280
Minimum lease payments	**2,737**	3,469
Amount representing finance charge	**(255)**	(175)
Present value of net minimum lease payments	**2,482**	3,294

9. DECOMMISSIONING OBLIGATIONS

Decommissioning obligations represent the present value of the future costs to be incurred to abandon and reclaim the Company's wells, facilities, and pipelines.

The changes in decommissioning obligations are as follows:

($000's)	**June 30, 2021**	**December 31, 2020**
Balance, beginning of period	**139,177**	119,148
Non-monetary transaction	**-**	2,666
Government subsidy for decommissioning expenditures	**(926)**	(198)
Decommissioning expenditures	**(282)**	(340)
Effect of change in discount rate and inflation	**(12,821)**	17,861
Revisions to estimates	**(722)**	(1,398)
Accretion expense	**1,226**	1,438
Balance, end of period	**125,652**	139,177
Current portion	**2,522**	3,097
Long-term portion	**123,130**	136,080
Decommissioning obligations	**125,652**	139,177

The provision for the costs of decommissioning production wells, facilities and pipelines at the end of their economic lives has been estimated using existing technology, at current prices or long-term assumptions and based upon the expected timing of the activity. Revisions to estimates were primarily driven by revisions to estimates in the timing of projected cash outflows on decommissioning obligations.

The significant assumptions used to estimate the decommissioning obligations are as follows:

	June 30, 2021	**December 31, 2020**
Undiscounted cash flows (000's)	**129,076**	129,801
Discount rate (%)	**1.84**	1.21
Inflation rate (%)	**1.73**	1.49
Weighted average expected timing of cash flows (years)	**25**	25

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

1. Retain access to capital markets
2. Ensure its ability to meet all financial obligations and meet its operational and strategic objectives

Razor's capital structure consists of shareholders' equity and long-term debt and leases. The Company makes adjustments to its capital structure based on changes in economic conditions and its planned requirements. Razor adjusts its capital structure by issuing new common or preferred equity, or debt, changing its dividend policy, or making adjustments to its capital expenditure program, subject to restrictions and covenants in the AIMCo Term Loan and the Arena Term Loan.

11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series.

AUTHORIZED AND ISSUED

A reconciliation of the number and dollar amount of outstanding shares is shown below.

	June 30, 2021		December 31, 2020	
Common Shares	**Number**	**($000's)**	**Number**	**($000's)**
Shares outstanding, end of period	**21,064,466**	**27,540**	21,064,466	27,540

DIVIDENDS

On January 9, 2020, Razor announced a monthly cash dividend of $0.0125 per share, for a total of $263 thousand in dividends. On February 5, 2020, the Company suspended the payment of dividends effective February 2020 in response to significant price volatility for crude products in the Canadian energy sector.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are measured at amortized cost or fair value. Fair value represents the estimated amounts at which financial instruments could be exchanged between knowledgeable and willing parties in an arm's length transaction. Determining fair value requires management judgement.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The Company uses quoted market prices when available to estimate fair value. Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Management's judgment as to the significance of a particular input may affect placement within the fair value hierarchy levels.

The fair value hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3: inputs for the asset or liability that are not based on observable market data, such as the Company's internally developed assumptions about market participant assumptions used in pricing an asset or liability.

The valuation methods used to determine the fair value of each financial instrument and its associated level in the fair value hierarchy is described below.

Financial Instruments	**Fair Value Method**
Measured at Amortized Cost	
Cash, cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities	Measured initially at fair value, then at amortized cost after initial recognition. Fair value approximates carrying value due to their short-term nature.
Long-term debt	Measured initially at fair value, then at amortized cost after initial recognition using the effective interest method. Fair value is determined using discounted cash flows at the current market interest rate. (Level 2)
Measured at Fair Value	
Commodity contracts	Financial contracts are classified as commodity contracts and are measured at fair value with the changes during the period recorded in profit or loss as unrealized gains or losses. Determined using observable period-end forward curves. (Level 2)

The carrying value and fair value of the Company's financial instruments at June 30, 2021 are as follows:

($000's)	**Carrying Value**	**Fair Value**
Cash and cash equivalents	**2,710**	2,710
Restricted cash	**1,081**	1,081
Accounts receivable	**7,389**	7,389
Accounts payable and accrued liabilities	**29,958**	29,958
Commodity contract liability	**404**	404
Minimum Lease obligation	**2,737**	2,737
Promissory Notes	**557**	545
Term Loan Facilities	**67,430**	67,372

MARKET RISK

Razor is exposed to normal market risks inherent in the oil and natural gas business, including, but not limited to, liquidity risk, commodity price risk, credit risk, interest rate risk, and foreign exchange risk. The Company seeks to mitigate these risks through various business processes and management controls.

Management has overall responsibility for the establishment of risk management strategies and objectives. Razor's risk management policies are established to identify the risks faced, to set appropriate risk limits, and to monitor adherence to risk limits and to comply with banking requirements. Risk management policies are reviewed regularly to reflect changes in market conditions and Razor’s activities.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity is managed through cash, debt and equity management strategies, when available. Razor manages its liquidity requirements by use of both short-term and long-term cash forecasts.

As at June 30, 2021, the Company has a working capital deficit of $23.4 million, of which $2.7 million is comprised of cash and cash equivalents and used cash in operating activities of $3.1 million for the six months ended June 30, 2021. Further, at June 30, 2021, the Company has contractual repayments of $44.3 million due in less than one year. At December 31, 2020, certain equipment loans and leases were in default due to cross covenant violations under the Amended Term Loan Facility with AIMCo and at December 31, 2020 these loans and leases were classified as potentially due on demand current liabilities. At March 31, 2021, the Company had not remedied the defaults for these equipment loans and leases and continued to classify these items as potentially due on demand current liabilities. The Company had cross covenant default provisions in the AIMCo Term Loan and the Arena Term Loan, which were in default as a result of the default on the equipment loans and leases at March 31, 2021 and as a result had classified the AIMCo Term Loan and the Arena Term Loan as potentially due on demand current liabilities at March 31, 2021.

At June 30, 2021, the Company has received executed agreements from all parties that waived all defaults conditions (notes 7 and 8). As a result, the loans and leases are currently no longer due on demand and have reverted to their original repayment terms.

Although the support of the lenders and lessors is important to the Company remaining a going concern, the fact remains that the Company has a significant working capital deficit and contractual payments. The Company anticipates funding the working capital deficit and contractual repayments, which include the Arena Term Loan, with a combination of cash from operations, other new debt or equity financings. The company is employing the following specific strategies to assist in funding the working capital deficit and making the contractual payments:

- Strict capital and operating cost discipline
- Working proactively with vendors on payment schedules
- Working with partners to bring non-operated production back on stream
- Strategic acquisitions (see note 19 Subsequent Events)

Further, the Company will utilize funds from the Arena Loan to reactivate wells in order to increase production, which is not without risk, to provide a positive contribution towards funding the working capital deficit. While commodity prices have shown a steady rebound in 2021, a material uncertainty remains as to whether the Company can generate sufficient positive cash flow from operations to meet all of its obligations as they come due. In addition, the debt has certain covenants that will come into effect in 2022 that based on current financial results will be difficult to maintain.

Due to the conditions noted above there remains a material uncertainty surrounding the Company’s ability to generate adequate cash flow from operations to enable the Company to address the working capital deficit and contractual payment obligations. These material uncertainties create significant doubt with respect to the Company’s ability to meet its obligations as they come due and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The unaudited interim condensed consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for the unaudited interim condensed consolidated financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. These adjustments could be material.

The table below summarizes the Company's contractual obligations as at June 30, 2021:

($000's)	**Recognized in Financial Statements**	**Total**	**Less than 1 year**	**2-3 years**	**4-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	Yes-Liability	**29,958**	29,958	-	-	-
AIMCo Term Loan	Yes-Liability	**55,486**	-	55,486	-	-
Arena Term Loan	Yes-Liability	**11,944**	5,542	6,402	-	-
Promissory notes	Yes-Liability	**557**	368	189	-	-
Minimum lease obligation	Yes-Liability	**2,737**	2,070	293	374	-
Interest payable [1 2]	No	**14,716**	6,013	8,598	14	91
Lease operating costs	No	**222**	222	-	-	-
Transportation services	No	**1,182**	81	258	205	638
Total		**116,802**	**44,254**	**71,226**	**593**	**729**

1) Interest costs incurred but unpaid are included as part of the accrued liabilities in the financial statements.

2) Excludes interest paid on minimum lease obligation and lease liability.

Commodity Price Risk

Razor is exposed to commodity price risk as prices for oil and natural gas products fluctuate in response to many factors including local and global supply and demand, weather patterns, pipeline transportation, political stability, and economic factors. Commodity price fluctuations are an inherent part of the oil and gas business. As part of the requirements of the Arena Term Loan, Razor has entered into hedge contracts on a portion of its future production to protect cash flows. The Company does not apply hedge accounting for these contracts.

As at June 30, 2021, Razor had the following derivative contracts outstanding:

Oil - Upside enhanced traditional collars [1]

Reference point	Volume (bbls/mth)	Remaining Term	Floor Long Put USD/bbl	Ceiling Short Call USD/bbl	Long Upside Call USD/bbl	Fair Value (CAD 000's)
NYMEX WTI financial futures	8,000	July 1'21-Feb 28'22	50.00	66.00	73.00	(274)
NYMEX WTI financial futures	8,000	Mar 1'22-Jan 31'23	50.00	65.00	75.00	(130)
						(404)

1) These contracts are upside enhanced traditional collars whereby the Company receives the floor price/bbl when the market price is below the floor price/bbl, and receives the ceiling price/bbl when the market price is above the ceiling price/bbl, unless the market price rises above the long upside call, at which point the maximum price would be the NYMEX WTI oil index less the difference between the ceiling price and the long upside call strike price.

As at June 30, 2021, the Company fair valued the oil commodity contracts as a liability of $404 thousand (December 31, 2020 - $0) on the Statement of Financial Position. The Company recorded an unrealized loss of $981 thousand and $899 thousand for the three and six month periods ended June 30, 2021, respectively (June 30, 2020 – unrealized gain of $101 thousand and $36 thousand for the three and six months respectively) and a realized loss of $52 thousand in earnings for the three and six month periods ended June 30, 2021 (June 30, 2020 – realized loss of $937 thousand and $1,753 thousand for the three and six months respectively). In conjunction with entering into the above contracts Razor paid CAD $518 thousand (US$408 thousand).

Subsequent to June 30, 2021, the Company has sold and purchased certain commodity contracts as follows:

Oil - Upside enhanced traditional collars [1]

Reference point	Volume (bbls/mth)	Remaining Term	Floor Long Put USD/bbl	Ceiling Short Call USD/bbl	Long Upside Call USD/bbl
NYMEX WTI financial futures	8,000	Feb 28'23	50.00	65.00	75.00

1) These contracts are upside enhanced traditional collars whereby the Company receives the floor price/bbl when the market price is below the floor price/bbl, and receives the ceiling price/bbl when the market price is above the ceiling price/bbl, unless the market price rises above the long upside call, at which point the maximum price would be the NYMEX WTI oil index less the difference between the ceiling price and the long upside call strike price.

Credit Risk

Razor is exposed to third party credit risk through its contractual arrangements with its partners in jointly owned assets, marketers of petroleum and natural gas and other parties. In the event such entities fail to meet their contractual obligations to Razor, such failures could have a material adverse effect. The maximum credit risk that the Company is exposed to is the carrying value of cash and cash equivalents, restricted cash, and accounts receivable.

The Company's accounts receivables of $7.4 million at June 30, 2021, (December 31, 2020 - $6.5 million) are non-interest bearing.

The Company's receivables are summarized as follows:

($000's)	**June 30, 2021**	**December 31, 2020**
Trade receivables	**6,272**	4,714
Joint venture receivables	**1,288**	1,696
Other receivables	**113**	227
Allowance for doubtful accounts	**(284)**	(173)
	7,389	6,464

The majority of the credit exposure on trade receivables as at June 30, 2021, pertains to revenue for accrued June 2021 production volumes. Receivables from the oil and gas marketing companies are typically collected on the 25th day of the month following production. Razor mitigates the credit risk associated with these receivables by establishing relationships with credit worthy purchasers. Razor has not experienced any collection issues with its oil and gas marketers.

Receivables from partners in jointly owned assets are typically collected within one to three months of the bill being issued to the partner. The Company mitigates the risk from joint interest billings by obtaining partner approval of capital expenditures prior to starting a project. However, the receivables are from participants in the petroleum and natural gas sector, and collection is dependent on typical industry factors such as commodity price fluctuations, escalating costs and the risk of unsuccessful drilling. Further risk exists with partners in jointly owned assets as disagreements occasionally arise which increases the potential for non-collection. To protect against credit losses with joint asset partners, the Company has the ability to withhold sale proceeds from production or offset outstanding partner invoices in the event of non-payment and also, the ability to obtain the partners' share of capital expenditures in advance of a project.

The Company's accounts receivable is aged as follows:

($000's)	**June 30, 2021**	**December 31, 2020**
Current (less than 30 days)	**5,856**	5,052
31 to 90 days	**1,203**	885
Over 90 days	**330**	527
Total receivables	**7,389**	6,464

The Company does not believe that the amounts outstanding for more than 90 days are impaired.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in interest rates. The Company's interest-bearing assets and liabilities include cash and long-term debt. Razor manages its interest rate risk by entering into fixed interest rates on the AIMCo Term Loan, Arena Term Loan, lease obligation, and Promissory Notes. See notes 7 and 8.

The AIMCo Term Loan Facility matures on January 31, 2024 and bears interest at the rate of 10% per annum (paid semi-annually on June 30 and December 31). The Arena Term Loan facility matures on August 1, 2023 and bears interest at the rate of 7.875% per annum and paid monthly. The Promissory Notes mature on September 12, 2022, December 13, 2022, and May 8, 2024, and interest is paid monthly at 6.1%, 6.5% and 7.94% per annum along with the principal.

Consequently, there is no exposure to fluctuations in market interest rates.

Foreign Exchange Risk

Razor's business is conducted primarily in Canadian dollars. However, the Company's commodity contracts, the Arena Term Loan and restricted cash are denominated in U.S. dollars. Razor's primary exposure is from fluctuations in the Canadian dollar relative to the U.S. dollar.

The sensitivity analysis below shows the impact that a change in the USD/CDN exchange rate would have on income/loss:

	USD/CDN exchange Rate	
	1% increase	1% decrease
Income statement gain/(loss)	(83,000)	83,000

13. COMMITMENTS AND CONTINGENCIES

The Company has a firm commitment for oil and gas transportation services that includes contracts to transport oil and natural gas through third party owned pipeline systems. The Company also has a firm commitment for gas processing services that includes contracts to process natural gas through third party owned processing facilities. See Note 12.

Razor assumed decommissioning liabilities included in its Swan Hills, Kaybob and District South acquisitions. The Company spent $756 thousand in Q2 2021 on abandonment, reclamation and remediation expenditures for a six month total of $1,208 thousand (Q2 2020 - $25 thousand and $370 thousand for the three and six months, respectively) which includes $527 thousand related to government grants earned for well site rehabilitation through the SRP program in Q2 and a six month total of $926 thousand (Q2 2020–nil).

The Company voluntarily opted into the Alberta Energy Regulator's (AER) Area Based Closure (ABC) program starting in 2020. As such Razor has committed to an annual spend target dedicated to asset retirement which includes decommissioning, abandonment and reclamation of inactive wells and facilities. Through this commitment, low-risk wells included in the Inactive Well Compliance Program (IWCP) are now exempt from requiring suspension allowing for greater focus on end-of-life activities. Razor's liability reduction target is $2.7 million in 2021, of which $1.2 million has been spent (see note 9).

In the normal course of its operations, the Company may be subject to litigation and claims and records provisions for claims as required.

During the third quarter of 2020, the Company was served a statement of claim from a joint venture partner demanding immediate payment for past services totaling $4.6 million. Amounts owing to this joint venture partner are included in accounts payable and accrued liabilities at June 30, 2021 which total approximately $2.5 million. There can be no assurance that further financial damages will not occur, however, with the improved commodity price outlook, the Company and the joint venture partner have agreed to a payment schedule which will reduce amounts owing throughout 2021.

14. REVENUES

The significant components recognized in revenues are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2021**	**2020**	**2021**	**2020**
Crude oil	**13,774**	6,880	**24,960**	17,979
Gas	**940**	742	**1,831**	1,366
NGL	**1,546**	1,016	**2,853**	2,393
Blending and processing	**776**	1,061	**2,144**	2,674
Road Use	**122**	56	**263**	473
Other revenue[1]	**27**	(227)	**289**	288
	17,185	9,528	**32,340**	25,173

1) Primarily comprised of trucking and road maintenance.

Razor sells its production of crude oil, natural gas, and NGL pursuant to variable price contracts. The transaction price for variable price contracts is based on the commodity price, adjusted for quality, location and other factors. The amount of revenue recognized is based on the agreed transaction price with any variability in transaction price recognized in the same period. Fees associated with blending and processing services are primarily based on fixed price contracts.

Razor's revenue transactions do not contain any significant financing components and payments are typically due within 30 days of revenue recognition. The Company does not adjust transaction prices for the effects of a significant financing component when the period between the transfer of the promised goods or services to the customer and payment by the customer is less than one year. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

15. FINANCING COSTS

Financing costs are comprised of interest expense on the AIMCo Term Loan, the Arena Term Loan, the Promissory Notes, the lease obligation, accretion of the discount on provisions, and amortization of deferred financing costs.

The components of financing costs are summarized below.

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2021**	**2020**	**2021**	**2020**
Interest expense	**1,462**	1,265	**2,966**	2,575
Amortization of deferred financing costs (Note 7)	**559**	278	**792**	552
Accretion (Note 9)	**552**	282	**1,226**	674
	2,573	1,825	**4,984**	3,801

Accretion relates to the time value change of the Company's decommissioning obligation.

16. PER SHARE AMOUNTS

Per share amounts are calculated by dividing net (loss) income by the weighted average number of common shares outstanding. Diluted per share amounts are calculated by adjusting the weighted average number of common shares outstanding for potentially dilutive instruments. For the three months ended June 30, 2021, and 2020, there are no dilutive instruments affecting the basic common share calculations.

The net loss and average number of shares used to calculate the per share amounts are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Weighted average shares outstanding (basic and diluted)	**21,064,466**	21,064,466	**21,064,466**	21,064,466
Net loss for the period (000's)	**$ (5,544)**	$ (4,083)	**(11,179)**	$ (38,311)
Net loss per share (basic and diluted)	**$ (0.26)**	$ (0.19)	**(0.53)**	$ (1.82)

17. SUPPLEMENTAL CASH FLOW INFORMATION

The changes in non-cash working capital are summarized below.

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2021**	**2020**	**2021**	**2020**
Accounts receivable	**93**	(1,195)	**(925)**	3,954
Prepaid expenses and deposits	**(1,971)**	(2,015)	**(1,629)**	(1,851)
Inventory	**11**	(421)	**(220)**	(515)
Accounts payable and accrued liabilities	**5,452**	(290)	**4,988**	945
	3,585	(3,921)	**2,214**	2,533

The changes in non-cash working capital have been allocated to the following activities:

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2021**	**2020**	**2021**	**2020**
Operating	**41**	(2,525)	**(2,053)**	3,387
Financing	**(685)**	(1,119)	**-**	-
Investing	**4,229**	(277)	**4,267**	(854)
	3,585	(3,921)	**2,214**	2,533

Cash and cash equivalents in the consolidated statements of cash flows is comprised of:

($000's)	June 30, 2021	December 31, 2020
Cash	**2,710**	1,098
Short-term investments	**1,081**	-
Cash and Short-term investments	**3,791**	1,098

18. OTHER INCOME

The components for other income are summarized below.

	Three Months Ended June 30,		Six Months Ended June 30,	
($000's)	**2021**	**2020**	**2021**	**2020**
Insurance proceeds	**-**	2,573	**135**	2,550
Interest and other	**30**	15	**64**	34
SRP subsidy for decommissioning expenditures (note 9)	**527**	-	**926**	-
	557	2,588	**1,125**	2,584

During Q2 2021, there were no insurance proceeds received (Q2 2020 - $2.5 million) and for the six months ended June 30, 2021, insurance proceeds received were $135 thousand (Q2 YTD 2020 - $2.6 million).

19. SUBSEQUENT EVENTS

On August 4, 2021, the Company entered into a definitive agreement to acquire certain non-operated working interest assets in its Swan Hills, Alberta core region. The oil and natural gas assets consist of Swan Hills Unit No.1 (the "Unit"), the Judy Creek Gas Plant (the "Plant") and the South Swan Hills Unit Gas Gathering System (the "Gathering System") at 32.5%, 8.6% and 27.6% working interest, respectively. The transaction closed on August 12, 2021.

The total purchase price of CDN$5 million cash, subject to certain closing adjustments, will be funded by Arena Investors, LP. Razor has signed an amended term loan agreement with Arena for an increase of US$8.8 million (CAD $11.0 million) resulting in an amended total principal amount of US$18.1 million (CAD $22.7 million) (the "Amended Term Loan"). The Amended Term Loan will be amortized and repaid over a total of 37 months and concluding in April 2024. The increase in principal will fund the purchase of the Assets, associated joint account liability and interim purchase price adjustments. The funded principal amount, after the original issuer discount is US$8.0 million (CAD $10.0 million) less related fees and expenses. Other terms of the Amended Term Loan are materially unchanged from the initial term loan as described in note 7.

CORPORATE INFORMATION

MANAGEMENT

Doug Bailey
President and Chief Executive Officer

Frank Muller
Senior Vice President and Chief Operating Officer

Kevin Braun
Chief Financial Officer

Lisa Mueller
Vice President, New Ventures
President and Chief Executive Officer of FutEra Power Corp.

Devin Sundstrom
Vice President, Production

Stephen Sych
Vice President, Operations

BOARD OF DIRECTORS

Doug Bailey

Sonny Mottahed (1) (2) (3)

Frank Muller

Sean Phelan (1) (2) (3)

CORPORATE OFFICE
Razor Energy Corp.
800, 500-5th Ave SW
Calgary, Alberta, Canada T2P 3L5
Website: www.razor-energy.com

TRANSFER AGENT
Alliance Trust Company
1010, 407-2 Ave SW
Calgary, Alberta T2P 2Y3
403-237-6111

BANK
National Bank of Canada

AUDITORS
KPMG LLP

LEGAL COUNSEL
McCarthy Tétrault LLP

INDEPENDENT RESERVE EVALUATORS
Sproule Associates Limited

STOCK SYMBOL
RZE.V
TSX Venture Exchange

(1) Audit Committee
(2) Reserves and Environment Committee
(3) Corporate Governance and Compensation Committee