GALILEO EXPLORATION LTD.

(formerly Galileo Petroleum Ltd.)
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements
(Unaudited)

For the nine months

ended

March 31, 2018

Galileo Exploration Ltd.
Suite 407 – 325 Howe Street
Vancouver, British Columbia, Canada V6C 1Z7

Trading Symbol: GXL
Telephone: 604-629-1929
Facsimile: 604-629-1930

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATMENTS

In accordance with 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 an auditor has not reviewed the financial statements.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GALILEO EXPLORATION LTD.
(formerly Galileo Petroleum Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars; Unaudited)

	Note	March 31, 2018	June 30, 2017
		(Unaudited)	(Audited)
ASSETS			
Current			
Cash		$ 4,678	$ 213,693
Other receivable		2,297	11,800
Prepaid expenses and deposits		37,694	34,238
		44,669	259,731
Non-current			
Reclamation bond		14,919	-
Exploration and evaluation assets	4	23,191	80,322
		38,110	80,322
		$ 82,779	$ 340,053
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	$ 188,326	$ 75,643
		188,326	75,643
Non-current			
Decommissioning obligation	7	86,379	86,379
		86,379	86,379
SHAREHOLDERS' EQUITY			
Share capital	8	4,983,391	4,894,099
Contributed surplus	8	2,234,643	1,823,139
Deficit		(7,409,960)	(6,539,207)
		(191,926)	178,031
		$ 82,779	$ 340,053

Nature of Operations and Going Concern (Note 1)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 10, 2018. They are signed on the Company's behalf by:

"Ronald A. Rieder"	***"Wes Adams"***
Ronald A. Rieder, Director	Wes Adams, Director

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

GALILEO EXPLORATION LTD.
(formerly Galileo Petroleum Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars; Unaudited)

	Note	For the three months ended March 31 2018	For the three months ended March 31 2017	For the nine months ended March 31 2018	For the nine months ended March 31 2017
Revenue					
Petroleum and natural gas		$ 6,156	$ 13,038	$ 16,448	$ 23,653
Royalties		(83)	(430)	(214)	(609)
		6,073	12,608	16,234	23,044
Expenses					
General and administrative	9	60,762	86,500	195,972	172,217
Share-based compensation		6,192	34,200	47,552	34,200
Resource operating expenses		5,629	10,309	42,672	24,013
Depletion	5, 7	-	1,214	-	3,344
		72,583	132,223	286,196	233,774
Other items					
Foreign exchange income		(1,675)	-	3,182	-
Other income		-	-	42	-
Write-off of exploration and evaluation assets	4	(604,015)	-	(604,015)	-
		(605,690)	-	(600,791)	-
Net and comprehensive loss for the period		(672,200)	(119,615)	$ (870,753)	$ (210,730)
Basic and diluted loss per share		$ (0.03)	$ (0.01)	$ (0.04)	$ (0.02)
Weighted average numbre of common shares outstanding		24,151,681	12,766,681	21,775,550	12,252,155

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

GALILEO EXPLORATION LTD.
(formerly Galileo Petroleum Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars; Unaudited)

	Number of shares	Share capital	Shares subscribed	Contributed surplus	Deficit	Total shareholders' equity (deficiency)
Balance as at June 30, 2016 (Audited)	10,106,681	$ 4,644,830	$ -	$ 1,300,586	$ (6,135,435)	$ (190,019)
Shares issued:						
Private placements	2,660,000	106,827	-	26,173	-	133,000
Exercise of warrants	275,000	27,500	-	-	-	27,500
Fair value of warrants exercised	-	5,412	-	(5,412)	-	-
Shares issue costs	-	(6,995)	-	-	-	(6,995)
Shares subscribed	-	-	260,500	-	-	260,500
Share-based compensation	-	-	-	34,200	-	34,200
Net loss and comprehensive loss	-	-	-	-	(210,730)	(210,730)
Balance as at March 31, 2017 (Unaudited)	13,041,681	4,777,574	260,500	1,355,547	(6,346,165)	47,456
Shares issued:						
Private placements	5,110,000	120,642	-	390,358	-	511,000
Fair value of warrants exercised	-	2,013	-	(2,013)	-	-
Shares issue costs	-	(6,130)		-	-	(6,130)
Shares subscribed	-	-	(260,500)	-	-	(260,500)
Share-based compensation	-	-	-	79,247	-	79,247
Net loss and comprehensive loss	-	-	-	-	(193,042)	(193,042)
Balance as at June 30, 2017 (Audited)	18,151,681	4,894,099	-	1,823,139	(6,539,207)	178,031
Shares issued:						
Private placements	6,000,000	116,048	-	363,952	-	480,000
Shares issue costs	-	(26,756)	-	-	-	(26,756)
Share-based compensation	-	-	-	47,552	-	47,552
Net loss and comprehensive loss	-	-	-	-	(870,753)	(870,753)
Balance as at March 31, 2018 (Unaudited)	**24,151,681**	**$ 4,983,391**	**-**	**$ 2,234,643**	**$ (7,409,960)**	**$ (191,926)**

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

GALILEO EXPLORATION LTD.
(formerly Galileo Petroleum Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars; Unaudited)

	Note	For the nine months ended March 31 2018	2017
Cash provided by (used for):			
Operating activities			
Net loss		$ (870,753)	$ (210,730)
Items not involving cash:			
Depletion	5	-	3,344
Share-based compensation		47,552	34,200
Write-off of exploration and evaluation assets	4	604,015	-
Changes in non-cash working capital related to operating activities		65,901	(13,170)
Cash used in operating activities		(153,285)	(186,356)
Investing activities			
Additions to exploration and evaluation assets		(499,945)	(36,704)
Additions to petroleum and natural gas properties	5	-	(1,681)
Reclamation bond		(14,919)	-
Cash used in investing activities		(514,864)	(38,385)
Financing activities			
Cash from issuance of shares	8	480,000	160,500
Cash from shares subscription	8	-	260,500
Share issue costs		(20,866)	(6,995)
Cash provided by financing activities		459,134	414,005
Net increase (decrease) in cash		(209,015)	189,264
Cash - beginning of period		213,693	1,612
Cash - end of period		$ 4,678	$ 190,876

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Galileo Exploration Ltd. (formerly Galileo Petroleum Ltd.) (the “Company” or “Galileo”) was incorporated on August 14, 2000 under the Business Corporations Act of the Province of British Columbia and trades under the symbol “GXL” on the TSX Venture Exchange. Its registered office is 19th Floor, 885 West Georgia Street, Vancouver, BC V6C 3H4.

The Company is a junior gold and base metals exploration company and is focused on acquiring and developing projects in North America, particularly in Nevada, USA.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of $870,753 for the nine months ended March 31, 2018 (2017 – net loss of $210,730). To date, the Company has not earned significant revenues and has accumulated losses of $7,409,960. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or other financing to continue operations, and/or to attain sufficient profitable operations.

There are material uncertainties that cast significant doubt about the appropriateness of the going concern assumption. The current market conditions and volatility increase the uncertainty of the Company’s ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. The outcome of these matters cannot be predicted at the present time. These factors indicate existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

2. BASIS OF PRESENTATION *(continued)*

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale, which are stated at fair value through other comprehensive income (loss). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

(c) New accounting standards and interpretations

There are no material new accounting standards and interpretations implemented during the period ended March 31, 2018.

Pronouncement that are not applicable or that do not have a significant impact to the Company have not been included in these condensed consolidated interim financial statements. The following standards are those that the Company reasonable expects to have an impact on disclosure, financial position or performance when applied at a future date. The Company is currently evaluating the impact of these standards on its condensed consolidated interim financial statements.

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018);
- IFRS 15 Revenue from Contracts with Customer (effective January 1, 2018);
- IFRS 16 Leases (effective January 1, 2019).

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended June 30, 2017.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2017. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended March 31, 2018 are not necessarily indicative of the results that may be expected for the current fiscal year ending June 30, 2018.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Majuba Hill	Signal	Total
Balance at June 30, 2017	**$ 80,322**	**$ -**	**$ 80,322**
Additions during the period			
Acquisition and holding costs:			
Option payment	31,263	6,080	37,343
Claim staking	24,852	-	24,852
Filing and recording fee	(888)	16,511	15,623
	55,227	22,591	77,818
Exploration expenditures:			
Assays	39,930	-	39,930
Camp and field costs	8,550	-	8,550
Drilling	221,562	-	221,562
Field work and geological consulting	61,387	-	61,387
Geophysics	63,177	-	63,177
Management fee	47,900	600	48,500
Rent and storage	15,748	-	15,748
Report, drafting and maps	600	-	600
Travel	9,612	-	9,612
	468,466	600	469,066
Less:			
Write-off of the property	(604,015)	-	(604,015)
Net change	(80,322)	23,191	(57,131)
Balance at March 31, 2018	**$ -**	**$ 23,191**	**$ 23,191**

	Majuba Hill
Balance at June 30, 2016	**$ -**
Additions during the year	
Acquisition and holding costs:	
Option payment	20,060
Filing and recording fee	40,529
	60,589
Exploration expenditures:	
Field work and geological consulting	16,115
Rent and storage	3,358
Travel	260
	19,733
Total additions	80,322
Balance at June 30, 2017	**$ 80,322**

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Majuba Hill

On February 14, 2017, the Company entered into a Mining Lease and Option to Purchase Agreement (the "Lease") (amended on March 27, 2017), covering a 100% interest in the Majuba Hill Project (the "Property"), an advanced stage copper/silver/gold porphyry located in Pershing County, North Central Nevada.

The 20 year Lease has the following terms to maintain the purchase option (the "Option"):

- Cash payments: of US$20,000 upon execution and receipt of TSX Venture Exchange ("TSX-V") approval (paid); US$25,000 on the first anniversary; US$37,500 on the 2nd anniversary; US$50,000 on the 3rd anniversary; US$62,500 on the fourth and subsequent anniversaries; and
- Share Payment (at the Company's election, the Company may issue the cash equivalent in lieu of common shares): the first payment of US$20,000 was due upon TSX-V approval (paid); US$25,000 on the first anniversary; US$37,500 on the 2nd anniversary; US$50,000 on the 3rd anniversary; US$62,500 on the fourth and subsequent anniversaries. Each Share Payment, should the Company elect to pay in common shares, will be determined based on an exchange rate of Cdn$1 = US$0.90 and a share price based on the 30-trading day volume weighted average price ("VWAP") on the TSX-V immediately prior to the Payment Date; and
- Work commitments: US$100,000 in year one and US$350,000 in year two.

The Option to acquire the 100% interest in the Property may be exercised at any time upon payment of US$2,000,000 with all prior cash payments but no share payments being credited towards the Option Exercise price.

The Owner shall be entitled to a production royalty (the "Royalty") based on the Net Smelter Returns from the production and sale of Minerals from the Property

The transaction was approved by the TSX-V in July 2017.

On March 31, 2018, the Company terminated the lease and dropped Majuba Hill Property and wrote off $604,015.

Signal

On August 23, 2017, the Company entered into an Exclusivity Agreement to acquire an option to purchase a 100% interest in the Signal Gold Property ("Property") along with the property/district database. The Property is subject to underlying royalties. The Property consists of 79 lode mining claims on the west edge of the Eureka District, Nevada.

The Company paid the vendor US$5,000 within 30 days of signing, and has paid the BLM cost for the next 12 months of US$13,000. This gives the Company a one-year option to enter into a further 3-year option to purchase 100% ownership of the Property. During the one-year option period, no work commitments are required to keep the Property in good standing. The Company may purchase the Property from the vendor at any time, provided the option is in good standing, for US$250,000.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Signal *(continued)*

The future 3-year extension of the current one-year option is as follows:

1) Pay vendor US$10,000 on signing. Issue 100,000 common shares to the vendor on signing.
2) Pay US$10,000 on the first anniversary of signing. Issue 200,000 common shares to the vendor on the first anniversary of the signing.
3) Keep the claims in good standing for the ensuing 12-month period if the option agreement is active past May 1st of any year.
4) Incur exploration expenditures of US$25,000 in year one, and US$50,000 in year two, with no further work commitments past the second year of the extended option obligation.

5. PETROLEUM AND NATURAL GAS PROPERTIES

As the Company changed its focus from oil and gas activity to mineral exploration activity, the Company wrote off $3,682 of its capitalized costs as of June 30, 2017.

Cost:		
Balance, June 30, 2016	$	1,932,539
Additions		1,681
Balance, June 30, 2017 and March 31, 2018	**$**	**1,934,220**
Accumulated depletion, depreciation and impairment:		
Balance, June 30, 2016	$	(1,927,194)
Depletion and depreciation expense		(3,344)
Impairment loss		(3,682)
Balance, June 30, 2017 and March 31, 2018	**$**	**(1,934,220)**
Net book value:		
June 30, 2016	$	5,345
June 30, 2017 and March 31, 2018	**$**	**-**

6. TRADE AND OTHER PAYABLES

		March 31, 2018		**June 30, 2017**
Trade payables	$	167,826	$	58,783
Accrued liabilities		20,500		16,860
	$	188,326	$	75,643

(Expressed in Canadian dollars)

7. DECOMMISSIONING OBLIGATIONS

Balance, June 30, 2016	$	85,202
Accretion		1,177
Balance, June 30, 2017 and March 31, 2018	**$**	**86,379**

The decommissioning obligations are estimated based on the Company's net ownership in all wells and facilities, the estimated cost to restore and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. The Company estimates the undiscounted cash flows related to its decommissioning liabilities is approximately $86,000 (June 30, 2017 - $86,000).

8. SHARE CAPITAL

a. Authorized

As at March 31, 2018, the authorized share capital was comprised of an unlimited number of class A common shares without par value. These common shares have voting rights.

b. Detail of issuance of common shares and shares subscribed

For the year ended June 30, 2017
On August 22, 2016, the Company issued 2,660,000 units at a price of $0.05 per unit for gross proceeds of $133,000, pursuant to a non-brokered private placement. Each unit consists of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.10 until August 22, 2017. The warrants were allocated a fair value of $35,546 using the Black Scholes Option Pricing Model.

On April 11, 2017, the Company issued 5,110,000 units at a price of $0.10 per unit for gross proceeds of $511,000, pursuant to a non-brokered private placement. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.15 until October 11, 2018. The warrants were allocated a fair value of $380,985 using the Black Scholes Option Pricing Model.

During the year ended June 30, 2017, 275,000 warrants were exercised the price of $0.10 for proceeds of $27,500.

For the period ended March 31, 2018
On October 10, 2017, the Company closed the first tranche of a non-brokered private placement, issuing 5,380,000 units at a price of $0.08 per unit for gross proceeds of $430,400, and on December 12, 2017 closed the final tranche of $49,600 by issuing 620,000 units at a price of $0.08 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.12 until April 10, 2019 for the first tranche and until June 12, 2019 for the final tranche. The warrants were allocated a fair value of $326,566 and $37,386 respectively using the Black Scholes Option Pricing Model.

The Company has the right to accelerate the expiry date of these warrants by notice in writing to the warrant holders if the closing trading price for the common shares is at or above $0.35 for any 10 consecutive trading days at any time commencing 4 months after closing of the private placement. These warrants will then expire 60 calendar days after notice is given to the warrant holders to exercise their warrants unless exercised prior to the accelerated expiry date.

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(continued)*

c. Warrants

A continuity of warrants for the nine months ended March 31, 2018 is as follows:

Expiry date		Exercise price ($)	June 30, 2017	Issued	Expired	March 31, 2018
August 22, 2017		0.10	1,055,000	-	(1,055,000)	-
October 11, 2018		0.15	5,110,000	-	-	5,110,000
November 12, 2018	(1)	0.10	758,000	-	-	758,000
April 10, 2019		0.12	-	5,380,000	-	5,380,000
June 12, 2019		0.12	-	620,000	-	620,000
			6,923,000	6,000,000	(1,055,000)	11,868,000
Weighted average exercise price ($)			$ 0.14	$ 0.12	$ 0.10	$ 0.13

The weighted average remaining life of the outstanding warrants as at March 31, 2018 is 0.80 years (June 30, 2017 – 1.02 years).

A continuity of warrants for the year ended June 30, 2017 is as follows:

Expiry date		Exercise price ($)	June 30, 2016	Issued	Exercised	June 30, 2017
November 12, 2017	(1)	0.10	758,000	-	-	758,000
August 22, 2017		0.10	-	1,330,000	(275,000)	1,055,000
October 11, 2018		0.15	-	5,110,000	-	5,110,000
			758,000	6,440,000	(275,000)	6,923,000
Weighted average exercise price ($)			$ 0.10	$ 0.14	$ 0.10	$ 0.14

(1) The Company extended the expiry date of these 758,000 common share purchase warrants to November 12, 2018.

The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the various warrants and agent warrants:

	Nine months ended March 31, 2018	March 31, 2017
Risk-free interest rate	0.79%	0.56%
Expected stock price volatility	174.50%	144%
Expected option life in years	1.5 years	1 year
Expected dividend in yield	Nil	Nil
Forfeiture rate	Nil	Nil

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(continued)*

d. Share Purchase Option Compensation Plan

The Company established a 10% rolling stock option plan whereby the Board of Directors may from time to time grant options to individual eligible directors, officers, employees or consultants. The maximum term of any option is five years. The exercise price of an option is not less than the closing price on the last trading day preceding the grant date, less allowable discounts in accordance with the policies of the Exchange. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options granted under the Stock Option Plan are subject to a vesting schedule whereby 25% of each option will vest on the grant date and 25% will vest on each of the three month anniversaries of the date of grant, up to and including the end of the first year after such grant, or such other more restrictive vesting schedule as the administrator of the Stock Option Plan may determine.

A continuity of options for the nine months ended March 31, 2018 is as follows:

Expiry date	Exercise price ($)	June 30, 2017	Issued	Exercised	March 31, 2018
June 12, 2020	0.15	200,000	-	-	200,000
February 27, 2022	0.12	1,200,000	-	-	1,200,000
July 24, 2020	0.15	-	100,000	-	100,000
Options outstanding		1,400,000	100,000	-	1,500,000
Options exercisable		650,000	75,000	-	1,475,000
Weighted average exercise price ($)		$ 0.12	$ 0.15	$ -	$ 0.13

The weighted average remaining life of the outstanding options as at March 31, 2018 is 3.58 years (June 30, 2017 – 4.42 years).

A continuity of options for the year ended June 30, 2017 is as follows:

Expiry date	Exercise price ($)	June 30, 2016	Issued	Exercised	June 30, 2017
June 12, 2020	0.15	-	200,000	-	200,000
February 27, 2022	0.12	-	1,200,000	-	1,200,000
Options outstanding		-	1,400,000	-	1,400,000
Options exercisable		-	650,000	-	650,000
Weighted average exercise price ($)		$ -	$ 0.12	$ -	$ 0.12

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(continued)*

d. Share Purchase Option Compensation Plan *(continued)*

The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the options:

	Nine months ended March 31, 2018	March 31, 2017
Risk-free interest rate	0.71%	1.12%
Expected stock price volatility	176.85%	174.04%
Expected option life in years	3 years	5 years
Expected dividend in yield	Nil	Nil
Forfeiture rate	Nil	Nil

9. GENERAL AND AMINISTRATIVE EXPENSES

The components of general and administrative expenses are as follows:

For the nine months ended	March 31, 2018	March 31, 2017
Consulting	$ 6,300	$ 30,422
Insurance	2,940	-
Investor relations	41,701	11,916
Management fees	30,000	35,000
Other	2,693	8,338
Professional fees	83,360	35,290
Project search	1,224	11,601
Regulatory and filing fees	16,422	13,278
Rent	3,500	-
Salaries and benefits	7,625	26,372
Travel	207	-
	$ 195,972	$ 172,217

10. RELATED PARTY TRANSACTIONS

Payments to related parties were made in the normal course of operations and were valued at fair value as determined by management. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. All outstanding balances are unsecured, and there are no commitments or guarantees associated with the outstanding balances.

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS *(continued)*

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

For the nine months ended March 31, 2018

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Ronald A. Rieder [(a)] Chief Executive Officer, Director	$86,125	$Nil	$Nil	$Nil	$Nil	$7,064	$93,189
Mark T. Brown [(c)] Former Chief Financial Officer, Director	$Nil	$Nil	$Nil	$Nil	$Nil	$4,213	$4,213
John Kanderka Director	$Nil	$Nil	$Nil	$Nil	$Nil	$2,975	$2,975
Marc Blythe Director	$Nil	$Nil	$Nil	$Nil	$Nil	$2,726	$2,726
Wes Adams Director	$Nil	$Nil	$Nil	$Nil	$Nil	$2,207	$2,207

For the nine months ended March 31, 2017

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
David Hottman [(b)] Former Chief Executive Officer, Director	$26,372	$Nil	$Nil	$Nil	$Nil	$3,562	$29,934
Mark T. Brown Chief Financial Officer, Director	$Nil	$Nil	$Nil	$Nil	$Nil	$4,845	$4,845
Ronald A. Rieder Director	$30,000	$Nil	$Nil	$Nil	$Nil	$8,123	$38,123
John Kanderka Director	$Nil	$Nil	$Nil	$Nil	$Nil	$3,420	$3,420
Marc Blythe Director	$Nil	$Nil	$Nil	$Nil	$Nil	$3,135	$3,135

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS *(continued)*

Related party liabilities

		Nine months ended			
	Services	March 31, 2018	March 31, 2017	As at March 31, 2018	As at June 30, 2017
Amounts due to:					
A private company controlled by a former director and officer (c)	Rent, management and accounting services	$36,500	$5,000	$16,275	$5,775
A private company owned by a director and Chief Executivee Officer (a)	Management fee	$60,000	$30,000	$Nil	$Nil
Chief Executive Officer, Director (a)	Salaries and share-based payment	$33,189	$Nil	$10,000	$Nil
Former director (b)	Salaries and share-based payment	$Nil	$26,372	$Nil	$860
A private company owned by a director	Past consulting services	$Nil	$Nil	$Nil	$500
TOTAL:		$129,689	$61,372	$26,275	$7,135

(a) Ronald A. Rieder was appointed as the Chief Executive Officer effective January 11, 2017. During fiscal 2017, Mr. Rieder was compensated with the management fee paid to his private company. During the first 6 months of fiscal 2018, Mr. Rieder was compensated with the management fee paid to his private company and after January 1, 2018, Mr. Rieder was paid a salary directly.

(b) David Hottman resigned from being the Chief Executive Officer effective January 11, 2017 and from being a director effective May 10, 2017.

(c) Mark T. Brown resigned from being the Chief Financial Officer and a director effective December 22, 2017. The amount charged by this private company controlled by Mr. Brown reflects up to the date of his resignation.

11. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, other receivable and accounts payables and accrued liabilities approximate their carrying values due to their current nature.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

(a) Currency risk

The Company's property interests in the United States made it subject to foreign currency fluctuations and inflationary pressures which may have adversely affected the Company's financial position, results of operations and cash flows. The Company was affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks, and has no foreign currency exposure at the statement of financial position date.

(b) Credit risk

The Company's cash is held in a Canadian financial institution. The Company's other receivable consists primarily of joint venture receivables and tax due from the federal government of Canada.

11. FINANCIAL INSTRUMENTS *(continued)*

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and periodic financial support from management. Accounts payable and accrued liabilities are due within the current operating year.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing debt.

(e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as oil and gas prices are impacted by world economic events that dictate the levels of supply and demand. A 1% change in price will increase/decrease net income (loss) by an immaterial amount.

The Company did not have any commodity price contracts in place as at or during the nine months ended March 31, 2018.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS *(continued)*

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at March 31, 2018 and June 30, 2017.

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Current Assets:				
Cash	$ 4,678	$ -	$ -	$ 4,678
Other receivable	2,297	-	-	2,297
Current Liabilities:				
Accounts payable and accrued liabilities	$ 188,326	$ -	$ -	$ 188,326

As at June 30, 2017	Level 1	Level 2	Level 3	Total
Current Assets:				
Cash	$ 213,693	$ -	$ -	$ 213,693
Other receivable	11,800	-	-	11,800
Current Liabilities:				
Accounts payable and accrued liabilities	$ 75,643	$ -	$ -	$ 75,643

12. MANAGEMENT OF CAPITAL RISK

The Company manages its shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral and oil and gas properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments.
In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company is not subject to any externally imposed capital restrictions. There has been no change in the Company's capital management during the year.

(Expressed in Canadian dollars)

13. SEGMENTED INFORMATION

The Company operates in two industry segments, being petroleum and natural gas operation and acquisition and exploration of mineral properties. The Company's assets and liabilities are held with Canada and US as follows:

			March 31, 2018
	Canada	USA	Total
Current assets	$ 44,669	$ -	$ 44,669
Exploration and evaluation assets	-	23,191	23,191
Reclamation bond	-	14,919	14,919
Total liabilities	274,705	-	274,705

			June 30, 2017
	Canada	USA	Total
Current assets	$ 259,731	$ -	$ 259,731
Exploration and evaluation assets	-	80,322	80,322
Total liabilities	162,022	-	162,022

The Company revenue is derived 100% from one customer within Canada.