

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

**Laredo Oil, Inc.**

**Form: 10-Q**

**Date Filed: 2021-04-19**

Corporate Issuer CIK: 1442492

**U.S. SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

**FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2021**

Commission File Number 333-153168

**Laredo Oil, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**2021 Guadalupe Street, Ste. 260  
Austin, Texas 78705**

(Address of principal executive offices) (Zip code)

**(512) 337-1199**

(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
		Emerging growth company	<input type="radio"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 or the Exchange Act). Yes  No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

54,514,765 shares of common stock issued and outstanding as of April 19, 2021.

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**ITEM 1. FINANCIAL STATEMENTS**

The following unaudited financial statements have been prepared by Laredo Oil, Inc. (the "Company"), pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such SEC rules and regulations; nevertheless, the Company believes that the disclosures are adequate to make the information presented not misleading. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended May 31, 2020. These financial statements and the notes attached hereto should be read in conjunction with the financial statements and notes included in the Company's Form 10-K, which was filed with the SEC on August 29, 2020. In the opinion of management of the Company, all adjustments, including normal recurring adjustments necessary to present fairly the financial position of Laredo Oil, Inc. as of February 28, 2021, and the results of its operations for the three and nine-month periods then ended and cash flows for the nine-month periods then ended, have been included. The results of operations for the three and nine-month periods ended February 28, 2021 are not necessarily indicative of the results for the full year ending May 31, 2021.

**Laredo Oil, Inc.**  
**Condensed Consolidated Balance Sheets**

	<b>February 28, 2021 (unaudited)</b>	<b>May 31, 2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,865,618	\$ 1,532,511
Receivable - related party	-	32,058
Prepaid expenses and other current assets	172,626	58,492
<b>Total Current Assets</b>	<b>2,038,244</b>	<b>1,623,061</b>
<b>Property and Equipment</b>		
Oil and gas acquisition costs	230,237	-
Property and equipment, net	447,176	-
<b>Total Property and Equipment, net</b>	<b>677,413</b>	<b>-</b>
<b>Equity method investment</b>	<b>339,617</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,055,274</b>	<b>\$ 1,623,061</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 218,921	\$ 20,954
Accrued payroll liabilities	1,536,620	1,581,847
Accrued interest	11,256	259,133
Deferred revenue	95,373	45,833
Notes payable	-	350,000
PPP loan - current	273,596	473,778
<b>Total Current Liabilities</b>	<b>2,135,766</b>	<b>2,731,545</b>
Long-term note payable, net of debt discount of \$25,208	606,226	-
PPP loan, net of current portion	2,193,715	759,878
<b>TOTAL LIABILITIES</b>	<b>4,935,707</b>	<b>3,491,423</b>
Commitments and Contingencies	-	-
<b>Stockholders' Deficit</b>		
Preferred stock: \$0.0001 par value; 10,000,000 shares authorized; none issued and outstanding	-	-
Common stock: \$0.0001 par value; 90,000,000 shares authorized; 54,514,765 issued and outstanding	5,451	5,451
Additional paid in capital	8,844,592	8,844,592
Accumulated deficit	(10,730,476)	(10,718,405)
<b>Total Stockholders' Deficit</b>	<b>(1,880,433)</b>	<b>(1,868,362)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 3,055,274</b>	<b>\$ 1,623,061</b>

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

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020	Nine months Ended February 28, 2021	Nine months Ended February 29, 2020
Management fee revenue - related party and other	\$ 1,382,968	\$ 2,185,716	\$ 4,306,509	\$ 6,307,621
Direct costs	1,230,765	2,111,583	4,212,466	6,132,048
Gross profit	152,203	74,133	94,043	175,573
General, selling and administrative expenses	23,771	20,229	67,814	59,183
Consulting and professional services	78,366	61,665	308,500	161,516
Total Operating Expense	102,137	81,894	376,314	220,699
Operating income/(loss)	50,066	(7,761)	(282,271)	(45,126)
Other income/(expense)				
Equity method income/(loss)	(45,659)		(109,283)	
Gain on bargain purchase	417,901		417,901	
Interest expense	(12,052)	(8,792)	(38,418)	(25,985)
Net income/(loss)	\$ 410,256	\$ (16,553)	\$ (12,071)	\$ (71,111)
Net income/(loss) per share, basic and diluted	\$ 0.01	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	54,514,765	54,514,765	54,514,765	54,514,765

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

**Laredo Oil, Inc.**  
**Condensed Consolidated Statements of Changes in Stockholders' Deficit (Unaudited)**

	Common Stock		Preferred Stock		Additional Paid	Accumulated	Total
	Shares	Amount	Shares	Amount	in Capital	Deficit	Stockholders' Deficit
<b>For the nine months ended February 29, 2020</b>							
Balance as of May 31, 2019	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,551,489)	\$ (1,701,446)
Net Loss	-	-	-	-	-	(85,248)	(85,248)
Balance as of August 31, 2019	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,636,737)	\$ (1,786,694)
Net Income	-	-	-	-	-	30,690	30,690
Balance as of November 30, 2019	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,606,047)	\$ (1,756,004)
Net Loss	-	-	-	-	-	(16,553)	(16,553)
Balance as of February 29, 2020	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,622,600)	\$ (1,772,557)

	Common Stock		Preferred Stock		Additional Paid	Accumulated	Total
	Shares	Amount	Shares	Amount	in Capital	Deficit	Stockholders' Deficit
<b>For the nine months ended February 28, 2021</b>							
Balance as of May 31, 2020	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,718,405)	\$ (1,868,362)
Net Loss	-	-	-	-	-	(194,830)	(194,830)
Balance as of August 31, 2020	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,913,235)	\$ (2,063,192)
Net Loss	-	-	-	-	-	(227,497)	(227,497)

Balance as of November 30, 2020	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (11,140,732)	\$ (2,290,689)
Net Income	-	-	-	-	-	410,256	410,256
Balance as of February 28, 2021	54,514,765	\$ 5,451	-	-	\$ 8,844,592	\$ (10,730,476)	\$ (1,880,433)

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

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**Laredo Oil, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>Nine Months Ended February 28, 2021</b>	<b>Nine Months Ended February 29, 2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (12,071)	\$ (71,111)
Adjustments to Reconcile Net Loss to Net Cash provided by (used in) Operating Activities:		
Amortization of debt discount	4,860	-
Bargain purchase gain	(417,901)	-
Equity method loss	109,283	-
Change in assets and liabilities:		
Decrease/(increase) in receivable - related party	32,058	(279,436)
Increase in prepaid expenses and other current assets	(83,112)	(15,840)
(Decrease)/increase in accounts payable and accrued liabilities	(279,847)	434,013
Increase in deferred revenue	49,540	-
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(597,190)</b>	<b>67,626</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in oil and gas field rights	(230,237)	-
Investment in SORC, net of cash acquired	375,779	-
Investment in equity method investment	(448,900)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(303,358)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP loan	1,233,655	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>1,233,655</b>	<b>-</b>
Net change in cash and cash equivalents	333,107	67,626
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1,532,511</b>	<b>289,559</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 1,865,618</b>	<b>\$ 357,185</b>

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

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

Company Purchase of Stock of SORC

Pursuant to a Securities Purchase Agreement dated December 31, 2020 (the "Purchase Agreement"), by and among the Company, Alleghany Corporation ("Alleghany"), Stranded Oil Resources Corporation, a wholly-owned subsidiary of Alleghany ("SORC"), and SORC Holdings LLC, a wholly-owned subsidiary of the Company ("Buyer" or "SORC Holding"), Buyer purchased all of the issued and outstanding shares of SORC stock (the "SORC Shares") in a transaction that closed on December 31, 2020 (the "SORC Purchase Transaction"). As consideration for the SORC Shares, Buyer paid Alleghany \$72,678 comprised of \$55,000 purchase price plus a \$17,678 working capital adjustment calculated in accordance with the Purchase Agreement. The Company agreed to pay to Alleghany a revenue royalty of 5.0% of the Company's future revenues and net profits relating to oil, gas, gas liquids and all other hydrocarbons, subject to certain adjustments, for a period of seven years after the closing. The Purchase Agreement provides for customary adjustments to the purchase price based on the effective date of December 31, 2020.

Further, pursuant to the SORC Purchase Agreement, Laredo and Alleghany entered into a Consulting Agreement dated as of December 31, 2020 (the "Consulting Agreement"), pursuant to which Seller agreed to pay an aggregate of approximately \$1.245 million during calendar year 2021 in consideration of Laredo causing certain individuals, including Mark See, Laredo's Chief Executive Officer and Chairman, and Chris Lindsey, Laredo's General Counsel and Secretary, to provide consulting services to Alleghany (for a period of three years for Mr. See and one year for Mr. Lindsey).

The Company believes that entering the SORC Purchase Agreement was advantageous as it simplified in a timely manner the unwinding of

the Agreements (defined below) entered into on June 14, 2011 and allowed the Company to acquire vehicles and oil field assets that can be utilized in future oil recovery projects.

As the Company now owns SORC, the Company no longer receives any payments from SORC (including any Royalty payable by SORC to the Company) outlined in the Agreements with SORC enumerated in the "General" section below. As a result, except for the payments to be made in calendar year 2021 to Laredo under the Consulting Agreement, the Company will no longer receive management fee revenue from Alleghany or reimbursement from Alleghany for the monthly expenses of its employees, which fees and reimbursements were effectively all of the Company's revenues prior to the closing of the SORC Purchase Transaction.

#### General - Company Business during the Reporting Period

On June 14, 2011, the Company entered into agreements with SORC to seek recovery of stranded crude oil from mature, declining oil fields by using the enhanced oil recovery ("EOR") method known as Underground Gravity Drainage ("UGD"). Such agreements include license agreements, management services agreements, and other agreements (collectively the "Agreements"). In connection with the SORC Purchase Transaction, SORC's obligations under the Agreements terminated effective as of December 31, 2020. A description of the Agreements effective during the three- and nine-month periods ended February 28, 2021 follows.

The Agreements stipulate that the Company and Mark See, the Company's Chairman and Chief Executive Officer ("CEO"), will provide to SORC, management services and expertise through exclusive, perpetual license agreements and a management services agreement (the "Management Service Agreement") with SORC. As consideration for the licenses to SORC, the Company will receive an interest in SORC's net profits as defined in the Agreements (the "Royalty"). The Management Service Agreement ("MSA") outlines that the Company will provide the services of various employees ("Service Employees"), including Mark See, in exchange for monthly and quarterly management service fees. The monthly management service fees provide funding for the salaries, benefit

### **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

#### NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS (continued)

costs, and FICA taxes for the Service Employees identified in the MSA. SORC remits payment for the monthly management fees in advance and is payable on the first day of each calendar month. The quarterly management fee totals \$137,500 and is paid on the first day of each calendar quarter, with the last payment being received October 1, 2020. In addition, prior to December 31, 2020, SORC reimbursed the Company for monthly expenses incurred by Service Employees in connection with their rendition of services under the MSA. The Company could also submit written requests to SORC for additional funding for payment of the Company's operating costs and expenses, which SORC, in its sole and absolute discretion, determined whether or not to fund.

As consideration for the licenses to SORC, the Company was to receive a 19.49% interest in SORC net profits as defined in the SORC License Agreement (the "SORC License Agreement"). Under the SORC License Agreement, the Company agreed that a portion of the Royalty equal to at least 2.25% of the net profits ("Incentive Royalty") be used to fund a long-term incentive plan for the benefit of its employees, as determined by the Company's board of directors. On October 11, 2012, the Laredo Royalty Incentive Plan (the "Plan") was approved and adopted by the Board and the Incentive Royalty was assigned by the Company to Laredo Royalty Incentive Plan, LLC, a special purpose Delaware limited liability company and wholly owned subsidiary of the Company formed to carry out the purposes of the Plan (the "Plan Entity"). Through February 28, 2021 the subsidiary has received no distributions from SORC. As a result of the assignment of the Incentive Royalty to the Plan Entity, the Royalty retained by the Company has been reduced from 19.49% to 17.24% subject to reduction to 15% under certain events stipulated in the SORC License Agreement. Additionally, in the event of a SORC initial public offering or certain other defined corporate events, the Company was to receive 17.24%, subject to reduction to 15% under the SORC License Agreement, of the SORC common equity or proceeds emanating from the event in exchange for termination of the Royalty. Under certain circumstances regarding termination of exclusivity and license terminations, the Royalty could be reduced to 7.25%. If any Incentive Royalty is funded as a result of those conditions being met, the Company may record compensation expense for the fair value of the Incentive Royalty, once all pertinent factors are known and considered probable. As the Royalty is no longer payable by SORC to the Company as a result of the SORC Purchase Transaction referenced above, there are also no longer any Incentive Royalties payable pursuant to the Plan.

Prior to the Company receiving any Royalty cash distributions from SORC, all SORC preferred share accrued dividends would have been required to be paid (in excess of \$200 million as of December 31, 2020), preferred shares redeemed (in excess of \$270 million as of December 31, 2020), and debt retired to comply with any loan agreements. No Royalties have been received by the Company. As referenced above, as a result of the SORC Purchase Transaction, no Royalties will be paid to the Company by SORC in the future.

#### *Basic and Diluted Loss per Share*

The Company's basic earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. As the Company realized a net loss for the nine-month period ended February 28, 2021 and the three- and nine-month periods ended February 29, 2020, no potentially dilutive securities were included in the calculation of diluted loss per share as their impact would have been anti-dilutive. For the three-month period ended February 28, 2021, all options and warrants potentially convertible into common equivalent shares are considered antidilutive due to the exercise prices of the instruments and have been excluded in the calculation of diluted earnings per share. Diluted net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common and dilutive common equivalent shares outstanding during the period.

### **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

#### NOTE 2 - GOING CONCERN

These financial statements have been prepared on a going concern basis. The Company has routinely incurred losses since inception, resulting in an accumulated deficit and historically has been dependent upon one customer for its revenue. The Company entered into the

Agreements with SORC to fund operations and to provide working capital. However, as a result of the SORC Purchase Transaction, except for payments to be made in calendar year 2021 to Laredo under the Consulting Agreement, Alleghany will no longer fund operations or provide working capital to the Company or SORC. There is no assurance that in the future such financing will be available to meet the Company's needs.

Management has undertaken steps as part of a plan to improve operations with the goal of sustaining operations for the next twelve months and beyond. These steps include (a) providing services and expertise to optimize operations; and (b) controlling overhead and expenses. In that regard, the Company has worked to attract and retain key personnel with significant experience in the industry to enhance the quality and breadth of the services it provides. At the same time, in an effort to control costs, the Company has required a number of its personnel to multi-task and cover a wider range of responsibilities in an effort to minimize headcount. There can be no assurance that the Company can successfully accomplish these steps and it is uncertain that the Company will achieve a profitable level of operations and obtain additional financing. There can be no assurance that any additional financing will be available to the Company on satisfactory terms and conditions, if at all.

The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

*Principles of Consolidation* - The accompanying consolidated financial statements include the accounts of Laredo Oil and its subsidiaries after elimination of intercompany balances and transactions.

*Equity Method Investment* - Investments classified as equity method consist of investments in companies in which the Company is able to exercise significant influence but not control. Under the equity method of accounting, the investment is initially recorded at cost, then the Company's proportional share of investee's underlying net income or loss is recorded as a component of "other income" with a corresponding increase or decrease to the carrying value of the investment. Distributions received from the investee reduce the Company's carrying value of the investment. These investments are evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. The Company has elected to record its portion of the equity method loss with a two-month lag. Accordingly, the financial results for the equity investment are reported through December 31, 2020. No impairments were recognized for the Company's equity method investment during the quarter ended February 28, 2021. See Note 12.

*Property and Equipment* - The carrying value of the Company's property and equipment represents the cost incurred to acquire the property and equipment, net of any impairments. For business combinations, property and equipment cost is based on the fair values at the acquisition date.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

NOTE 4 - ACQUISITION OF SORC

*Purchase Price Allocation*

We have accounted for the Acquisition of SORC as a business combination using the acquisition method. The following table represents the allocation of the total purchase price of SORC to the identifiable assets acquired and the liabilities assumed based on the fair values as of the acquisition date.

	<b>Preliminary Purchase Price Allocation</b>	
<b>Consideration:</b>		
<b>Cash</b>	\$	55,000
<b>Working capital adjustment</b>		17,678
<b>Total Consideration</b>	\$	72,678
<b>Fair Value of Assets Acquired:</b>		
<b>Cash and cash equivalents</b>	\$	448,457
<b>Prepaid expenses and other assets</b>		31,022
<b>Property and equipment</b>		447,176
<b>Amounts attributable to assets acquired</b>	\$	926,655
<b>Fair Value of Liabilities Assumed:</b>		
<b>Current Liabilities</b>	\$	436,076
<b>Amounts attributable to liabilities assumed</b>	\$	436,076
<b>Total identifiable net asset</b>	\$	417,901
<b>Bargain purchase gain</b>	\$	417,901

*Financial Information*

Pursuant to Topic 2, section 2010 of the SEC financial reporting manual, the Company evaluated the business combination. Prior to the acquisition by the Company, SORC sold all operating assets, terminated all employees and no longer maintained any of the business processes that previously existed. Accordingly, the Company has determined the transaction is considered an asset acquisition only. As a result, historical financial statements are not considered relevant to the ongoing operations and are not required.

In connection with the acquisition, the Company received tangible assets which had previously been written off by the Seller. This previous reduction in asset values in combination with the Seller's desire to close the transaction on an accelerated basis enabled the Company to obtain the assets at a lower price resulting in the recognition of a bargain purchase gain.

For the period from December 31, 2020 to February 28, 2021, there are no revenues and \$4,860 interest expense recorded related to the debt discount amortization.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**NOTE 5 – REVENUE RECOGNITION**

*Monthly Management Fee*

The Company generates monthly management revenues from fees for labor and benefit costs. The Company recognizes revenue for these services in the month the labor and benefits are received by the customer. Monthly management fee revenues of \$1,046,390 and \$3,694,931 were recognized for the three months and nine months ended February 28, 2021, respectively. Monthly management fee revenues of \$2,048,216 and \$5,895,121 were recognized for the three months and nine months ended February 29, 2020, respectively.

*Quarterly Management Fee*

The Company generates management fee revenue each quarter. The Company recognizes revenue over the applicable quarter on a straight-line basis. Pursuant to the SORC Purchase Agreement, the quarterly management fee has been terminated effective December 31, 2020 and no additional quarterly fees have been recognized. Prior to December 31, 2020 the management fee is billed quarterly in advance. Quarterly management fees recognized for three and nine months ended February 28, 2021 were \$45,833 and \$320,833. Quarterly management fees recognized for three and nine months ended February 29, 2020 were \$137,500 and \$412,500, respectively.

*Other Revenue*

The Company and Alleghany have entered into a Consulting agreement (see Note 1), where Alleghany is obligated to pay the Company a total of \$1,144,471, in quarterly payments beginning January 1, 2021, in consideration for making certain individuals available for their advice, assistance and support in connection with the oil and gas industry and any questions, issues or matters arising from Alleghany's previous ownership of SORC. Two individuals are committed for a one-year period ending December 31, 2021, and one individual is committed for a three year period ending December 31, 2023. The Company's management believes that any work necessary under this obligation will in fact be completed by December 31, 2021, and is recognizing revenue on a monthly basis over the year ended December 31, 2021. Unearned revenue related to amounts received but not yet earned under this contract at February 28, 2021 totaled \$95,373. In addition, Alleghany paid the Company \$100,000 on January 1, 2021, to be paid to an individual, with no further performance obligations. Other Revenue for both the three and nine months ended February 28, 2021 was \$290,745.

**NOTE 6 – RECENT AND ADOPTED ACCOUNTING STANDARDS**

The Company has reviewed recently issued accounting standards and plans to adopt those that are applicable to it. It does not expect the adoption of those standards to have a material impact on its financial position, results of operations, or cash flows.

**NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company's financial instruments as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825-10-50, *Financial Instruments*, include cash and cash equivalents, equity method investments, accounts payable, accrued liabilities and notes payable. The equity method investments approximate fair value as a result of limited activity by the investee since formation. All other instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at February 28, 2021.

Based on the borrowing rates currently available to the Company for loans with similar terms and maturities, the fair value of long-term notes payable approximates the carrying value.

**NOTE 8 – RELATED PARTY TRANSACTIONS**

Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. FASB ASC 850, *Related Party Disclosures* ("FASB ASC 850") requires that transactions with related parties that would make a difference in decision making shall be disclosed so that users of the financial statements can evaluate their significance. Related party transactions typically occur within the context of the following relationships:

- Affiliates of the entity;
- Entities for which investments in their equity securities is typically accounted for under the equity method by the investing entity;

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**NOTE 8 – RELATED PARTY TRANSACTIONS (continued)**

- Trusts for the benefit of employees;



- Principal owners of the entity and members of their immediate families;
- Management of the entity and members of their immediate families.
- Other parties that can significantly influence the management or operating policies of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

SORC and Alleghany are considered related parties under FASB ASC 850. All management fee revenue reported by the Company for the three and nine months ended February 28, 2021 and February 29, 2020 is generated from charges to SORC. All outstanding notes payable at February 28, 2021 and May 31, 2020 are held by Alleghany Capital Corporation (“Alleghany Capital”), a wholly owned subsidiary of Alleghany. See Note 9.

Subsequent to the Company’s purchase of 100% of SORC’s stock on December 31, 2020, Alleghany and its subsidiaries are no longer a related party.

#### NOTE 9 - STOCKHOLDERS’ DEFICIT

##### Share Based Compensation

The Black-Scholes option pricing model is used to estimate the fair value of options granted under our stock incentive plan.

Share based compensation expense is fully recorded with respect to stock option awards outstanding. No share based compensation expense was recorded for the three and nine month periods ended February 28, 2021 or February 29, 2020.

##### Stock Options

No option grants were made during the first, second and third quarters of fiscal years 2021 and 2020.

##### Restricted Stock

No restricted stock was granted during the first, second and third quarters of fiscal years 2021 or 2020.

##### Warrants

No warrants were issued during the first three quarters of fiscal years 2021 or 2020. As of February 28, 2021, there were 5,374,501 warrants remaining to be exercised at a price of \$0.70 per share to Sunrise Securities Corporation to satisfy the finders’ fee obligation associated with the Company’s original transaction with Alleghany in June 2011. The warrants will expire June 14, 2021 and are currently exercisable.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

#### NOTE 10 - NOTES PAYABLE

##### Alleghany Notes

During the fiscal year ended May 31, 2011, the Company entered into two Loan Agreements with Alleghany Capital for a combined available borrowing limit of \$350,000. The notes accrue interest on the outstanding principal of \$350,000 at the rate of 6% per annum, with a due date of December 31, 2020 as of May 31, 2020.

In connection with the SORC Purchase Transaction, the notes were amended, restated and consolidated into one note including all accrued interest through December 31, 2020, the date of the transaction, for a total of \$631,434 (the “Senior Consolidated Note”) with a maturity date of June 30, 2022. The Senior Consolidated Note requires any stock issuances for cash be utilized to pay down the outstanding loan balance unless written consent is obtained from Alleghany. As part of the SORC Purchase Transaction, the Company agreed to secure repayment of the Senior Consolidated Note with certain equipment and to reduce the note balance with any proceeds received from any sales of such equipment. The note bears no interest until January 1, 2022 whereupon the interest rate increases to 5% per annum through maturity. Principal with all accrued and unpaid interest is due at maturity. In connection with the SORC acquisition purchase price allocation, the Company recorded a debt discount totaling \$30,068 in recognition of imputed interest on the Senior Consolidated Note, to be amortized over the first year of the note term. The Senior Consolidated Note is recorded as a long-term note payable, net of debt discount as of February 28, 2021.

##### Paycheck Protection Program Loan

	February 28, 2021	May 31, 2020
Total PPP Loan	\$ 2,467,311	\$ 1,233,656
Less amounts classified as current	273,596	473,778
PPP loan, excluding current portion	\$ 2,193,715	\$ 759,878

On April 28, 2020, the Company entered into a Note (the “Note”) with IBERIABANK for \$1,233,656 pursuant to the terms of the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (“CARES Act”) In June 2020, the Flexibility Act which amended the CARES Act was signed into law. Pursuant to the Flexibility Act, the Note continues to accrue interest on the outstanding principal sum at the rate of 1% per annum. In addition, the initial two year Note term has been extended to five years through mutual agreement with IBERIABANK as allowed under Flexibility Act provisions.

In February, 2021, the Company drew an additional \$1,233,655 under the same terms and conditions as the first PPP loan.

The Flexibility Act also provides that if a borrower does not apply for forgiveness of a loan within 10 months after the last day of the measurement period ("covered period"), the PPP loan is no longer deferred and the borrower must begin paying principal and interest. In addition, the Flexibility Act extended the length of the covered period from eight weeks to 24 weeks from receipt of proceeds, while allowing borrowers that received PPP loans before June 5, 2020 to determine, at their sole discretion, a covered period of either 8 weeks or 24 weeks.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**NOTE 10 - NOTES PAYABLE (continued)**

No interest or principal will be due during the deferral period, although interest will continue to accrue over this period. As of February 28, 2021, interest totaling \$11,256 is recorded in accrued interest on the accompanying balance sheets. After the deferral period and after taking into account any loan forgiveness applicable to the Note, any remaining principal and accrued interest will be payable in substantially equal monthly installments over the remaining term of the Note.

The Company did not provide any collateral or guarantees for the loan, nor did the Company pay any facility charge to obtain the loan. The Note provides for customary events of default, including, among others, those relating to failure to make payment, bankruptcy, breaches of representations and material adverse effects. The Company may prepay the Note at any time without payment of any penalty or premium.

No assurance can be given that the Company will obtain forgiveness of the loan, in whole or in part. At this time, the Company has not yet applied for or received loan forgiveness and therefore have treated the PPP Note as debt. If all or a portion of a loan is ultimately forgiven, the Company plans to record income from the extinguishment of its loan obligation when it is legally released from being the primary obligor in accordance with ASC 405-20-40-1.

**NOTE 11 - EMPLOYEE SEPARATIONS**

The Company establishes obligations for expected termination benefits provided under existing agreements with a former or inactive employee after employment but before retirement. These benefits generally include severance payments and medical continuation coverage. During the first quarter of 2021, the Company continued to reduce expenses in response to the impact of the COVID-19 pandemic. During third quarter of 2021 and in connection with the SORC purchase agreement and termination of the Alleghany Agreements, the Company continued to reduce expenses. These activities included further reductions in its workforce. The Company incurred severance and related charges totaling \$222,023 during the first quarter 2021 and \$284,113 during the third quarter 2021. As of February 28, 2021, the Company has no remaining severance accrual included in accrued payroll liabilities. There were no similar accruals as of May 31, 2020.

**NOTE 12 - EQUITY METHOD INVESTMENT**

On June 30, 2020, Laredo Oil, Inc. ("Laredo") entered into a Limited Liability Company Agreement (the "LLC Agreement") of Cat Creek Holdings LLC ("Cat Creek"), a Montana limited liability company formed as a joint venture for the purchase of certain oil and gas properties in the Cat Creek Field in Petroleum and Garfield Counties in the State of Montana (the "Cat Creek Properties"). In accordance with the LLC Agreement, Laredo invested \$448,900 in Cat Creek for 50% of the ownership interests in Cat Creek using cash on hand. Each of Lipson Investments LLC and Viper Oil & Gas, LLC, the other two members of Cat Creek, have ownership interests in Cat Creek of 25% in consideration of their respective investments of \$224,450. Cat Creek will be managed by a Board of Directors consisting of four directors, two of which shall be designated by Laredo.

Cat Creek entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") with Carrell Oil Company ("Seller") on July 1, 2020 for the purchase of the Cat Creek Properties from Seller. On September 21, 2020, upon resolving the purchase contingency under the Purchase Agreement, the Seller received consideration of \$400,000, taking into effect certain adjustments resulting from pre- and post-effective date revenue, expense, and allocations.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**NOTE 12 - EQUITY METHOD INVESTMENT (continued)**

Summarized Financial Information

The following table provides summarized financial information for the Company's ownership interest in Cat Creek accounted for under the equity method for the February 28, 2021 period presented and has been compiled from respective company financial statements, reflects certain historical adjustments, and is reported on a two-month lag. Results of operations are excluded for periods prior to acquisition.

<b>Balance Sheet:</b>	As of February 28, 2021
Current Assets	\$ 179,473
Non-current Assets	601,878
Total Assets	<u>\$ 781,351</u>
Current Liabilities	\$ 14,384
Non-current Liabilities	87,733
Shareholders' equity	679,234
Total Liabilities and Shareholders' Equity	<u>\$ 781,351</u>

<b>Results of Operations:</b>	Three Months	Nine Months
	Ended	Ended
	February 28, 2021	February 28, 2021
Revenue	\$ 474,044	\$ 774,929
Gross Profit	236,258	383,319
Net Loss	\$ (91,319)	\$ (218,566)

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements that involve risk and uncertainties. We use words such as "anticipate", "believe", "plan", "expect", "future", "intend", and similar expressions to identify such forward-looking statements. Investors should be aware that all forward-looking statements contained within this filing are good faith estimates of management as of the date of this filing. Our actual results could differ materially from those anticipated in these forward-looking statements.

### Impact of COVID-19 to our Business

The impacts of the global emergence of novel coronavirus 2019 ("COVID-19") on our business are currently unknown. In an effort to protect the health and safety of our employees, we took proactive, aggressive action from the earliest signs of the outbreak in China to adopt social distancing policies at our locations, including working from home, limiting the number of employees attending meetings, reducing the number of people in our sites at any one time, and suspending employee travel. In an effort to contain COVID-19 or slow its spread, governments around the world have also enacted various measures, including orders to close all businesses not deemed "essential," isolate residents to their homes or places of residence, and practice social distancing when engaging in essential activities.

We anticipate that these actions and the global health crisis caused by COVID-19 will negatively impact business activity across the globe. We have observed declining demand and price reductions in the oil and gas sector as business and consumer activity decelerates across the globe. When COVID-19 is demonstrably contained, we anticipate a rebound in economic activity, depending on the rate, pace, and effectiveness of the containment efforts deployed by various national, state, and local governments.

We will continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, partners, suppliers, and stakeholders, or as required by federal, state, or local authorities. It is not clear what the potential effects any such alterations or modifications may have on our business, including the effects on our customers, employees, and prospects, or on our financial results for the remainder of fiscal 2021.

### Company Description and Operations

#### Company Purchase of Stock of SORC

Pursuant to a Securities Purchase Agreement dated December 31, 2020 (the "SORC Purchase Agreement"), by and among the Company, Alleghany Corporation ("Alleghany"), Stranded Oil Resources Corporation, a wholly-owned subsidiary of Alleghany ("SORC"), and SORC Holdings LLC, a wholly-owned subsidiary of the Company ("Buyer"), Buyer purchased all of the issued and outstanding shares of SORC stock (the "SORC Shares") in a transaction that closed on December 31, 2020 (the "SORC Purchase Transaction"). As consideration for the SORC Shares, Buyer paid to Alleghany \$72,678 comprised of \$55,000 purchase price plus a \$17,678 working capital adjustment calculated in accordance with the Purchase Agreement. The Company agreed to pay to Alleghany a revenue royalty of 5.0% of the Company's future revenues and net profits relating to oil, gas, gas liquids and all other hydrocarbons, subject to certain adjustments, for a period of seven years after the closing. The Purchase Agreement provides for customary adjustments to the purchase price based on the effective date of December 31, 2020.

The Company believes that entering the SORC Purchase Agreement was advantageous as it simplified in a timely manner the unwinding of the Agreements entered into on June 14, 2011 and allowed the Company to acquire vehicles and oil field assets that can be utilized in future oil recovery projects.

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS -continued

In connection with the SORC Purchase Transaction, the two senior promissory notes of the Company held by Alleghany were consolidated into a single Consolidated, Amended and Restated Senior Promissory Note in the amount of \$631,434 (which includes all principal and accrued interest through December 31, 2020) (the "Senior Consolidated Note"), which Consolidated Note has a maturity date of June 30, 2022. The Consolidated Note is now secured by a grant to Alleghany of a security interest in certain oilfield equipment assets of SORC pursuant to a Security Agreement executed at the closing. Any proceeds received from the sale of such equipment will be applied to reduce the note balance.

Further, pursuant to the SORC Purchase Agreement, Laredo and Seller entered into a Consulting Agreement dated as of December 31, 2020 (the "Consulting Agreement"), pursuant to which Seller agreed to pay an aggregate of approximately \$1.245 million during calendar year 2021 in consideration of Laredo causing certain individuals, including Mark See, Laredo's Chief Executive Officer and Chairman, and Chris Lindsey, Laredo's General Counsel and Secretary, to provide consulting services to Seller (for a period of three years for Mr. See and one year for Mr. Lindsey).

As the Company now owns SORC, the Agreements with SORC and Alleghany enumerated in the "General" section below are effectively terminated, including any Royalty payable by SORC to the Company. As a result, the Company will no longer receive management service fees from Alleghany or reimbursement from Alleghany for the monthly expenses of its employees, which fees and reimbursements were effectively all of the Company's revenues prior to the closing of the SORC Purchase Transaction. Subsequent to the SORC Purchase Transaction, the Company is an exploration and production company that owns, develops and operates oil fields to increase recovery through the use of proprietary enhanced oil recovery methods. The Company has a team of experienced petroleum engineers who have been actively involved in the development of UGD 3.0, which can provide and be a valuable resource to exploration and production ("E&P")

companies seeking to enhance their oil recovery operations, and to apply to Company's own fields that the Company has targeted for potential acquisition. The Company plans to be opportunistic in pursuing several areas of opportunity which were completely or partially restricted under the Agreements with SORC. First, the Company is currently acquiring mineral rights in Montana (outside of Cat Creek) with the plan of developing and producing oil for its own account from properties using conventional oil recovery methods and/or its proprietary UGD oil recovery technique. Second, the Company seeks to contract to, farm-in or otherwise license its technology worldwide to other E&P companies seeking to enhance recovery from certain oil fields. Third, the Company plans to acquire and manage fields for third parties in a fashion similar to that described in the Agreements with SORC.

#### General – Company Business during the Reporting Period

During the reporting period, the Company was a management services company managing the acquisition and conventional operation of mature oil fields and the further recovery of stranded oil from those fields using enhanced oil recovery methods. On June 14, 2011, the Company entered into agreements with Stranded Oil Resources Corporation (“SORC”) to seek recovery of stranded crude oil from mature, declining oil fields by using the enhanced oil recovery (“EOR”) method known as Underground Gravity Drainage (“UGD”). Such agreements include license agreements, management services agreements, and other agreements (collectively the “Agreements”). See “Item 1. Business” in the Form 10-K for the period ended May 31, 2020 for a discussion of our business and our transactions with SORC. In connection with the SORC Purchase Transaction referenced above, these Agreements terminated effective as of December 31, 2020.

From SORC's formation in 2011 through December 31, 2020, Alleghany's net investment into SORC has been more than \$275 million. This investment has been channeled primarily into three major projects located in Kansas, Louisiana and Wyoming, all of which were sold by SORC prior to the Company's acquisition of SORC from Alleghany on December 31, 2020.

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## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS- *continued***

On June 30, 2020, the Company entered into a Limited Liability Company Agreement (the “LLC Agreement”) of Cat Creek Holdings LLC (“Cat Creek”), a Montana limited liability company formed as a joint venture for the purchase of certain oil and gas properties in the Cat Creek Field in Petroleum and Garfield Counties in the State of Montana (the “Cat Creek Properties”). In accordance with the LLC Agreement, the Company invested \$448,900 in Cat Creek for 50% of the ownership interests in Cat Creek using cash on hand. Each of Lipson Investments LLC and Viper Oil & Gas, LLC, the other two members of Cat Creek, have ownership interests in Cat Creek of 25% in consideration of their respective investments of \$224,450. Cat Creek will be managed by a Board of Directors consisting of four directors, two of which shall be designated by the Company.

Cat Creek entered into an Asset Purchase and Sale Agreement (the “Purchase Agreement”) with Carrell Oil Company (“Seller”) on July 1, 2020 for the purchase of the Cat Creek Properties from Seller. On September 21, 2020, upon resolving the purchase contingency under the Purchase Agreement, the Seller received consideration of \$400,000, taking into effect certain adjustments resulting from pre- and post-effective date revenue, expense, and allocations.

The Company accounts for its investment in Cat Creek as an equity method investment.

### **Liquidity and Capital Resources**

Through December 31, 2020, in accordance with the SORC license and management services agreements, the Company received from SORC sufficient working capital necessary to meet its obligations under the Agreements. The Company provided the know-how, expertise, and management required to identify, evaluate, acquire, test and develop targeted properties, and SORC provided all required funding and owned any acquired assets. SORC was funded primarily by Alleghany in exchange for issuance by SORC to Alleghany of 12% Cumulative Preferred Stock. As of December 31, 2020, SORC had received more than \$275 million in net funding from Alleghany. Prior to the Company receiving any Royalty cash distributions from SORC, all SORC preferred share accrued dividends (in excess of \$200 million as of December 31, 2020) would have been required to be paid, preferred shares redeemed (in excess of \$270 million as of December 31, 2020), and debt retired to comply with any loan agreements. With such uncertainty, Royalty cash distributions were not foreseen in the near future, and the main source of income for the Company was the management fee revenue under the Management Services Agreement.

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## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS- *continued***

As a result of the SORC Purchase Transaction, the Company is no longer entitled to receive management fee revenue or operations reimbursements from Alleghany or SORC. Further, the Company is no longer entitled to any Royalty cash distributions from Alleghany or SORC. The Company plans to use its cash and cash equivalents on hand, and the proceeds from the Consulting Agreement, to maintain the mineral rights acquisition program in Montana and to pay its operating costs.

On April 28, 2020, the Company entered into a note in the amount of \$1,233,656 (the “First PPP Note”) pursuant to the terms of the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief and Economic Security (CARES) Act (the “Program”). The Program provides loans to qualifying businesses for amount up to 2.5 times the average monthly payroll expenses of the qualifying business.

Effective as of February 3, 2021, the Company entered into a note in the amount of \$1,233,655 (the “Second PPP Note” and, together with the First PPP Note, the “PPP Notes”) for a second draw under the Program.

Under the terms of the Program, PPP loan participants can apply for and be granted forgiveness for all or a portion of the loan (including interest) granted pursuant to the PPP. Such forgiveness will be determined, subject to limitations, based on the use of the loan proceeds for eligible purposes. No assurance can be given that the Company will obtain forgiveness of the PPP Notes, in whole or part.

Our cash and cash equivalents at February 28, 2021 was \$1,865,618. Total debt outstanding as of the filing date of this report is \$3,073,537 comprised of \$606,226, recorded net of \$25,208 deferred debt discount and owed to Alleghany Capital, which is classified as a short-term notes payable and \$2,467,311 pursuant to the PPP Notes and related accrued interest. Based on the terms of the PPP Notes, \$2,193,715 is classified as a long-term note, net of the current portion totaling \$273,596 which is classified as a current note payable.

## Results of Operations

Pursuant to the MSA with SORC, which terminated effective December 31, 2020 in connection with the SORC Purchase Transaction, the Company received and recorded management fee revenue and direct costs totaling \$1,092,223 and \$1,230,765 for the quarter ended February 28, 2021 and \$2,185,716 and \$2,111,583 for the same quarter ended February 29, 2020. Similarly, the Company received and recorded management fee and other revenue and direct costs totaling \$4,015,764 and \$4,212,466 for the nine months ended February 28, 2021 and \$6,307,621 and \$6,132,048 for the nine months ended February 29, 2020. The Company received and recorded other revenues totaling \$290,745 for both the three and nine months ended February 28, 2021. No similar other revenues were recorded in the three and nine months ended February 29, 2020. The decrease in revenues and direct costs is primarily attributable to the termination of the MSA with SORC resulting in a reduction in force contributing to the decrease in employee related costs in the three and nine months ended February 28, 2021 as compared to the same periods in the prior fiscal year.

During the quarters ended February 28, 2021 and February 29, 2020, respectively, we incurred operating expenses of \$102,137 and \$81,894. The Company incurred operating expenses of \$376,314 and \$220,699 during the nine months ended February 28, 2021 and February 29, 2020, respectively. These expenses consisted of general operating expenses incurred in connection with the day to day operation of our business and the preparation and filing of our required reports. The increase in expenses for the quarter ended February 28, 2021 as compared to the same period in 2019 is primarily attributable to consulting and legal costs related to investment in Cat Creek and the Securities Purchase Agreement.

Due to the nature of the Agreements, the Company has been relatively unaffected by the impact of inflation. Usually, when general price inflation occurs, the price of crude oil increases as well, which may have a positive effect on sales. However, as the price of oil increases, it also most likely will result in making targeted oil fields more expensive.

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS- *continued*

### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The process of preparing financial statements requires that we make estimates and assumptions that affect the reported amounts of liabilities and stockholders' equity/(deficit) at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The financial statements include estimates and assumptions based on currently available information, historical experience and various other factors we believe to be reasonable under the circumstances. Significant estimates in these financial statements include estimates related to purchase price allocation. Changes in the status of certain facts or circumstances could result in a material change to the estimates used in the preparation of the financial statements and actual results could differ from the estimates and assumptions.

### OFF-BALANCE SHEET ARRANGEMENTS

We do not currently have any off-balance sheet arrangements or other such unrecorded obligations, and we have not guaranteed the debt of any other party.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk is confined to our cash equivalents. We invest in high-quality financial instruments and we believe we are subject to limited credit risk. Due to the short-term nature of our cash, we do not believe that we have any material exposure to interest rate risk arising from our investments.

## ITEM 4. CONTROLS AND PROCEDURES

### (a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended ("Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives, and management necessarily is required to use its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

An evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on that evaluation, the CEO and CFO have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are not effective in insuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties. Therefore, it is difficult to effectively segregate accounting duties which comprises a material weakness in internal controls. This lack of segregation of duties leads management to conclude that the Company's disclosure controls and procedures are not effective to give reasonable assurance that the information required to be disclosed in reports that the Company files under the Exchange Act is recorded, processed, summarized and reported as and when required.

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**ITEM 4. CONTROLS AND PROCEDURES - continued**

(b) Changes in Internal Control Over Financial Reporting

None.

**PART II - OTHER INFORMATION**

**ITEM 5. OTHER INFORMATION**

None.

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**ITEM 6. EXHIBITS**

The exhibits required to be filed herewith by Item 601 of Regulation S-K, as described in the following index of exhibits, are attached hereto unless otherwise indicated as being incorporated herein by reference, as follows:

- [3.1](#) [Certificate of Incorporation, included as Exhibit 3.1 in our Form S-1 filed August 25, 2008, File No. 333-153168 and incorporated herein by reference.](#)
  - [3.2](#) [Certificate of Amendment of Certificate of Incorporation, included as Exhibit 10.1 to our Form 8-K filed October 22, 2009 and incorporated herein by reference.](#)
  - [3.3](#) [Bylaws, included as Exhibit 3.2 in our S-1 filed August 25, 2008, File No. 333-153168 and incorporated herein by reference.](#)
  - [10.1](#) [Securities Purchase Agreement dated as of December 31, 2020, by and among the Company, Alleghany Corporation, Stranded Oil Resources Corporation and SORC Holdings LLC, included as Exhibit 10.1 to our 10-Q filed January 14, 2021 and incorporated herein by reference.](#)
  - [10.2](#) [Consulting Agreement dated as of December 31, 2020, by and between the Company and Alleghany Corporation included as Exhibit 10.2 to our 10-Q filed January 14, 2021 and incorporated herein by reference.](#)
  - [10.3](#) [Consolidated, Amended and Restated Senior Promissory Note dated as of December 31, 2020, executed by the Company for the benefit of Alleghany Corporation included as Exhibit 10.3 to our 10-Q filed January 14, 2021 and incorporated herein by reference.](#)
  - [10.4](#) [Security Agreement dated as of December 31, 2020, by and among the Company, Stranded Oil Resources Corporation and Alleghany Capital included as Exhibit 10.4 to our 10-Q filed January 14, 2021 and incorporated herein by reference.](#)
  - [10.5](#) [Note dated effective as of February 3, 2021, executed by the Company in favor of First Horizon Bank.](#)
  - [31.1](#) [Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
  - [31.2](#) [Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
  - [32.1](#) [Certificate Pursuant to 18 U.S.C. Section 1350 signed by the Chief Executive Officer](#)
  - [32.2](#) [Certificate Pursuant to 18 U.S.C. Section 1350 signed by the Chief Financial Officer](#)
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF XBRL Taxonomy Extension Definition Linkbase
- 101.LAB XBRL Taxonomy Extension Label Linkbase
- 101.PRE XBRL Extension Presentation Linkbase

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**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**LAREDO OIL, INC.**

(Registrant)

Date: April 19, 2021

By: Is/ Mark See  
Mark See

Date: April 19, 2021

By: /s/ Bradley E. Sparks  
Bradley E. Sparks  
Chief Financial Officer, Treasurer and Director



## NOTE

SBA Loan #	1772818405
SBA Loan Name	PPP Second Draw Loan
Date	2/3/2021
Loan Amount	\$1,233,655.00
Interest Rate	1.0%
Borrower	LAREDO OIL INC
Operating Company	
Lender	First Horizon

### 1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of One Million, Two Hundred And Thirty-Three Thousand, Six Hundred And Fifty-Five and 00/100 Dollars Dollars, interest on the unpaid principal balance, and all other amounts required by this Note.

### 2. DEFINITIONS:

"Collateral" means any property taken as security for payment of this Note or any guarantee of this Note.

"Guarantor" means each person or entity that signs a guarantee of payment of this Note.

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

### 3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

**Paycheck Protection Program:** This Note is issued under either the SBA's Paycheck Protection Program under section 7(a)(36) of the Small Business Act ("PPP") or the SBA's Paycheck Protection Program Second Draw Loans under Section 7(a)(37) of the Small Business Act ("PPP-SD"). This Note is subject to the terms, conditions, and provisions of the Small Business Act ("SB Act"), the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the "Economic Aid Act"), as each may be amended from time to time, governing the PPP or the PPP-SD, as applicable, together with any and all rules, regulations, and other guidance issued by the SBA or the U.S. Department of Treasury implementing, interpreting, or otherwise governing the PPP or the PPP-SD, as applicable (collectively with the SB Act, the CARES Act, and the Economic Aid Act, the "PPP Rules"). The term "PPP Rules" shall refer to the PPP Rules which apply to the program (either PPP or PPP-SD) under which this Note has been issued.

**Maturity:** This Note will mature 5 years and 0 months from the date of this Note.

**Repayment Terms:**

The interest rate is 1% per year.

The Borrower's obligation to begin making monthly principal and interest payments is subject to and determined by the PPP Rules.



If Borrower submits a loan forgiveness application to Lender within 10 months after the end of the Borrower's covered period (as defined and interpreted by the PPP Rules, the "Loan Forgiveness Covered Period"), Borrower will not be obligated to make any payments of principal or interest before the date on which the SBA remits the loan forgiveness amount to Lender or notifies Lender that no loan forgiveness is allowed. Lender will then notify Borrower of remittance by SBA of the loan forgiveness amount (or notify Borrower that the SBA determined that no loan forgiveness is allowed) and the date Borrower's first payment is due. If Borrower does not submit a loan forgiveness application to Lender within 10 months after the end of the Borrower's Loan Forgiveness Covered Period, Borrower must begin paying principal and interest after that period. Interest will continue to accrue during the applicable deferment period.

The amount of principal and interest payments due hereunder shall be calculated pursuant to and in accordance with the PPP Rules. The unpaid principal balance of this Note, together with all accrued interest and charges owing in connection therewith, shall be due and payable upon maturity as set forth in this Note.

Lender will apply each installment first to pay interest accrued to the day Lender receives the payment, then to bring principal current, then to pay any late fees, and will apply any remaining balance to reduce principal.

**Loan Prepayment:** This Note may be prepaid, in full or in part, at any time, without penalty.

**Late Charge:** If payment on this Note is more than 15 days late, Lender may charge Borrower a late fee of up to 5.0% of the unpaid portion of the regularly scheduled payment.

**Additional Provisions:** To the extent that any provision of this Note is inconsistent with the PPP Rules, the PPP Rules shall govern, and any such inconsistent provision of the Note shall be removed, but the remainder of the Note shall continue in full force and effect. Borrower has not relied on and will not rely on any representation or statement (whether written or oral) by Lender, or any of its officers or agents regarding Borrower's eligibility for, the benefits of, and Borrower's choice to participate in the PPP or PPP-SD, Borrower's ability to receive loan forgiveness under the PPP Rules, or any other requirements or benefits of the PPP, PPPSD, or PPP Rules. Borrower hereby affirms, re-certifies, and incorporates by reference herein, any and all representations, warranties, certifications, and authorizations made by Borrower in making its application for or otherwise in connection with the PPP or PPP-SD loan evidenced by this Note.

**Loan Forgiveness:** Borrower may be eligible for loan forgiveness of up to the full principal amount and any accrued interest owing under this Note pursuant to the PPP Rules. Borrower hereby agrees, acknowledges, and understands that the amount of principal and accrued interest which may be forgiven shall be determined in accordance with the PPP Rules. Borrower further agrees, acknowledges, and understands that the forgiveness amount may be less than the full principal amount and any accrued interest owing under this Note if the Borrower does not fully comply with or does not meet all the requirements of loan forgiveness as set forth in the PPP Rules. Borrower shall remain responsible to Lender under this Note for any and all amounts of principal, accrued interest, fees, costs, and any other amounts which are not forgiven pursuant to the PPP Rules.



#### 4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or

M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:



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- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
  - B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
  - C. Release anyone obligated to pay this Note;
  - D. Compromise, release, renew, extend or substitute any of the Collateral; and
  - E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.



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10. STATE-SPECIFIC PROVISIONS:

The following provision applies when a borrower is a resident of WISCONSIN:

**Each Borrower who is married represents that this obligation is incurred in the interest of his or her marriage or family.**

The following Confession of Judgment provision applies when a borrower is a resident of DELAWARE:

**WARRANT OF ATTORNEY/CONFESSION OF JUDGMENT. In addition to any other remedies Lender may possess, Borrower knowingly, voluntarily and intentionally authorizes any attorney to appear on behalf of Borrower, from time to time, in any court of record possessing jurisdiction over this Note and to waive issuance and service of process and to confess judgment in favor of Lender against Borrower, for the unpaid principal, accrued interest, accrued charges, reasonable attorney fees and court costs and such other amount due under this Note.**

The following Confession of Judgment provision applies when a borrower is a resident of MARYLAND:

**WARRANT OF ATTORNEY/CONFESSION OF JUDGMENT. Borrower authorizes an attorney to appear in a court of record and confess judgment, without process, against Borrower in favor of Lender for all indebtedness owed in connection with the loan, including but not limited to service charges, other charges and reasonable attorney's fees.**

The following Confession of Judgment provision applies when a borrower is a resident of OHIO:

**WARRANT OF ATTORNEY/CONFESSION OF JUDGMENT. In addition to any other remedies Lender may possess, Borrower knowingly, voluntarily and intentionally authorizes any attorney to appear on behalf of Borrower, from time to time, in any court of record possessing jurisdiction over this Note and to waive issuance and service of process and to confess judgment in favor of Lender against Borrower, for the unpaid principal, accrued interest, accrued charges, reasonable attorney fees and court costs and such other amount due under this Note.**

**WARNING: BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME, A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF THE COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT OR ANY OTHER CAUSE.**

The following Confession of Judgment provision applies when a borrower is a resident of PENNSYLVANIA:

**WARRANT OF ATTORNEY/CONFESSION OF JUDGMENT. Borrower irrevocably authorizes and empowers the prothonotary, any attorney or any clerk of any court of record, upon default, to appear for and confess judgment against Borrower for such sums as are due and/or may become due under this Note including costs of suit, without stay of execution, and for attorney's fees and costs as set forth in this Note and knowingly, voluntarily and intentionally waives any and all rights Borrower may have to notice and hearing under the state and federal laws prior to entry of a judgment. To the extent permitted by law, Borrower releases all errors in such proceedings. If a copy of this Note, verified by or on behalf of the holder shall have been filed in such action, it shall not be necessary to file the original Note as a warrant of attorney. The authority and power to appear for and confess judgment against Borrower shall not be exhausted by the initial exercise thereof and may be exercised as often as the holder shall find it necessary and desirable and this Note shall be a sufficient warrant for such authority and power.**

The following Confession of Judgment provision applies when a borrower is a resident of VIRGINIA:

**IMPORTANT NOTICE: THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE. WARRANT OF ATTORNEY/CONFESSION OF JUDGMENT. In addition to any other remedies Lender may possess, Borrower knowingly, voluntarily, and intentionally authorizes Lender to appear on behalf of Borrower, from time to time, in any court in Virginia having jurisdiction over this Note and to waive issuance and service of process and to confess judgment in favor of Lender against Borrower, for the unpaid principal, accrued interest, accrued charges, reasonable attorney fees and court costs and such other amount due under this Note.**

10. STATE-SPECIFIC PROVISIONS (CONTINUED):

The following Oral Agreements Disclaimer provision applies when the borrower is a resident of MISSOURI:

***Oral or unexecuted agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based that is in any way related to the credit agreement. To protect you (Borrowers(s)) and us (Creditor)***

from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.

The following Oral Agreements Disclaimer provision applies when the borrower is a resident of OREGON:

**UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY [BENEFICIARY]/ US CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY GRANTOR'S/ BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY [AN AUTHORIZED REPRESENTATIVE OF BENEFICIARY]/US TO BE ENFORCEABLE.**

The following Oral Agreements Disclaimer provision applies when the borrower is a resident of WASHINGTON:

**Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.**

The following provision applies when the borrower is a resident of ALASKA:

**The Mortgagor or Trustor (Borrower) is personally obligated and fully liable for the amount due under the Note. The Mortgagee or Beneficiary (Lender) has the right to sue on the Note and obtain a personal judgment against the Mortgagor or Trustor for the satisfaction of the amount due under the Note either before or after a judicial foreclosure of the Mortgage or Deed of Trust as under AS 09.45.170-09.45.220.**

The following Oral Agreements Disclaimer provision applies when the borrower is a resident of IOWA:

**IMPORTANT: READ BEFORE SIGNING. The terms of this agreement should be read carefully because only those terms in writing are enforceable. No other terms or oral promises not contained in this written contract may be legally enforced. You may change the terms of this agreement only by another written agreement.**

The following Oral Agreements Disclaimer provision applies when the borrower is a resident of UTAH:

**This is a final expression of the agreement between the creditor and debtor and the written agreement may not be contradicted by evidence of any alleged oral agreement.**

The following Oral Agreements Disclaimer provision applies when a borrower is a resident of TEXAS:

THIS NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENT BETWEEN THE PARTIES.

The following provision applies when a borrower is a resident of FLORIDA:

By Executive Order Number 20-95, the assessment and collection of taxation imposed under Chapter 201, Florida Statutes, was suspended for all notes and obligations such as this Note made pursuant to Title 1 of the CARES Act and thus no such taxes are due and owing on this Note.

The following provision applies for all states, to the extent permitted by law:

**WAIVER OF JURY TRIAL. To the fullest extent permitted by law, all parties to this Note hereby knowingly and voluntarily waive any right to trial by jury of any dispute, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Note or any other instrument, document, or agreement executed or delivered in connection with this Note.**

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

<u>BRADLEY SPARKS</u>	<u>2/3/2021</u>
Signature of Authorized Representative of Borrower/Borrower	Date
<u>BRADLEY SPARKS</u>	<u>Chief Financial Officer</u>
Name of Authorized Representative of Borrower	Title

If this Note is executed by electronic signature, Borrower agrees that this Note is intended to be and shall be treated as an effective, enforceable, and valid transferable record.



**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT OF 1934  
RULE 13a-14(a) OR 15d-14(a)**

I, Mark See, Chief Executive Officer of Laredo Oil, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended February 28, 2021 of Laredo Oil, Inc., the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 19, 2021

/s/ Mark See

Mark See

Chief Executive Officer

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT OF 1934  
RULE 13a-14(a) OR 15d-14(a)**

I, Bradley E. Sparks, Chief Financial Officer and Treasurer of Laredo Oil, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended February 28, 2021 of Laredo Oil, Inc., the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 19, 2021

/s/ Bradley E. Sparks

Bradley E. Sparks

Chief Financial Officer and Treasurer

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Laredo Oil, Inc. on Form 10-Q for the period ended February 28, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark See, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark See

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Mark See

Chief Executive Officer

Date: April 19, 2021

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Laredo Oil, Inc. on Form 10-Q for the period ended February 28, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradley E. Sparks, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bradley E. Sparks

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Bradley E. Sparks  
Chief Financial Officer and Treasurer

Date: April 19, 2021

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