

TRIBUTE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED MARCH 31, 2017

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of Tribute Resources Inc. ("Tribute" or "Company") for the period ended March 31, 2017. Amounts are presented in Canadian dollars unless otherwise stated. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Canada. The MD&A is provided to enable readers to assess the results of operations, liquidity and capital resources of the Company. The analysis includes events that have occurred up to the date of this MD&A.

This Management Discussion and Analysis was prepared on May 30th, 2017.

Throughout this MD&A, there are references to the following performance measures which management believes are valuable in assessing the economic performance of the Company. While these measures are not defined by IFRS, they are common benchmarks in the energy industry, and are used by the Company in assessing its operating results, including net earnings and cash flow.

- "Barrel of Oil Equivalent" or "BOE" is calculated at a barrel of oil conversion ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil (6 Mcf to 1 bbl), based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not always represent a value equivalency at the wellhead.
- "CAES" refers to Compressed Air Energy Storage, which is integrated into and used to supplement intermittent renewable energy delivered into an electricity grid, which is used to 'firm-up' intermittently delivered power to dispatchable, grid-quality electricity, and which also may be used for certain ancillary service offerings.
- "Field Level Cash Flows" is calculated as revenues from oil and natural gas sales, less royalties and production expenditures, adjusted for the effect of the Company's derivative financial instruments. Field level cash flows contribute to the funding of the Company's working capital and to capital expenditure requirements.
- "Field Netbacks" refer to field level cash flows expressed on a measurement unit or barrel of oil equivalent basis.
- "MW" or "Megawatts" refer to the approximate project nameplate capacity of the total generation equipment installed for the renewable electricity generation projects, or the capacity that is expected to be utilized on a transmission line.
- "Per Day Amount" or "/d" is used throughout this MD&A to reflect production volumes on an average per day basis.
- "Proved Reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

- “Probable Reserves” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- “Reserve Life Index” is determined by dividing proved reserves by expected annual production.
- “TX” means electricity grid line transmission and may be used to refer to transmission line capacity.

For greater certainty, the reserve life index includes only proved reserves and does not include probable or possible reserves.

FORWARD-LOOKING STATEMENTS

Certain information regarding Tribute set forth in this report, including management’s assessment of Tribute’s emerging plans, transitions and operations contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks and uncertainties, many of which are beyond Tribute’s control, include the impact of general economic conditions, specific oil & gas and renewable electricity industry conditions, volatility of commodity prices, currency and energy market fluctuations, imprecision of reserve estimates, environmental risks, electricity grid conditions, competition from other energy companies, operational risk in procurement processes, development, exploration and production of energy, delays or changes in plans with respect to development projects or capital expenditures, stock market volatility, political risk and ability to access sufficient capital from internal and external sources. Tribute’s actual results, performance and achievements could differ materially from those expressed in or implied by these forward-looking statements and no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits would accrue to Tribute. The reader is therefore cautioned not to place undue reliance on such forward-looking statements.

OUR BUSINESS

Tribute is a Canadian energy company incorporated under the *Business Corporations Act* of the Province of Alberta on May 15, 1997. Tribute’s consistent focus is to create value to shareholders by developing and maintaining a long-term interest in renewable electricity, natural gas and energy storage projects in Canada. Tribute’s objective is to consistently build a company capable of delivering and sustaining long-term per share growth and utility quality earnings by developing renewable energy and natural resource projects that will generate stable long term cash flow, when fully developed.

Tribute’s past focus was to develop and maintain an interest in market-based, competitively priced underground natural gas storage. Recognizing the current reality that the natural gas storage market in Ontario has become uneconomic since the discovery of previously unrecoverable regional shale gas plays, Tribute’s business plan has evolved to substantially reduce its dependency on the gas storage market. The Company is effectively taking these assets into a dormant or maintenance-only status, while preparing to transform them into future reservoirs for CAES, where feasible.

Tribute is concurrently and proactively pursuing wind, marine, river and tidal power renewable energy projects. The Company has reorganized its wind projects on the Bruce Peninsula to better prepare for any future competitive bidding process conducted by the IESO. More recently, Tribute has entered into negotiations to complete transactions in three commercial marine and tidal power projects in Nova Scotia, which are more fully discussed below. A principal part of these activities will see Tribute continue to transition throughout 2017 from the original natural gas storage company to an integrated renewable energy company, with ties to CAES on a utility scale and at an industrial and smaller modular scale.

Tribute continues to uphold its Ontario Energy Board storage approvals, although these assets do not appear at this time on the financial statements. Tribute is closely studying the possibility of using its pools for CAES because using these pools for natural gas storage is not feasible at current prices, which are expected to continue for years into the future. In Ontario, there is growing demand for energy storage, and Tribute intends to participate actively in that development, given its high level of expertise in underground reservoirs and its relationship with a leading CAES technology developer. In Q1 2017, Tribute acquired an additional high deliverability storage pool and related natural gas production which management feels would be ideal for future CAES development.

In summer of 2016, Tribute reinforced its commitment to the tidal industry with the purchase of a 46.5% interest in Tocardo International, a Dutch tidal turbine and manufacturing corporation that has been chosen as the supplier for our Nova Scotian tidal projects.

Tribute's Business Plan therefore continues to build upon its current asset base, where suitable, to identify, permit, develop, and construct renewable generation and natural resource projects that meet its threshold return criteria. Tribute creates value by identifying project opportunities, providing the expertise to develop these projects and maintaining an equity interest in the completed assets, which has allowed it to build long-term stable utility quality cash flow from a strong and diversified energy related asset base across Canada. Tribute has taken this model and is currently exploring its application to other renewable energy projects internationally. Having achieved project income and cash flow from some of its projects, Tribute is poised to provide a return to shareholders by using its base to acquire renewable energy technology and projects.

2017 HIGHLIGHTS

1st Quarter

- Tribute acquires the Rowe natural gas production assets and associated high deliverability storage pool which is located near important transmission line infrastructure in Elgin County, Ontario.
- Tribute continues to invest in the three contracted Nova Scotia tidal power projects and further the development of these projects.

OUTLOOK AND STRATEGY

Tribute's long-term strategy is to achieve a return to shareholders through the development of renewable energy and, where feasible, natural resource projects. Outside the Ontario market, Tribute reviewed opportunities in other provinces in renewable energy that would utilize the skill sets developed through work successfully completed in Ontario. This review led to the 2013 acquisition of a tidal power developer in British Columbia with 12 subsea sites now licensed exclusively from the B.C. government and to the formation of International Marine Energy Inc. ("IME"), which will be one of the vehicles Tribute will use to continue the development of the tidal power projects throughout Canada and internationally. IME purchased shares in Fundy Tidal Inc. ("FTI"). IME and Tribute are pursuing development of two Fundy tidal projects in Nova Scotia, at Digby Gut and Petit Passage. As Tribute saw opportunities in the renewable energy market in Ontario become more competitive, Tribute broadened its renewable energy business outside Ontario, and acquired a natural gas production company in 2014 and another in 2015 to diversify its income sources and provide for stable cash flows.

Across Canada, Tribute has several renewable energy projects at various stages of development. The Company has some dormant Ontario natural gas storage projects in the development phase, some of which may be convertible to CAES. Tribute successfully financed and built its first natural gas storage

project with equity contributions, in addition to selling its first major wind development project (104 MW) with the option to own an equity share, and then formed and invested in IME, along with partners. Tribute continues to work with IME and with Tocardo International BV, a Dutch manufacturer of power generation turbines, to further the tidal renewable projects in Nova Scotia, B.C. and Europe. Tribute is also looking to expand its relationship with its preferred CAES provider in order to optimize power production from its renewable energy assets and with a goal of making its intermittent power deliveries firm dispatchable power, attracting preferred pricing. With the proceeds from the Port Dover/Nanticoke wind project sale, Tribute purchased natural gas and related potential natural gas storage producing assets in Ontario to provide stable cash flows and to fund further renewable development activities as a part of its transition. In Q1 2017, Tribute invested further funds to acquire a high deliverability storage pool which may be suitable for CAES.

Tribute and IME anticipate that the three Nova Scotia tidal projects at Minas Passage, Digby and Petit Passage will cost approximately \$83M to develop the 7MW. These projects range from 15 – 20 year contracted power terms at prices of \$0.53 - \$0.65/kWh. Nova Scotia has signaled that it intends to develop approximately 20 MW at the 5 FORCE berth locations, prior to awarding more competitively-based power purchase contracts at the same 5 berths until approximately 55 MW are achieved. Tribute and IME intend to pursue further opportunities at these locations as the capacity is opened up for additional contracting. Tribute will look for opportunities to maximize CAES at suitable locations to deliver firm power into the Nova Scotia electricity grid, as called for in the April 2015 Energy Plan.

As a project developer, Tribute's management established stringent project milestones whereby project status, progress, and profitability are critically reviewed to determine the ongoing feasibility of all undertakings.

It is the intent of Tribute to maintain an interest in developed renewable projects upon completion. Projects undergo constant evaluation to determine where the best return for Tribute can be realized. Tribute plans to develop its projects and provide a return to shareholders through a mixture of re-investment of proceeds from the projects and a direct return to shareholders through dividends or share buy-backs.

In July 2016, Tribute purchased 46.5% of Tocardo International BV (Tocardo), a tidal turbine developer in the Netherlands. Through this partnership with Tocardo, Tribute has access to over 90 MW of tidal power projects and will act as the project developer for Tocardo, while Tocardo will focus on research and development activities for their turbines.

OVERALL PERFORMANCE

The following discussion reflects management's comments on results of operations for the period ended March 31, 2017. A number of risk factors and developments may positively or negatively affect the actual results for Tribute in the upcoming years including, without limitation, those risk factors set out below under the heading "Risk Factors".

Tribute recorded a net loss of (\$66,904) for the period ended March 31, 2017 compared to a net loss of (\$375,322) for the period ended March 31, 2016. Tribute is currently a development stage company. Most projects for which Tribute has been making expenditures have not yet achieved commercial operation and as such, revenues have not yet been realized for those projects due to financial IFRS reporting rules. A full explanation is included in the section below under the heading "Results of Operations".

Tribute earns income through several avenues. The reliable base income has historically been from Ontario natural gas production, which base income has been supported with the acquisition of the Magnum Gas assets in 2014 and the purchase of Liberty Oil & Gas Ltd. in 2015. In addition, by

maintaining an interest in developed energy projects, Tribute will, once projects are fully operational, earn stable long-term utility quality income. By identifying project opportunities and utilizing in-house expertise for further development, Tribute earns project management fees. Tribute also earns income by realizing project milestone payments achieved through the successful initial development of a project and the (partial) sale to a third-party developer.

Tribute is planning to begin receiving power purchase contract income from its marine and technology-related affiliated companies in 2018-2019, which until then will show as expenses as their development proceeds.

Tribute's project development business plan has been to act as the initial developer of a project and maintain an interest in projects typically by using a limited partnership ("LP") structure. Tribute receives an interest in the LP by contributing time and early development costs. Units are then sold to third parties to fund project development.

Renewable energy projects are very capital intensive with minimum 2 - 5 year development timelines, and are suitable for this LP structure, particularly the electricity generation projects. Tribute expects large variances in project capital expenditures and income levels from year to year as spending is 'lumpy' and income is realized from development at various project milestones, and as projects are maintained in various stages of development. Once several projects have been developed and are up and running, Tribute anticipates that the utility quality income received from these fully operational projects will provide stable revenues in later years. The natural gas producing assets will also provide relatively stable cash flows to Tribute. Upon realization of profits from these projects and producing assets, Tribute plans to return a portion of the profits to shareholders and retain a portion for future growth opportunities, as was evidenced by the dividend of \$0.01 per share paid to shareholders in 2014.

RENEWABLE ENERGY PROJECTS

A key business segment for Tribute is the development of renewable energy projects as the company evolves into a renewable energy company. With the 2009 introduction of Ontario's *Green Energy and Green Economy Act*, renewable energy project development in Ontario became increasingly attractive and Tribute has taken some major steps to move forward with wind power development in Ontario and subsequently with additional renewable power generation elsewhere in Canada and the world.

The Mar Wind Project

In June 2010, Tribute formed the Mar Silver Birch Limited Partnership (the "Mar LP") as the development vehicle for the-then proposed 240 MW wind project ("Project") surrounding the village of Mar on the Bruce Peninsula, just north of Wiarton, Ontario. Tribute now has over 11 years of reliable wind data from the area acquired between 2005 and 2016. Ongoing wind resource measurements throughout 2017-2018 are underway with one existing, and 3 new anemometers installed in 2015 on lands that were previously associated with two other wind project areas, which are now vacated by previous developers and since taken over by Tribute affiliates.

As its land base, Tribute has options to lease lands on which it proposes to place turbines on approximately 10,000 acres in the area (in total across the three LPs). Since the Ontario government replaced its FIT program for all wind projects with a competitive bidding procurement process beginning in Q3 2016, Tribute has decided to await further significant project advancement until the process is announced and implemented and until additional the new wind data is acquired and analyzed.

In August 2011, Tribute entered into a financing and development agreement with Access Capital for the project. In January of 2012, Tribute entered into an option agreement with Budd Energy Inc. and Colmac Power Inc. to fund the next \$2 million of development in consideration for the issuance of 40

additional units (a 50% interest) in the Mar LP. Funds are being provided on an as-needed basis. Terms of the option agreement also included the sale of a 50% interest in Mar Wind Corp., the general partner of the project. With the announcement of a further procurement for 250 MW of power from the Bruce Transmission Area, the projects are continuing discussions with potential investors as well as the various government agencies. The Himmelspach Group from Western Canada has also purchased units in the Mar Wind LP on March 31, 2014, with various contributions since, which purchases are included in the financial statements.

Mar LP has had several unit issuances, both to the Budd/Colmac and Himmelspach groups and to Tribute. The proceeds from the unit issuances were used to fund the advancement of the peninsula wind projects including additional lease acquisitions and wind data acquisition. Three additional unit issuances were completed in February 2015 and December of 2015 and June 30, 2016 for a total of \$452,000 and 57.4 units. The results of this issuance are included in the March 31, 2017 financial statements.

As at March 31, 2017, the unit breakdown was as follows:

- Tribute – 83.7 units for a 56.4% ownership
- Colmac – 35.8 units for a 24.0% ownership
- Himmelspach Group – 23.8 units for a 16.0% ownership
- Budd Group – 5.4 units for a 3.6% ownership

The peninsula Projects will participate in, prepare and submit a response application under whatever new Independent Electricity System Operator ("IESO") competitive bidding process replaces the Large Renewable Procurement ("LRP") II rules, when it is deemed optimal, with an expanded land base and additional investors, who are supportive of an expanded and reorganized Project. Tribute will reorganize its peninsula wind projects into one or more optimally sized projects, to be determined closer to the procurement period, redesigned to meet prospective incremental RFP project size requirements with grid conditions at the proposed interconnection.

Tribute looks forward to continuing consultation and working with the local Saugeen Ojibway Nation ("SON") communities in the Chippewas of Nawash and Saugeen First Nations if the project proceeds.

The IESO and the Ontario government have determined that the Bruce Transmission Area is capable of supporting 250 MW of incremental wind power at various circuit areas, some of which are not finalized. It is expected that now that transmission capacity is available in the transmission area, it effectively means that the Project(s) on the Bruce Peninsula should eventually be eligible to connect to the grid at more predictable costs.

In preparation for the forecast of power shortfalls in Ontario in and around the early 2020s due to the temporary and/or permanent shut-down and refurbishment of certain Ontario nuclear facilities, these Projects will be ready for development backed by detailed financial modeling. It is well known from the IESO that wind power in Ontario has, when combined with nuclear operations, substantially reduced costs of the operations of nuclear facilities, and that they are highly symbiotic in terms of their operating characteristics.

Due to the cancellation of the LRP II program, Tribute has impaired the Mar wind project in the consolidated statement of financial position in the December 31, 2016 statements to a carrying value of zero. Tribute continues to hold the wind leases and monitor the wind resource.

TIDAL POWER

International Marine Energy Inc.

Tribute has been active in tidal power development since June 2012. Tribute sees this sector as an area with tremendous growth potential, domestically and internationally, similar to what has been witnessed for the wind industry over the past 30 years.

In October 2014, Tribute formed International Marine Energy Inc. ("IME") as the development vehicle for future tidal power projects. Tribute invested \$1,000,000 in IME in exchange for 10 Class A common shares. In addition, Tribute sold its interest in WTH to IME for consideration of milestone payments based upon the success of future developments in British Columbia. No value has been assigned to this consideration as its measurement is not determinable at this time. As part of the transaction, Tribute recorded an impairment of \$764,034 on the WTH assets. In November 2014, as part of the same transaction, Mark and Chad Himmelspach and related entities (collectively referred to as "Himmelspach") invested \$1,000,000 in shares of IME in exchange for a 50% stake in IME. IME is now owned 50% by Tribute and 50% by Himmelspach.

IME has invested in the development of tidal and marine energy projects in Canada. Mark Himmelspach is President and CEO of IME and Jane Lowrie, the President of Tribute is the CFO of IME. Other consultants and staff within Tribute consult to IME on an as-needed basis.

Over 2015 - 2016, IME progressed discussions with Tocardo International BV, a proven Dutch tidal power turbine and foundation equipment supplier, initially primarily for the BC projects, but mainly three contracted Nova Scotia Bay of Fundy projects. In Q1, 2016, IME negotiated terms with Minas Energy Inc. ("Minas") to purchase Berth A of the Fundy Ocean Research Center for Energy ("FORCE"). Financial close occurred in March 2016, with the Minas FIT contract holders to take over the project development, with anticipated in-service commercial operations date in 2018-2019 for the first 4 MW of these projects. IME currently holds 400,000 limited partnership units in the Minas Tidal LP. In addition to the units owned by IME, Tribute directly holds 1,065,000 units in the Minas Tidal LP which it received as compensation for funds invested directly to date.

IME has been assigned certain rights of Tribute to the Fundy Tidal Inc. ("FTI") projects. In June 2016, IME made an offer to the FTI Board of Directors to purchase the Petit Passage 1 MW project in consideration for a continued interest in the project Limited Partnership, Spray Tidal. The offer was accepted in July of 2016. IME also owns an interest in the Fundy Digby project. Peter Budd and Jane Lowrie remain on the Board of Directors of Fundy Tidal as the project progresses.

Western Tidal Holdings Ltd.

In August 2013, Tribute and Western Tidal Holdings Ltd. ("WTH") entered into a share exchange agreement resulting in Tribute acquiring 100% of the issued and outstanding shares of WTH and its tidal operations. WTH remains active as a private company registered in BC. WTH and TRB exchanged all of the issued and outstanding shares in the capital of WTH for 7,189,950 common shares of TRB through an equity swap in TRB's common shares. TRB issued to WTH shareholders 25 common shares of TRB in exchange for each common share of WTH. The exchange ratio (25:1) was calculated based upon a price of \$0.20 for each TRB share and \$5 for each WTH share.

To date, WTH has successfully received 12 completed site licenses representing 243.5 MW of tidal development potential through the accepted application stage.

Consistent with its corporate project development objectives, WTH intends to continue to pursue local First Nations as full business partners in its project ventures. With over 200 First Nations located in BC,

these tidal power opportunities are situated within the traditional territories of many of these First Nations, who are knowledgeable and skilled partners. Together with its First Nations partners, WTH stands ready to pursue the establishment of a regulatory structure and is in a position to propose draft power purchase agreements to the appropriate agencies and government officials, continuing in 2017, as these opportunities become apparent.

In addition to the sites under license, WTH has met with BC Hydro and government representatives to engage in discussions about supplying tidal power to remote, non-grid connected communities along the BC coast. WTH is hoping to develop relationships in this area to explore the possibilities of supplementing/replacing some diesel generation at various coastal locations. Management has entered into non-disclosure agreements with project developers, equipment suppliers and operators of marine support facilities to further broaden WTH's network of relationships as they investigate the resource assessment and planning phase of WTH's development activities. Looking forward, the immediate focus will be to add to WTH's collaborative agreements with First Nations, enhance WTH's government relations profile across several Ministries having jurisdiction and conduct resource and connectivity assessments at selected sites, subject to available financing and optimal opportunities.

As discussed above, in November of 2014, Tribute transferred all of the shares of WTH to IME in consideration of future milestone payments and financing commitments. Due to the fact that the BC government has not yet adopted a power purchase rate for marine energy, but has in fact set the stage to do so by issuing licenses for seabed locations, WTH is a long-term prospect with reasonable promise. As such, under IFRS rules, the WTH assets were written-off in the financial statements and no value has been assigned to the potential milestone payment consideration as its measurement is not determinable at this time. All costs of development from October 1, 2014 forward have been the responsibility of IME.

Tribute is currently in discussions with a western Canadian developer to re-initiate its activities on the west coast, given anticipated changes to the provincial regulatory regime and in view of the Government of Canada's expressed support for additional renewable energy cooperation with the provinces.

Fundy Tidal Inc.

In November of 2013, Tribute signed a term sheet with Fundy Tidal Inc. ("Fundy") outlining the terms for an ownership position in Fundy and participation through a limited partnership structure in the projects developed by Fundy. Since that time, Fundy and Tribute have been working together to complete final agreements and determine the structure for the financing of the Fundy projects. In November of 2014, Tribute transferred all of its interest in Fundy and its projects to IME, including the right to participate in the Digby Gut Limited Partnership.

Tribute and Fundy formed the Digby Gut Limited Partnership ("Digby LP") as the development vehicle for the 1.95MW small-scale tidal COMFIT project awarded to Fundy by the Province of Nova Scotia. Further development activities are actively underway in Grand & Petit Passages.

IME has been working with Dutch-based tidal turbine producer, Tocardo International BV, to commission the Digby LP project which may include the installation of 10 T200 turbines and the design and development of a floating platform to house them. The project team is also exploring potential facilities and local supply chain relationships in Digby County and Halifax, Nova Scotia, to serve the needs of the project and to possibly serve as Tocardo's tidal turbine assembly and manufacturing plant in North America.

IME on November 5, 2014 purchased a 10% equity interest in Fundy Tidal shares directly with an option to acquire an additional 10% interest and have representation on the Board of Directors of Fundy Tidal including Tribute CEO, Jane Lowrie and Tribute consultant, Peter Budd. In May 2017, IME purchased an additional 10% interest in Fundy Tidal.

Fundy Tidal is a Community Economic-Development Corporation (CEDC) based in Digby County, Nova Scotia, established on Brier Island in 2006, as a result of local interest to generate marine renewable energy from the tidal currents of the Outer Bay of Fundy, Nova Scotia including Digby Gut, Grand Passage and Petit Passage. Fundy's focus is small-scale tidal energy projects that involve community ownership and local benefits. Current activities include development of five tidal power projects through the Community Feed-In Tariff (COMFIT) program. Fundy received COMFIT approvals from the Province of Nova Scotia for projects in Digby County (1.95 MW in Digby Gut and 500 kW in each of Grand Passage and Petit Passage, which capacity at Grand Passage, will be transferred to the Petit Passage project).

Since 2015, Tribute and IME have been in discussions with Stan Mason of Katalyst to form another CEDC to raise funds to develop .9 MW of contracted power production to be located at Petit Passage, using Tocardo turbine equipment. IME and Tocardo revised their joint offer to the FTI board in June 2016, which offer was accepted by the Board in July 2016. IME is planning to combine CAES technology with the 750kW wind turbine currently connected to the distribution grid at the Petit Passage location. Once operational, this combined project would represent the first known tidal/wind/CAES project in Canada, connected to the Nova Scotia power grid. FTI shareholders will have a continued opportunity to participate in the new combined energy project and will receive 500,000 LP units in the Petit Passage project, which would be capable of delivering firm dispatchable power to the grid operators.

Tocado International BV

In July 2016 Tribute purchased a 46.5% stake in tidal and free-flow water turbines producer Tocardo International BV. Tribute has been working closely with Tocardo since its entry into the tidal energy market in 2012 and had previously agreed to work co-operatively on several Canadian tidal power projects.

Tocado, located in Den Oever, the Netherlands has been developing and deploying its tidal turbines in rivers and ocean environments for over a decade. Tocardo's most recent project in the Netherlands was for the design, production and installation of five tidal turbines in the Eastern Scheldt storm surge barrier (Oosterschelde barrier) to generate clean energy. The installation is the largest tidal energy project in the Netherlands as well as the world's largest commercial tidal installation of five turbines in an array. This project has been in operation since Q4 2015.

Tocado is active in the design and production of tidal energy turbines as well as providing installation, operation, and maintenance services. Tribute and Tocardo will be moving forward working as a team to provide energy project development through site selection, feasibility studies, front end engineering design, business case development and financial and project engineering.

Tocado owns the exclusive project development rights for 3 projects in the UK and the Netherlands having a combined potential of 24 MW. The projects are expected to be installed over the next 5 years. The Tocardo technology will also be installed to develop the Minas Tidal Bay of Fundy site in 2018-2019 jointly with Tribute. Tribute is committed to working with the Tocardo team and has identified over 90 MW of projects for installation over the next 5 years.

As part of the July 2016 transaction, Tribute has purchased all of the Huisman share interest, being 66.5% of the outstanding Tocardo shares for consideration of euro 100,000 plus an agreement by Tocardo to assume loans to Huisman totaling euro 12 million over a 10 year period payable as a royalty on future turbine sales. Tribute agreed with Tocardo management for a redistribution to management of 20% of the shares in consideration for all past obligations owing to management in the amount of euro 45,000 and an agreement with management to work with Tribute for a minimum period of 5 years to jointly execute the business plan. As such, the net shares being acquired by Tribute represent a 46.5% interest in Tocardo.

Huisman, a Dutch specialist in lifting, drilling and subsea solutions, purchased a majority stake in Tocardo in 2014. The transaction is consistent with Huisman's strategy to divest activities in non-core businesses. "We are pleased that we have reached an agreement with Tribute Resources Inc.," said Joop Roodenburg on behalf of the Huisman Board. "This transaction will allow us to focus on our core activities and markets."

Hans Van Bruegel, President of Tocardo was elected to the Tribute Board of Directors.

Tribute maintains the right to hold two positions of a total of four positions on the Supervisory Board of Tocardo.

NATURAL GAS and COMPRESSED AIR ENERGY STORAGE DEVELOPMENT

The gas storage market has changed dramatically since Tribute first considered development of these assets. Ontario has approximately 260 billion cubic feet of storage developed, most of which was vital to the operation of the Ontario gas market place and utility delivery systems. One of the fundamental changes has been the reversal of the gas flows exported from Ontario to gas flowing into Ontario from the bordering United States regions which produce shale gas. As a result, subject to normal weather conditions, Ontario does not require the same quantity of gas storage as it once did, and this is reflected in lower prices for storage facilities and operations. The 2013-2014 and 2014-2015 heating seasons were an exception to this market trend due to a much colder weather pattern across North America, with prices for gas and storage substantially increased over forecast levels.

Due to the poor storage spreads, Tribute has decided to pursue renewable energy opportunities, including CAES, and has placed the development of additional natural gas storage pools on hold pending an improvement in storage market conditions. Profit margins for storage are largely dependent upon volatility in natural gas prices and a wide spread between summer and winter gas prices. Prior to the 2013-2014 and 2014-2015 winter, storage operators had experienced high storage volumes in inventory even at the completion of the season. The high deliverability of natural gas horizontal wells allows these wells to compete with storage for pricing as horizontal well operators can more easily inject large supplies of natural gas directly into pipelines. Abundant supplies of natural gas means that the spikes in pricing that were extremely profitable to storage operators have been diminished. In this market where gas prices are low and volatility low, storage margins are narrow and storage values are therefore depressed.

Huron County Phase 2 Development

Tribute owns six potential gas storage pools in Huron County with a total estimated potential working storage capacity of approximately 8 BCF. Tribute prioritized two of the pools, Bayfield and Stanley, and in December of 2012 received approval from the OEB for the development of these pools, which storage capacity totals approximately 6 BCF. All of the landowners with the exception of one, favored the development of these pool for gas storage. Tribute has approached its landowners to inquire as to their interest in possibly converting one or more of these pools to CAES.

Tribute also owns the storage rights to two additional pools in Chatham-Kent County believed to be suitable for conversion to natural gas or CAES.

Liberty Oil & Gas Storage Development

Tribute purchased the shares of Liberty Oil and Gas Limited in 2015. Liberty owns potential storage development acreage with estimated storage potential of 3 BCF. This storage is adjacent to the Union Gas Ontario Energy Board designated Jacob pool.

As discussed, the gas storage assets are believed to be suitable for CAES, which has been developed in

Germany and the United States, and needed in Ontario, where the level of renewable generation is approaching 50% of the generation capacity by 2025 at the latest. Tribute is therefore actively allocating some resources to investigate the possibility of converting its gas storage pools to CAES and the Company looks forward to future IESO Requests for Proposals to compete for a contract through the LRP II competitive processes, as the Long-Term Energy Plan is likely to call for an increase to the current 50MW of pilot energy storage.

Rowe Storage Pool

In January 2017, Tribute entered into an agreement to purchase the Rowe storage pool and related natural gas production assets for consideration of \$200,000 in aggregate to be paid in milestone payments. The Rowe pool is located close to the Longwoods TX, which has significant intermittent wind power connected and would be an ideal location for CAES. The Rowe pool has approximately 3.7 BCF of storage capacity and is a high deliverability storage pool where gas or air can flow in and out very quickly.

NATURAL GAS PRODUCTION

Tribute has historically produced natural gas and a small amount of oil from 5 wells in Ontario. On September 24, 2014, Tribute completed the purchase of 71 Ontario natural gas wells and production of Magnum Gas Corp. The assets purchased include natural gas reserves, an 18 km 4½ inch steel pipeline which runs from Tillsonburg to a location near Port Burwell, Ontario and tax pool losses.

After Tribute purchased the Magnum assets, it became clear that the taxes charged by several municipalities were exorbitant and likely a possible contributor towards the unprofitability of the former enterprise. In mid-2014, Tribute appealed the municipal taxation amounts for the Magnum pipelines to the Assessment Review Board ("ARB") as is the prescribed process when there is a disagreement in amounts being levied. ARB hearings were scheduled for the summer of 2015. Tribute, MPAC and counsel engaged in discussions leading up to the ARB hearings and determined that the ARB does not have jurisdiction to decide the matter currently being raised by Tribute with respect to the pipelines. As such, in July 2015 Tribute made an application to the Ontario Energy Board to seek a determination as to the status of the gathering pipelines prior to the Union Gas meter station. The issue was whether the gas gathering lines should be charged the taxation rates of utility-type transmission pipelines, or whether they are not properly classified as transmission pipelines and therefore charged a much lower rate, if charged at all. MPAC has applied as an intervenor in the OEB case, which was convened as a written hearing. OEB staff has supported in general terms the Tribute position. The OEB issued their decision in May 2016 and ruled that the pipelines were properly assessed under the Assessment Act, a position that contradicted OEB staff's position throughout the hearing. Tribute is appealing the OEB decision in respect of this decision which appeal is expected to be heard in late 2017.

In May 2015, subsequent to the purchase of the Magnum natural gas assets, Tribute purchased 99.99% of the common shares of Liberty Oil & Gas Ltd. ("Liberty"). Liberty owns a 100% interest in 21 oil and natural gas wells producing approximately 35 BOE per day located near Chatham, Ontario.

Tribute paid a total of \$775,000 cash for the purchase with an effective date of May 1, 2015. The funds were utilized to cover working capital deficiencies and debt in Liberty of approximately \$516,000 with the balance of the purchase price paid to purchase the shares of Liberty. The assets purchased include oil and natural gas reserves with an estimated 133,000 barrels of oil equivalent, 3,000 acres of petroleum and natural gas leased lands in the Dover East and West pools near Chatham, Ontario, 1,200 acres of natural gas storage leases at Dover East adjacent to the Ontario Energy Board designated Union Gas Jacob Storage Pool, a 3,400 km 2D seismic database, 15 km² 3D seismic base, and tax pools of \$4.2 million.

The transaction closed on May 20, 2015 but had an effective date of May 1, 2015 and the results of operations have been included in the Tribute consolidated financial statements since the effective date.

SHARE TRANSACTIONS

On May 12th, 2015 Tribute received authorization from the TSX Venture Exchange to conduct a Normal Course Issuer Bid to purchase up to 3,728,834 shares of Tribute at market value before May 18, 2016. As at December 31, 2015, 1,000,000 shares had been purchased at an average price of \$0.048 per share. During the year ended December 31, 2016, an additional 554,000 shares were purchased at an average price of \$0.03.

On March 5, 2017 1,600,000 options at \$0.12 expired by their own terms which were held by directors of the Company. On April 24, 2017 1,200,000 options at \$0.12 expired by their own terms which were held by officers of the Company.

SUBSEQUENT EVENTS

In March 2017, Tribute announced its intention to issue a private placement of 10% secured subordinated convertible debentures due March 31, 2019 for an aggregate principal amount of \$900,000. This private placement is fully subscribed and the funds advanced to Tribute will be used for working capital, general corporate purposes and transaction expenses. This private placement closed on May 24, 2017.

Tribute has partnered with Minas Energy in a 150 MW wind farm development project at Card Lake near the town of Chester adjacent to Halifax, Nova Scotia. The proposed project was being bid into an Emera Energy sponsored competition to supply 900 MW of renewable energy via a subsea HVDC cable to Massachusetts in April 2017. Tribute contributed a refundable 50% deposit in the amount of \$100,000 USD to participate into the bid process, which will be returned to Tribute in the event the bid is unsuccessful. If the bid is successful, Tribute will be increasing its deposit to \$1 million USD. There is the possibility of a local municipal partner being joined to support the project and participate in the funding and confirm local support.

On April 24, 2017, stock options issued to officers and consultants of the Corporation totaling 1,200,000 at \$0.12 expired unexercised.

In May 2017 IME acquired an additional 10% interest in the shares of Fundy Tidal Inc.

SELECTED ANNUAL INFORMATION (AUDITED)

	2016	2015	2014
Selected comparative operating, financial and reserve data			
<i>Financial</i>			
Revenue from operations	\$ 846,229	\$ 843,122	\$ 783,637
Cash flow (deficiency) from operations	(\$846,162)	(\$1,184,474)	(\$2,005,956)
Net earnings (loss) for the year	(\$1,790,925)	(\$3,576,195)	(\$1,448,244)
Per share (fully diluted)	(\$0.025)	(\$0.048)	(\$0.019)
Common shares	73,022,673	74,576,673	74,576,673
Total assets	\$ 5,048,580	\$ 4,745,525	\$ 7,419,416
Long-term debt	\$ 704,145	\$ -	\$ -
Shareholders' equity	\$ 1,511,956	\$ 3,227,501	\$ 6,691,937
<i>Production</i>			
Equivalent barrels per day	99	99	64
Oil production (barrels of oil per day)	16	17	2
Gas production (mcf per day)	498	486	661
Average oil price (\$Cdn per barrel)	\$ 59.37	\$ 64.41	\$ 109.72
Average gas price (\$Cdn per mcf)	\$ 3.32	\$ 3.46	\$ 5.73
Field netback (\$Cdn per boe)	\$ 10.34	\$ 8.67	\$ 20.16
Reserves ²			
Oil - proven (barrels)	59,990	48,420	4,340
Oil - probable (barrels)	9,770	14,916	N/A
Natural gas - proven (000's mcf)	1,194	1,168	1,119
Natural gas - probable (000's mcf)	298	216	237.4
Total proven and probable (boe)	318,443	294,047	234,190
Present value of proven reserves - DCF @ 15%	\$ 1,876,600	\$ 1,677,300	\$ 1,841,000
Natural Gas Storage ³			
Working storage potential (BCF)	12.0	12.0	9.0
Working storage in operation (BCF)	-	-	0.8

1. Based on a 6.0 ratio of MCF to barrels

2. Proven and probable reserves for 2016 based on an independent engineering reserve evaluation conducted by Jim McIntosh Petroleum Engineering Ltd. issued March 31, 2017 and March 10, 2017.

3. Storage capacity related to the Huron storage assets. Natural gas storage does not form part of our engineering reserve calculations.

RESULTS OF OPERATIONS (UNAUDITED)

	Period ended,	
	March 31, 2017	March 31, 2016
Production Revenue, Operating Expenses and Depletion		
<i>Petroleum and natural gas sales</i>		
Crude oil and NGLs	\$ 108,681	\$ 67,367
Natural gas	\$ 184,932	\$ 130,001
Revenue	\$ 293,613	\$ 197,368
On a BOE basis	\$ 33.37	\$ 21.87
<i>Royalties</i>	\$ 25,952	\$ 17,972
On a BOE basis	\$ 2.95	\$ 1.99
As a % of revenue	9%	9.1%
<i>Well operating expenses</i>	\$ 90,152	\$ 118,016
On a BOE basis	\$ 10.25	\$ 13.08
As a % of revenue	31%	60%
<i>Operating netbacks</i>	\$ 20.18	\$ 6.80
<i>Amortization, depletion and accretion</i>	\$ 77,415	\$ 138,173
<i>Impairment loss (reversal)</i>	(\$84,717)	\$ 4,716
On a BOE Basis - Amortization, Depletion and Accretion	\$ 8.80	\$ 15.31
On a BOE basis - Impairment loss	(\$9.63)	\$ 0.52
As a % of revenue	-2%	72%
Other Revenue		
Interest income	\$ 6	\$ 1,385
General and Administrative Expenses		
General and administrative expenses	\$ 112,183	\$ 163,034
Interest and service charges	\$ 49,737	\$ 6,272

The Liberty purchase has an effective date of May 1, 2015 and as such, results of the Liberty purchase are consolidated with the Tribute results as of this date.

Tribute markets its natural gas on a wholesale basis to Union, the local gas utility. The gas sales from the Magnum purchase and the Liberty purchase are sold through Alta Gas Ltd on a daily basis to the Dawn natural gas market. Tribute is able to sell all of its produced natural gas. The production purchase completed in September 2014 has increased Tribute's daily production from 10 BOE/d to 65 BOE/d. The Liberty purchase increased these amounts to 99 BOE/d. Current production rates are 17.2 BOE/d of oil and 80.5 BOE/d of natural gas.

In accordance with industry practice, production volumes, reserve volumes and oil and gas sales are reported on a working interest or "net" basis.

The Company's operating performance is dependent on both production volumes of oil, natural gas and natural gas liquids, as well as the prices received for these commodities. During the first quarter of 2017, sales of oil and natural gas, net of royalty interests, generated revenues of \$267,661, an increase of \$88,265 over revenues earned during the prior period (revenues for the period ended March 31, 2016 were \$179,396).

Production Volumes

During the period ended March 31, 2017, production volumes decreased to an average of 97.7 BOE/d, compared with an average of 99.2 BOE/d produced during the period ended March 31, 2016.

Average daily volume during the period ended March 31,	2017	2016
Natural gas (BOE/d)	80.5	83.2
Oil and Liquids (BOE/d)	17.2	16.0
Total (BOE/d)	97.7	99.2

During the period ended March 31, 2017, oil production volumes increased slightly to an average of 17.2 BOE/d, compared with an average of 16.0 BOE/d produced as at March 31, 2016. Gas production volumes decreased slightly to an average of 80.5 BOE/d, compared with an average of 83.2 BOE/d produced as at March 31, 2016. Over the past two years, both oil and natural gas production volumes have increased significantly from pre-2014 results due to the two acquisitions.

Net Sales of Oil and Gas

For the period ended March 31,		2017		2016	
	Sales	Realized Prices (\$/BOE)		Sales	Realized Prices (\$/BOE)
Natural Gas	\$ 184,932	\$ 25.51	\$	130,001	\$ 17.18
Oil	\$ 108,681	\$ 70.13	\$	67,367	\$ 46.17
Less: Royalties at 9% (2016-9.1%)	\$ 25,952		\$	17,972	
Net Sales	\$ 267,661		\$	179,396	

Revenues from oil and gas sales were \$267,661 during the period ended March 31, 2017. This compares with revenues of \$179,396 earned at the same period of the prior year. The Company's revenues are subject to royalty payments to freehold landowners and overriding royalty owners. During the first quarter of 2017, the Company recorded royalty obligations of \$25,952 (three months ended March 31, 2016 - \$17,972) against its oil and gas sales, representing an average royalty rate of approximately 9% (three months ended March 31, 2016 – 9.1%) of revenues.

Production Expenditures

Tribute incurred \$90,152 of production expenses for the period ended March 31, 2017 which include \$12,075 of lease expenses. In addition to these production expenses, Tribute paid \$53,758 for municipal taxes related to the Magnum pipeline and compressor sites at both Magnum and Liberty. Tribute is in the process of appealing the municipal taxes and recently settled one appeal for the Magnum compressor site taxes with MPAC. This settlement resulted in a refund to Tribute of approximately \$50,000 and will result in 75% less taxes to be paid at this compressor site going forward bringing the appraised value more in line with the actual value at this site. The amounts paid for the 2013-2016 fiscal years are unreasonably high and cause undue hardship for the Company, these are the years under appeal.

Production expenditures include costs associated with bringing oil and natural gas from the reservoir to the surface sales point, and include separating the oil and gas, treating the oil and gas to remove impurities and disposing of produced water. During the first quarter of 2017, the Company incurred production expenditures of \$90,152, a decrease of \$27,864 compared with \$118,016 incurred during the same period of the prior year. Production costs on a per unit basis decreased slightly to \$10.25/BOE in 2017, compared with \$13.08/BOE incurred during the prior year.

Tribute received \$6 in interest income for the period ended March 31, 2017 on short-term investments compared to \$1,385 for the period ended March 31, 2016. Interest income will vary in future years depending upon the cash held on hand to fund future projects. At March 31, 2017, Tribute had a negative working capital balance of (\$1,941,102).

Tribute received \$nil in project management income for the period ended March 31, 2017. Tribute's revenue from management fees will vary with the stage of development of various projects and Tribute's level of involvement in those projects. Project development costs associated with energy projects under development are initially intangible in nature and consist of legal, engineering, design, regulatory and consulting costs. When third party investment is obtained in a limited partnership, management fees are recovered from the projects and included in the statements of Tribute as management fees. Please see Note 3 of the Notes to the Financial Statements for further detail on Tribute's capitalization policies under International Financial Reporting Standards (IFRS).

Costs for management, consulting and administrative services utilized by Tribute are billed on an hourly basis as needed. Tribute's general and administrative costs are therefore dependent on activity levels in the Company. General and administrative costs for the period ended March 31, 2017 were \$112,183 (March 31, 2016 - \$163,034). Consultants and management compensation are invoiced to the various projects as incurred and the cost of these services is included in general and administrative services, management fees or capitalized as project costs if directly attributable to a project and if they meet Tribute's capitalization criteria under IFRS. Management fees charged to operations increased to \$30,256 from \$11,813 for the three months ended March 31, 2016.

In the three month period ended March 31, 2016, amortization and depletion were \$136,472 and provisions to write downs various assets amounted to (\$4,716) whereas in the period ended March 31, 2017, amortization and depletion were \$77,015. In 2016, the Mar wind project was impaired to have a zero value on the consolidated statement of financial position. The Bayfield storage assets were written off in 2014 due to uncertainty surrounding development timelines and the feasibility of developing these pools and constructing the required 70 km pipeline in the currently depressed storage market conditions. The OEB approvals for these pools are valid until December 31, 2016. Tribute has not maintained the leases for the 2016 year as Tribute hopes to use these pools for CAES rather than natural gas storage and the existing leases would not be valid for that purpose. Tribute has maintained communications with landowners in hopes to renegotiate these leases if CAES proves to be a feasible alternative use for these pools.

During the three months ended March 31, 2017, the Company earned field level cash flows from the oil and gas operations of \$177,509, before the effect of its price risk management arrangements. Not included in this calculation are the municipal taxes, which amounted to \$53,758 in the first quarter. Tribute is in the process of appealing the municipal taxes and expect to have them reduced retroactively to a much more reasonable rate. This compares with field level cash flows of \$61,380 earned during the same period of the prior year. Commodity prices for both oil and natural gas fell significantly during the 2015 year resulting in lower revenues per BOE in both 2015 and 2016.

CAPITAL RESOURCES AND LIQUIDITY

The Company has sufficient amounts of cash in the short term and long term (5 years) to meet ongoing requirements. Tribute now has a stable monthly income from the natural gas operations acquired from Magnum Gas and Liberty.

Tribute recognizes that the development business activities undertaken are long term in nature and are subject to various levels of regulatory approval which creates risk as there is no certainty that these ventures will be carried through to completion. The Company has been successful in the past with similar projects to those currently under development and management has confidence in the ability of Tribute to finance additional projects in various stages of development. Management recognizes that additional funds will be required to sustain its project development.

Project Financing

Tribute will require capital to pursue its strategy of developing and building tidal, CAES storage and additional renewable energy projects. Tribute plans to meet on-going cash requirements for Tocardo technology development and project development through an equity raise in Tribute and by selling an interest in the projects as they are developed. The preferred structure is equity financings utilizing a limited partnership structure.

Debt Financing

The Company has sourced debt funding in the amount of \$1.8 million from Pace Credit Union. Subsequent to year end, the company also sourced \$900,000 in convertible debenture funds convertible into Tribute shares at the option of the holder prior to July 31, 2017 at a price of \$0.05 per share.

Working Capital

Tribute will require at times significant working capital to undertake its CAES and renewable energy projects.

The Company had a working capital deficit of (\$1,941,102) as at March 31, 2017 compared to a working capital surplus of \$101,021 at March 31, 2016. Cash flow from operations for the period ended March 31, 2017 was \$250,761 compared to (\$98,124) for the period ended March 31, 2016.

Common Share Information

As of March 31, 2017, Tribute had 73,022,673 shares outstanding. As of March 31, 2017, options to directors, officers and consultants to purchase 3,600,000 common shares of the Company at an average price of \$0.12 per share were outstanding. In May 2015, Tribute announced its intention to issue another Normal Course Issuer Bid. However, as at December 31, 2015, 1,000,000 shares had been purchased at an average price of \$0.048. Tribute's Board and management believe that the market price of Tribute's common shares does not reflect their underlying value.

Expenditures

Capital expenditures totaled \$680,497 for the period ended March 31, 2017 compared to \$23,178 for the three months ended March 31, 2016. \$15,283 was spent on energy projects under development and related to investment in the Mar wind farm for project development and leasing. \$565,000 was added to long term investments through Tribute's investment in tidal power projects in Nova Scotia. \$100,214 was spent on property and equipment largely attributable to the Rowe asset purchase.

Commitments	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Contractual Obligations					
Operating Leases, Surface Leases, and Wind Options	\$94,643	\$94,643			
Natural Gas Storage Lease Payments	\$0	\$0			
Asset Retirement Obligations	\$1,166,339				\$1,166,339
Total Contractual Obligations	\$1,260,982	\$94,643	\$0	\$0	\$1,166,339

The Company's lease agreement for office space with Eastern Oilfield Services Limited, a company controlled by an officer and director of Tribute, was amended on September 1, 2010 (the original agreement was dated November 1, 2007) as Tribute's offices were downsized. The amended lease agreement expired October 31, 2012 and Tribute has been paying rent on a month to month basis since that time.

SUMMARY OF QUARTERLY RESULTS

First Quarter

	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Total Revenues	\$ 267,661	\$ 167,358	\$ 309,432	\$ 190,043	\$ 179,396	\$ 231,064	\$ 296,788	\$ 226,846
Income or (loss)	(\$66,904)	(\$3,293,641)	46,353	\$ 1,831,685	(\$375,322)	(\$1,715,068)	(\$421,056)	(\$745,648)
Per share	(\$0.001)	(\$0.044)	\$0.001	\$ 0.024	(\$0.005)	(\$0.023)	(\$0.006)	(\$0.010)
Diluted per share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

RISK FACTORS

Tribute's earnings and operations are affected by the risks inherent in renewable energy markets, in the oil and natural gas industry and in the general business environment. Tribute's operating performance is dependent upon both production volumes of natural gas and commodity prices. The business and earnings of Tribute may be adversely affected by a number of risks as described below, in addition to risks described elsewhere herein. If any of the following risks actually occur, the Company's business may be harmed and the Company's financial condition and results of operations may suffer significantly.

Reliance on Key Personnel and Management

The success of the Company is largely dependent upon the performance of its key officers and consultants. Failure to retain these officers and consultants, or to attract or retain key personnel with the necessary skills and experience, could have a materially adverse impact upon the Company's growth and profitability.

Gas Supply and Demand

The demand for natural gas is affected by a number of factors including the weather, economic conditions, the number of customers, the customer mix, the availability and price of natural gas and alternative forms of energy and energy efficiency measures taken by customers.

Government Regulations and Environmental Matters

Both the energy industry as well as the natural gas resource and storage industry are subject to environmental regulation pursuant to local, provincial and federal legislation. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines or issuance of clean up orders in respect of the Company or its properties. Although Tribute currently believes that the costs of complying with environmental legislation and dealing with environmental civil liabilities will not have a material adverse effect on the Company's financial condition or results of operations, there can be no assurance that such costs in the future will not have such an effect. Legislation may be changed to impose higher standards and potentially more costly obligations on the Company.

In addition, the energy industry is dependent on government in which manner that power produced is sold to the Ontario Power Authority through government contracts. Tribute's renewable energy division is dependent on its ability to obtain such contracts in order for the projects to move forward. Tribute recognizes the fact that government policies may change from time to time and is actively involved in

anticipating upcoming changes while remaining in line with current policies.

Renewable energy independent power producers, such as WTH in British Columbia, are dependent for sales upon the provincially owned utility, BC Hydro, which has a monopoly on power purchase and delivery in the Province. As such, government policy towards renewable energy generation in BC may positively or negatively impact WTH's ability to secure power purchase agreements with BC Hydro.

Oil and Gas Operational Risks

The Company's oil and gas operations are subject to all of the risks normally incidental to the operation and development of natural gas and oil properties and the drilling of natural gas and oil wells, and construction of facilities including encountering unexpected formations or pressures, uncontrolled flow, premature decline of reservoirs, invasion of water into producing formations, fires and explosions, all of which could result in personal injuries, loss of life and damage to property of the Company and others. The Company conducts its activities in accordance with customary industry practice and, in accordance with such practice, will not be fully insured against all such risks, nor are all such risks insurable and, as a result, liability arising from these risks could have a material adverse effect upon its financial condition.

Although satisfactory title reviews are conducted in accordance with industry standards, such reviews do not guarantee or certify that a defect in the chain of title may not arise to defeat the claim of the Company to certain properties.

The reserve and recovery information contained in the independent evaluator's reserve estimations on the Company's properties are only estimates and no assurance can be given that the indicated levels of reserves will be produced. Probable Reserves estimated for properties may require revision based on the actual development strategies employed to prove such reserves.

Oil and Gas Price Volatility

The Company's results of operations and financial condition are in part dependent on the prices received for its oil and natural gas production. Natural gas and oil prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions as well as conditions in other continental and off-shore oil and natural gas producing regions all of which are beyond the control of the Company.

Exchange Rate Risk

The Company is exposed to exchange rate fluctuations in that the selling price for natural gas and oil is determined by world prices. The Company does not maintain a hedging strategy for currency fluctuations.

The Company is exposed to rate fluctuations due to its ownership in Tocardo Canada with the resultant intercompany and exchange between the Canadian dollar and the euro.

Economic Conditions

As a developer of energy projects, Tribute continues to experience significant cost fluctuations related to material, labour and third party contractor costs associated with new capital expansion projects. Current economic activity and recessionary conditions may affect the materials and resources required to pursue new capital expansion projects.

Conflicts of Interest

Certain officers and directors of the Company are associated with other companies. Such associations may give rise to conflicts of interest from time to time. The directors are required by law to act honestly

and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company.

Competition

Tribute is subject to third-party competition in its development of natural gas storage and renewable energy projects.

Additional Funding Requirements

Further development of the Company's properties will require additional capital. In addition, a positive decision on any of the Company's energy projects under development would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through the joint venturing of projects, debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining the required financing as the exploration for and development of energy, natural gas storage and related projects involves significant financial risks.

TRANSACTIONS WITH RELATED PARTIES

Tribute purchases management services, geological and administrative services and oil and gas field services from companies controlled by officers and directors of Tribute.

Brookwood Resources Inc., a company controlled by an officer and director of the Company, charges the Company management fees for management services provided on an hourly basis. Fees charged for the period ended March 31, 2017 were \$30,526 compared to \$51,139 for the period ended March 31, 2016.

Clearbeach Resources Inc., another company owned jointly by officers and directors of the Company, charges the Company for subcontracted office services provided by individuals other than the officer. Net charges for the period ended March 31, 2017 were \$42,141 (March 31, 2016 - \$6,116). The individuals providing services were made available to the Company on an as-needed basis and provided accounting, office support and operations and project management.

Eastern Oilfield Services Ltd. and Oil Patch Services, two other companies controlled by an officer and director of the Company, provide services related to field and drilling operations of the Company. The Company also rents office premises from Eastern. The Company paid \$9,897 for the period ended March 31, 2017 (March 31, 2016 - \$25,501) for services provided by this related party and an additional \$5,000 for the period ended March 31, 2017 for office rent (March 31, 2016 - \$7,000). With the addition of the Magnum assets and the purchase of Liberty additional office space is needed and as such rental expense has increased. All services provided are at standard industry rates.

In addition, for the period ended March 31, 2017 the Company paid consulting and project management fees in the amount of \$nil (March 31, 2016 - \$nil) to businesses owned by an officer of the Company and paid consulting fees in the amount of \$10,769 (March 31, 2016 - \$nil) to businesses owned by a director of the Company.

In addition, the Company purchases accounting and consulting services from an officer of the Company. The total charged during the period ended March 31, 2017 was \$12,600 compared to \$8,344 for the period ended March 31, 2016.

Accounts receivable include amounts receivable from related parties of \$176,818 (December 31, 2016 - \$249,060) for expenditures incurred on behalf of related companies and accounts payable and accrued liabilities include \$215,401 (December 31, 2016 - \$209,748) for management and consulting fees and

services related to oil and gas activities and management services.

All related party transactions were accounted for at the exchange amount which is the amount established and agreed to by the related parties.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company has not entered into any unusual financial instruments. The Company currently markets its natural gas through short-term arrangements and has not entered into any long-term hedging instruments related to its future sales of natural gas.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. The Chief Executive Officer together with the Chief Financial Officer have concluded, based on their evaluation as of March 31, 2017, that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company is made known to them.

It should be noted that, while both the Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting for the Company and have designed such controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS standards.

It should be noted that, while the Company's Chief Executive Officer and Chief Financial Officer both believe that the Company's internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not expect that the Company's internal controls over financial reporting will prevent all errors and fraud. There have been no material changes in the design of the Company's internal controls over financial reporting that have affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting during the period ended March 31, 2017. A control system, no matter how well conceived or operated can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

NEW ACCOUNTING STANDARDS

Certain pronouncements were issued by "IASB" or "IFRIC" that are mandatory for accounting periods beginning after January 1, 2016 or later periods.

The following new accounting standards, amendments to accounting standards and interpretations, have not been early adopted in these consolidated financial statements. The Company is currently assessing the impact, if any, of this new guidance on the Company's future results and financial position:

- IFRS 9, "Financial Instruments": Effective for the fiscal December 31, 2018 year end. This standard is not expected to have much impact on the Company as it currently has very simple financial instruments.
- IFRS 15, "Revenue from Contract with Customers". Effective for the December 31, 2018 year end. The implementation of this standard is not expected to change the way that revenue is recognized for its oil and gas operations. However, it could have a significant impact on the timing of when revenues get recognized from its projects. Management will be assessing this as they develop their contracts for future projects.
- IFRS 16, "Leases". Effective for the December 31, 2018 year end. The Company, in its current form, has only short term leases that would not be affected by this standard. It will continue to monitor and review any future leases to determine its impact on the Company.

ADDITIONAL INFORMATION

The Company posts additional data pertinent to the operations and activities of the Company on SEDAR at www.sedar.com or on the Tribute website at www.tributeresources.com.