BUTTE ENERGY INC.

INTERIM FINANCIAL REPORT

MARCH 31, 2018

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

BUTTE ENERGY INC.
INTERIM BALANCE SHEETS (UNAUDITED)
EXPRESSED IN CANADIAN DOLLARS

		March 31, 2018		December 31, 2017
Assets				
Current assets				
Cash and cash equivalents	**$**	**98,819**	$	730
Accounts receivable		**7,369**		528
Reclamation deposits (Note 5)		**93,055**		-
	$	**199,243**	$	1,258
Liabilities				
Current liabilities				
Trade and other payables	**$**	**27,131**	$	93,941
Provision for environmental liabilities (Note 6)		**64,812**		76,686
Borrowings (Note 7)		**301,526**		12,966,380
		393,469		13,137,007
Shareholders' deficiency				
Share capital (Note 8)		**20,612,174**		7,645,794
Contributed surplus		**397,858**		389,893
Deficit		**(21,204,258)**		(21,171,436)
		(194,226)		(13,135,749)
	$	**199,243**	$	1,258

Approved on behalf of the Board:

"Daniel Vickerman" *"Ron Tremblay"*

Director **Director**

See accompany notes to financial statements

BUTTE ENERGY INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

EXPRESSED IN CANADIAN DOLLARS

	Number of common shares	**Share capital**	**Contributed Surplus**	**Deficit**	**Total Deficiency**
Balance at January 1, 2017	43,738,810	$7,645,794	$389,893	$(19,820,947)	$(11,785,260)
Net loss for the period	-	-	-	(203,932)	(203,932)
Balance at March 31, 2017	43,738,810	7,645,794	389,893	(20,024,879)	(11,989,192)
Net loss for the period	-	-	-	(1,146,557)	(1,146,557)
Balance at December 31, 2017	43,738,810	7,645,794	389,893	(21,171,436)	(13,135,749)
Shares issued for debt settlement	259,327,592	12,966,380	-	-	12,966,380
Equity component of convertible debt	-	-	7,965	-	7,965
Net loss for the period	-	-	-	(32,822)	(32,822)
Balance at March 31, 2018	303,066,402	$20,612,174	$397,858	$(21,204,258)	$(194,226)

See accompany notes to financial statements

BUTTE ENERGY INC.
INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)
THREE MONTHS ENDED MARCH 31
EXPRESSED IN CANADIAN DOLLARS

		2018		2017
General and administrative (Note 9)	$	(26,397)	$	(52,402)
		(26,397)		(52,402)
Finance income		180		-
Finance expense (Note 7)		(9,491)		(86,997)
Foreign exchange gain		2,886		-
Loss for the period from continuing operations		(32,822)		(139,399)
Loss for the period from discontinued operations (Note 10)		-		(64,533)
Net loss and comprehensive loss for the period	$	(32,822)	$	(203,932)
Loss per share – basic and diluted (note 11)				
From continuing operations	$	-	$	(0.01)
From discontinued operations		-		-
Total	$	-	$	(0.01)

See accompany notes to financial statements

BUTTE ENERGY INC.
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31
EXPRESSED IN CANADIAN DOLLARS

	2018	2017
Operating activities		
Net loss and comprehensive loss	**$ (32,822)**	$ (203,932)
Adjustments for		
Finance expense	**9,491**	86,997
Interest paid	**-**	(576)
Change in non-cash working capital (Note 13)	**(85,525)**	4,065
	(108,856)	(113,446)
Investing activities		
Increase in reclamation deposits	**(93,055)**	-
	(93,055)	-
Financing activities		
Proceeds from issue of convertible debt (Note 7)	**300,000**	-
Due to related party (Note 7)	**-**	120,000
	300,000	120,000
Change in cash and cash equivalents	**98,089**	6,554
Cash and cash equivalents, beginning of year	**730**	5,918
Cash and cash equivalents, end of period	**$ 98,819**	$ 12,472

For cash flows of discontinued operations see Note 10.

See accompany notes to financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Butte Energy Inc. (“Butte” or the “Company”) is incorporated under the Business Corporations Act (Alberta).

The Company has been engaged in the acquisition, exploration and development of petroleum and natural gas reserves in Western Canada. During the year ended December 31, 2017, the Company sold its last remaining asset, and has no active operations other than the completion of reclamation activities on previously abandoned wells. In January 2018, there was a change of control of the Company with a new board and management team appointed. The board of directors are evaluating potential opportunities, including those outside of the oil and gas industry.

In January 2018, the Company changed its registered address to 4300 Bankers Hall West, 888-3rd Street, S.W. Calgary, Alberta, Canada. The Company lists its common shares on the NEX board of the TSX Venture Exchange under the symbol BEN.H.

These financial statements have been prepared assuming the Company will continue as a going concern. The Company has an accumulated deficit of $21,204,258 and a working capital deficiency of $194,226 as at March 31, 2018. Although the Company has no current active operations, the board of directors are actively seeking a transaction(s) whereby the Company will continue as a going concern. Therefore, these financial statements are presented on a going concern basis of accounting.

Closing of share transfer, convertible loan and debt purchase and settlement, new board and management

On January 4, 2018 the Company announced that it closed the following transactions:

- a share purchase agreement (the “Share Purchase Agreement”) with Victor Redekop (“Redekop”), Bill Baker (“Baker”) and Stone’s Throw Capital Corp. (“Stone’s Throw”) pursuant to which Redekop and Baker, as vendors, agreed to sell 30,000,000 common shares of the Company (“Common Shares”) to Stone’s Throw for aggregate consideration of $2.00;

- a convertible loan agreement (the “Convertible Loan Agreement”) with Stone’s Throw, pursuant to which the Company has borrowed the principal amount of $300,000 from Stone’s Throw, which will bear interest at 10% per annum and is repayable on the date that is 12 months from the date of issuance. The principal amount and accrued interest will be convertible at the option of Stone’s Throw into units of the Company (“Units”) at a conversion price of $0.05 per Unit. Each Unit will consist of one Common Share and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.05 for a period of 12 months from the date they are issued (Note 7); and

- a debt purchase and settlement agreement (the “DPS Agreement”) with Redekop, Baker, Sand Hills Energy Inc. (“Sand Hills”) and Stone’s Throw pursuant to which: (i) Redekop, Baker and Sand Hills agreed to their indebtedness from the Company in the aggregate amount of $12,966,379.60 (the “Purchased Debt”); and (ii) the Company and Stone’s Throw agreed to settle the Purchased Debt by the issuance to Stone’s Throw of an aggregate of 259,327,592 Common Shares (Notes 7 and 8).

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

Without taking into account any securities which may be issuable upon the conversion of the convertible loan, on closing, Stone's Throw holds 289,327,592 of the 303,066,402 of the Common Shares issued and outstanding on closing, representing 95.4% of the issued and outstanding Common Shares, and is a control person of the Company. If the convertible loan was fully converted and all of the Warrants exercised, Stone's Throw would hold an additional 12,000,000 Common Shares, and so would hold 301,327,592 of the 315,066,402 Common Shares which would then be outstanding, or 95.6% of the Common Shares which would then be outstanding.

The securities of the Company were acquired by Stone's Throw for investment purposes. Prior to the closing of the foregoing transactions, Stone's Throw held no securities of the Company.

Each of Mr. Redekop and Mr. Baker ceased to be an insider of the Company on closing.

On closing the Company appointed a new board and management.

2. BASIS OF PRESENTATION

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

Except as noted in Note 3, these condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statement, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2017, which were prepared in accordance with IFRS as issued by the IASB.

The Board of Directors approved and authorized these financial statements for issuance on May 30, 2018.

3. NEW ACCOUNTING STANDARDS EFFECTIVE IN 2018

a) IFRS 9 – Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9, Financial Instruments (IFRS 9), which replaced IAS 39, Financial Instruments: Recognition and Measurement (IAS 39). The Company applied the new standard retrospectively and the adoption of IFRS 9 did not have a material impact on the Company's financial statements and did not result in any adjustments to the amounts recognized in the Company's statements for the year ended December 31, 2017.

3. NEW ACCOUNTING STANDARDS EFFECTIVE IN 2018 (continued)

a) IFRS 9 – Financial Instruments (continued)

The nature and effects of the key changes to the Company's accounting policies resulting from the adoption of IFRS 9 are summarized below.

Classification of Financial Assets and Financial Liabilities:

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The previous IAS 39 categories of held to maturity, loans and receivables and available for sale are eliminated. IFRS 9 bases the classification of financial assets on the contractual cash flow characteristics and the company's business model for managing the financial asset. Additionally, embedded derivatives are not separated if the host contract is a financial asset within the scope of IFRS 9. Instead, the entire hybrid contract is assessed for classification and measurement.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The differences between the two standards did not impact the Company at the time of transition.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at January 1, 2018 for each class of the Company's financial assets and financial liabilities:

Financial Asset/Liability	Original classification IAS 39	New classification IFRS9
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Loans and receivable (amortized cost)	Amortized cost
Accounts payables	Other financial liabilities (amortized cost)	Amortized cost
Borrowings	Other financial liabilities (amortized cost)	Amortized cost

Measurement :

Financial assets at FVOCI

Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. NEW ACCOUNTING STANDARDS EFFECTIVE IN 2018 (continued)

a) IFRS 9 – Financial Instruments (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

The Company recognizes in the statements of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. The loss allowance was $nil as at March 31, 2018 and December 31, 2017.

b) IFRS 15 - Revenue recognition

The Company has adopted all the requirements of IFRS 15 as of January 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The Company has used the modified retrospective transition method, which had no impact on the Company's financial statements.

The following is the Company's new accounting policy for revenue recognition under IFRS 15:

Revenue from the sale of oil and natural gas is recognized based on the identification of contracts with a customer, the determination of performance obligations under the contract, and the related point at which the Company satisfies its performance obligations.

3. NEW ACCOUNTING STANDARDS EFFECTIVE IN 2018 (continued)

b) IFRS 15 - Revenue recognition (continued)

The Company recognizes revenue from the sale of oil and natural gas when control is transferred to the buyer which is usually when legal title passes to the external party. This is generally at the time the product enters the pipeline. Revenue is measured net of discounts, customs duties and royalties. With respect to the latter, the entity is acting as a collection agent on behalf of others.

4. USE OF MANAGEMENT ESTIMATES AND JUDGMENTS

The timely preparation of the condensed interim financial statements requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from the estimated amounts as future confirming events occur.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2017.

5. RECLAMATION DEPOSITS

During the three months ended March 31, 2018, the Company was required to provide a security deposit to the Alberta Energy Regulator in order for the Company to proceed with the finalization of the reclamation on previously abandoned wells. These deposits are refundable upon final acceptance of the reclamation certificates by the Alberta Energy Regulator.

The deposits are held in trust in an interest bearing bank account. Interest income on the account is recorded in finance income in the statements of operations.

6. PROVISION FOR ENVIRONMENTAL LIABILTIES

The company recorded a provision for the completion of reclamation activities on previously abandoned wells.

Activity for the three months ended March 31, 2018, included $9,983 in settlements.

(Expressed in Canadian dollars)

7. BORROWINGS

		March 31, 2018		December 31, 2017
Convertible loan due to related party	**$**	**301,526**	$	-
Due to related parties		**-**		12,966,380
Balance	**$**	**301,526**	$	12,966,380

Convertible loan due to related party

On January 3, 2018, the Company borrowed the principal amount of $300,000 from Stone's Throw, which bears interest at 10% per annum and is repayable on the date that is 12 months from the date of issuance. The principal amount and accrued interest will be convertible at the option of Stone's Throw into units of the Company ("Units") at a conversion price of $0.05 per Unit. Each Unit will consist of one Common Share and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.05 for a period of 12 months from the date they are issued (Note 1).

The convertible loan has been classified as debt with the residual value allocated to shareholders' equity. The initial fair value of the liability portion of the convertible loan was determined using a market interest rate of 13% for an equivalent non-convertible loan at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the convertible loan. The remainder of the proceeds is allocated to the conversion option and recognized in shareholders' equity and not subsequently re-measured.

Interest expense is calculated by applying the effective interest rate of 13% to the liability component, and is included in finance expense in the statements of operations.

The convertible loan is presented in the interim financial statements as follows:

		2018
Balance – January 1, 2018	**$**	**-**
Proceeds received from issue of convertible loan		**300,000**
Equity component of convertible loan		**(7,965)**
Liability component of convertible loan		**292,035**
Interest expense		**9,491**
Balance – March 31, 2018	**$**	**301,526**

(Expressed in Canadian dollars)

7. BORROWINGS (continued)

Due to related parties

		March 31, 2018		March 31, 2017
Balance – January 1, 2018	**$**	**12,966,380**	$	12,577,172
Advances		**-**		120,000
Shares issued for debt settlement		**(12,966,380)**		-
Interest expense				86,997
Interest paid		**-**		(576)
Balance – March 31, 2018	**$**	**-**	$	12,783,593

As of December 31, 2017, the Company had promissory notes and advances owing to directors for $12,865,156 and a note payable of $101,224 to Sand Hills Energy Inc., a Company owned by a director. Sand Hills Energy Inc. ("Sand Hills") was considered a related party by virtue of a common director.

In January 2018, a series of transactions resulted in the change in the majority shareholders of the Company, and the amounts due to related parties of $12,966,380 as of December 31, 2017 were settled by the issuance of 259,327,592 common shares (Notes 1 and 8).

8. SHARE CAPITAL

During the three month period ended March 31, 2018, the Company issued 259,327,592 common shares in settlement of amounts due to related parties (Notes 1 and 7).

9. GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31		**2018**		**2017**
Consulting and management fees (Note 12)	**$**	**7,500**	**$**	23,280
Listing and filing fees		**2,500**		3,545
Office, insurance and miscellaneous		**10,563**		19,553
Professional fees		**-**		4,611
Shareholder relations		**5,834**		1,413
Total	**$**	**26,397**	**$**	52,402

(Expressed in Canadian dollars)

10. DISCONTINUED OPERATIONS

In August of 2017, the Company sold its remaining oil and gas property interest to a third party for $35,000. The sale received approval at the Butte annual general and special meeting held on August 1, 2017 and the company received final approval from the TSX Venture Exchange.

The results of the discontinued operations included in the statement of operations are set out below.

For the three months ended March 31	2018	2017
Oil and gas revenue	$ -	$ -
Royalties	-	-
Operating	-	(64,553)
Loss on re-measurement to fair value less costs to sell	-	-
	$ -	$ (64,553)

The cash-flows from discontinued operations are set out below.

For the three months ended March 31	2018	2017
Net cash outflows from operating activities	$ -	$ (64,553)
Net cash inflows from investing activities	-	-
Net cash-flows for the period	$ -	$ (64,553)

11. EARNINGS PER SHARE

Basic and fully diluted loss per share is calculated using the weighted average number of outstanding common shares of 294,422,149 (2017 – 43,738,810).

The convertible debt could potentially dilute basic earnings per share, but was not included in the calculation of diluted earnings per share because they are anti-dilutive for the three month period ended March 31, 2018. There was no convertible debt held for the three month period ended March 31, 2017.

12. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel are those persons have authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

	2018	2017
Consulting and management fees	$ **7,500**	$ 15,000

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS (continued)

Amounts due to related parties

In addition to the borrowings due to related parties (Note 7), there is $2,500 due to related parties included in trade and other payables as of March 31, 2018.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital is comprised of:

	March 31, 2018	March 31, 2017
Accounts receivable	**$ (6,841)**	$ (17,282)
Deposits and prepaid expenses	**-**	261
Trade and other payables	**(66,810)**	21,086
Provision for environmental liabilities	**(11,874)**	-
Change related to operating activities	**$ (85,525)**	$ 4,065

Non-cash transactions

During the three month period ended March 31, 2018, the Company issued 259,327,592 common shares in settlement of amounts due to related parties (Notes 1, 7 and 8).

14. DETERMINATION OF FAIR VALUES

The fair value of cash and cash equivalents, accounts receivable, trade and other payables and loans and borrowings is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair values of these balances approximate their carrying value.

Financial assets and liabilities recorded or disclosed at fair value in the balance sheet are categorized using a three-level hierarchy that reflects the level of judgment associated with the inputs used to measure their fair value. The fair values of financial assets and liabilities included in Level 1 are determined by reference to unadjusted quoted prices in active markets for identical assets and liabilities. Fair values of financial assets and liabilities in Level 2 are based on inputs other than Level 1 quoted prices that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). The fair values in Level 3 financial assets and liabilities are not based on observable market data.

The estimated fair value of cash and cash equivalents was based on Level 1 inputs.

The estimated fair value of the liability portion of the convertible debt was based on Level 3 inputs and was estimated using the relative market interest rate (Note 7).