ENERGULF RESOURCES

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended
November 30, 2016

(Stated in Canadian Dollars)

(Unaudited)

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators we hereby give notice that our condensed interim consolidated financial statements for the nine months ended November 30, 2015, which follow this notice, have not been reviewed by an auditor.

EnerGulf Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at November 30, 2016 ($)	As at February 29, 2016 ($)
Assets		
Current assets		
Cash	8,286	19,284
Amounts receivable	5,809	12,165
Prepaid expenses	7,287	7,084
	21,382	38,533
Non-current assets		
Equipment (note 3)	-	3,990
	21,382	**42,523**
Liabilities and shareholders' deficiency		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	1,181,367	1,049,193
Due to related parties (note 4, 7)	771,781	467,470
Note payable (note 5)	104,312	20,912
	2,057,460	1,537,575
Shareholders' deficiency		
Share capital (note 6)	42,656,489	42,430,452
Reserves	1,272,834	1,319,724
Deficit	(45,965,401)	(45,245,228)
	(2,036,078)	(1,495,052)
	21,382	**42,523**

Nature of operations and going concern (note 1)

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

Approved by the Board of Directors

"Ernest Miller IV"
Ernest Miller IV – Director

"Clive Brookes"
Clive Brookes – Director

EnerGulf Resources Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the Three Months ended		For the Nine Months ended	
	November 30, 2016 ($)	**November 30, 2015 ($)**	**November 30, 2016 ($)**	**November 30, 2015 ($)**
Expenses:				
Exploration and evaluation expenses (note 4)	-	186,264	522,400	228,782
Consulting	1,500	-	4,500	-
Depreciation	-	15,110	3,990	34,998
Insurance	3,925	3,064	7,850	21,885
Management fees (note 7)	80,000	21,682	161,419	98,768
Office and administration (note 7)	22,625	69,793	54,019	156,367
Professional fees (note 7)	36,640	72,827	62,530	120,677
Salaries and benefits	-	-	-	48,996
Share-based payments (note 6)	-	-	-	15,028
Transfer and regulatory fees	4,712	12,823	32,900	37,182
Travel	-	-	1,146	6,522
Loss before other items	**(149,402)**	**(381,563)**	**(850,754)**	(769,205)
Other items:				
Gain from write off account payable	-	-	25,463	-
Foreign exchange gain (loss)	(34,446)	(30,809)	(11,007)	13,523
Finance income	2	128	32	128
Finance expense	(40,456)	(770)	(40,831)	(2,027)
Net loss and comprehensive loss for the period	**(224,302)**	**(413,014)**	**(877,097)**	**(784,627)**
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common share Outstanding – basic and diluted	99,319,160	89,665,857	96,625,329	85,471,907

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

EnerGulf Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the nine months ended	
	November 30, 2016 ($)	November 30, 2015 ($)
Operating activities		
Net loss for the year	(877,097)	(784,626)
Items not involving cash:		
Depreciation	3,990	34,998
Share-based payments	-	15,028
Shares issued for acquisition of Columbus Copper Corporation included in general exploration (note5)	-	254,275
Accrued finance expense	40,831	-
Foreign exchange	(2,966)	(17,942)
Gain from write off account payable	(25,463)	-
Changes in non-cash working capital:		
Amounts receivable	6,356	(8,589)
Prepaid expenses and security deposits	(203)	(35,545)
Accounts payable and accrued liabilities	116,669	258,152
Due to related parties	47,242	5,771
Cash used in operating activities	(690,641)	(278,478)
Investing activities		
Cash received from acquisition of Columbus Copper Corporation	-	206,116
Restricted cash withdrawn	-	50,249
Cash from in investing activity	-	256,365
Financing activities		
Proceeds from private placements	310,609	-
Loan from related parties	285,820	
Loan proceeds received	83,400	27,423
Loan repayment	-	(27,423)
Cash from in financing activities	679,829	-
Effect of foreign exchange on cash	(186)	1,197
Decrease in cash	(10,998)	(20,916)
Cash, beginning of year	19,284	107,976
Cash, end of year	**8,286**	**87,060**

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

EnerGulf Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Reserves				
	Number of Shares	**Share Capital ($)**	**Share Options, ($)**	**Warrants ($)**	**Accumulated other Comprehensive Loss**	**Deficit ($)**	**Total ($)**
Balance at March 1, 2015	83,397,725	42,016,452	3,608,645	996,842	-	(47,153,061)	(531,122)
Shares issued for acquisition of Columbus Copper Corporation	9,200,000	414,000	-	-	-	-	414,000
Expired options	-	-	(1,648,802)	-	-	1,648,802	-
Expired warrants	-	-	-	(839,918)	-	839,918	-
Share-based payments	-	-	15,028	-	-	-	15,028
Comprehensive loss for the period	-	-	-	-	(354)	(784,626)	(784.980)
Balance at November 30, 2015	92,597,725	42,430,452	1,974,871	156,924	(354)	(45,448,967)	(887,074)
Balance at March 1, 2016	92,597,725	42,430,452	1,162,800	156,924	-	(45,245,228)	(1,495,052)
Shares issued for cash – private placements (note 6)	6,212,185	205,622	-	104,987	-	-	310,609
Shares issued for debt	509,250	25,462	-	-	-	-	25,462
Shares issue costs - warrants	-	(5,047)	-	5,047	-	-	-
Expired warrants	-	-	-	(156,924)	-	156,924	-
Comprehensive loss for the period	-	-	-	-	-	(877,097)	(877,097)
Balance at November 30, 2016	**99,319,160**	**42,656,489**	**1,162,800**	**110,034**	**-**	**(45,965,401)**	**(2,036,078)**

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

1. Nature of Operations and Going Concern

EnerGulf Resources Inc. (the “Company” or “EnerGulf”) is a British Columbia registered public company listed on the TSX Venture Exchange (“TSXV”) and the Frankfurt Exchange. The Company was incorporated under the Business Corporations Act of British Columbia on January 30, 1981.

The business of the Company and its subsidiaries is to acquire and develop oil and gas projects in the Gulf of Mexico and to evaluate its legacy assets in Africa and Albania. The Company's oil and gas projects are operated through joint operations with non-related entities. The address of the Company’s head office and principal place of business is 15444 Royal Avenue, White Rock, BC, V4B 1N1, Canada.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

The business of developing oil and gas projects involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable oil and gas operations. The Company's continued existence is dependent upon the preservation of its core interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company's exploration and evaluation properties are located outside of North America and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, expropriation and currency exchange fluctuations and restrictions.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. The Company has a history of losses and negative working capital. These uncertainties cast a significant doubt about the Company’s ability to continue as a going concern. The Company is in the process of exploring and developing its oil and gas property interests. As at November 30, 2016, the Company had an accumulated deficit of $45,965,401 (February 29, 2016 - $45,245,228) and a working capital deficiency of $2,036,078 (February 29, 2016 - $1,499,042).

The Company’s ability to meet its obligations and maintain its operations in the normal course of business is contingent upon its ability to obtain new sources of financing. The outcome of these matters cannot be predicted at this time. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations as a going concern.

2. Basis of Presentation

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of January 30, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended February 29, 2016. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending February 28, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars unless noted otherwise)

2. Basis of Presentation - *continued*

(b) Change in accounting policies

There have been no material changes to significant accounting policies, from the most recent annual consolidated financial statements for the year ended February 29, 2016.

(c) New accounting standards

The following accounting pronouncement has been released but has not yet been adopted by the Company.

- IFRS 9 – Financial Instruments ("IFRS 9")

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

- Other

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Equipment

	Office furniture ($)	**Computer equipment ($)**	**Vehicles ($)**	**Total ($)**
Cost				
At February 28, 2015	35,223	29,515	131,379	196,117
Additions	-	7,982	-	7,982
At February 29, 2016 and November 30, 2016	35,223	37,497	131,379	204,099
Accumulated amortization				
At February 28, 2015	(21,723)	(29,515)	(102,366)	(153,604)
Amortization for the year	(13,500)	(3,992)	(29,013)	(46,505)
At February 29, 2016	(35,223)	(33,507)	(131,379)	(200,109)
Amortization for the period	-	(3,990)	-	(3,990)
At November 30,2016	(35,223)	(37,497)	(131,379)	(204,099)
Net book value				
At February 29, 2016	**-**	**3,990**	**-**	**3,990**
At November 30, 2016	**-**	**-**	**-**	**-**

(Expressed in Canadian Dollars unless noted otherwise)

4. Exploration and Evaluation Expenditures

	Namibia	Democratic Republic of Congo	Albanian Hydro Carbon Licenses	Gulf of Mexico Prospect	Total
Expenditures to date, March 1, 2015	12,586,268	10,330,988	-	-	22,917,256
Acquisition	-	-	254,275		254,275
General and administration	12,288	37,482	-	-	49,770
Consulting	(75,263)	-	-		(75,263)
Expenditures to date, November 30, 2015	12,523,293	10,368,470	254,275	-	23,146,038
Expenditures to date, March 1, 2016	12,598,556	10,400,037	254,275	-	23,252,868
Acquisition	-	-	-	522,400	522,400
Expenditures to date, November 30, 2016	**12,598,556**	**10,400,037**	**254,275**	**522,400**	**23,775,268**

(a) Namibia

On June 7, 2013, EnerGulf was granted a 15% working interest under a new Petroleum Agreement (the "New PA") approved by the Government of the Republic of Namibia for Block 1711, offshore Namibia. The parties to the New PA are the Government of the Republic of Namibia, Gazania 148 Investments (Pty) Ltd. ("Gazania") and EnerGulf Namibia. The initial Operator is Shaanxi Yuyang Petroleum Technology Engineering Co. Ltd. Gazania will own a 75% working interest, EnerGulf Namibia will own a 15% working interest and NAMCOR, the National Oil Company of Namibia, ("NAMCOR") will own a 10% carried interest to production. The agreement is subject to a government royalty of 5%. The New PA replaces in its entirety the 2006 Petroleum Agreement. The New PA and related Exploration License have an initial term of four years commencing June 7, 2013, with a minimum exploration expenditure of US$40,000,000 and may be renewed by the Government twice for additional two year periods each with a US$40,000,000 minimum exploration expenditure.

Gazania has provided the Government with the guarantees required to cause the Petroleum Exploration License to be issued, a $4,000,000 Bank guarantee (equal to 10% of the first period exploration requirement) and a guarantee of performance of the party's obligations. Certain annual commitments are required under the New PA, in order for the agreement to continue in good standing. As Gazania is responsible for the maintenance of these commitments, the Company is reliant on them for the continued good standing of the property. To date, the Minister has not indicated or communicated to the Company any default on the part of Gazania to this effect.

In 2008, EnerGulf participated in the drilling of the deep offshore, Kunene No. 1 on the block, to a total depth of 5,050m (including 750m of water). The majority of expenditures to date in Namibia are attributable to Kunene No. 1. As at November 30, 2016, the Company had incurred total expenditures of $12,598,556 (November 30, 2015 - $12,523,293) on the projects in Namibia.

(b) Democratic Republic of Congo

On November 16, 2005, EnerGulf Africa was granted a Contrat De Partage De Production ("Production Sharing Contract" or "PSC") by DRC, for the Lotshi Block, containing 507 square kilometers, lying approximately 33 kilometers from the west coast of the DRC. The PSC granted EnerGulf a 90% working interest and COHYDRO, the National Oil Company of the DRC, ("COHYDRO") a 10% carried working interest. The Company incorporated EnerGulf Congo to act as the Operator. The PSC was ratified and approved by Presidential Decree on March 12, 2008. The Ministry of Hydrocarbons ("Ministry") issued a Permis d' Exploration ("Exploration Permit") for the Lotshi Block on October 31, 2009. EnerGulf Africa and COHYDRO entered into a Contrat D' Association ("Joint Operating Agreement") for the Lotshi Block on February 5, 2009. The PSC and Exploration Permit were made effective as of October 31, 2009 by Memorandum Agreement dated October 25, 2010. The PSC and related Exploration Permit have an initial term of five years commencing October 31, 2009.

4. Exploration and Evaluation Expenditures - *continued*

(b) Democratic Republic of Congo

The PSC expired on November 1, 2014. On April 3, 2015, the Company received a letter from the Director of the Cabinet of the Prime Minister of the DRC, whereby extending the Exploration Permit for a period of ten months to facilitate the drilling of a well on the Lotshi Block which ended on February 3, 2016. The Company is in discussions to negotiate a further extension to the PSC.

Due to the lapse of the contract on the Lotshi Block in the DRC in February 2016 and the suspension of operational activities, the assets related to the DRC operation have been fully impaired recording a loss of $178,754 during the year ended February 29, 2016.

(c) Albanian Hydrocarbon License

On September 29, 2015, through the acquisition of Columbus Copper, the Company acquired the rights to pending onshore hydrocarbon license Block 8 in Albania which was granted April 19, 2016 .

The purchase price in excess of the net assets of Columbus Copper have been included as general exploration expense, of which the Company considers an acquisition cost of the Albanian Hydrocarbon License.

(d) Albanian Chromite Licenses

On September 29, 2015, the Company acquired two exploration licenses and an operations license in the Republic of Albania, through the acquisition of Columbus Copper. The exploration licenses are referred to as Bulqiza, and the Qafe Burreli being the operations license. The licenses cover approximately 6.8 km^2 of the chromite-bearing, Bulqiza ultramafic massif in eastern Albania. Columbus Copper was originally awarded these licenses on January 29, 2009.

On December 22, 2010, Columbus Copper completed a 3% royalty and share sale with the Anglo-Pacific Group (“APG"). In connection with the royalty sale, Columbus Copper executed a security agreement and has pledged to APG the securities of its 100% owned BVI subsidiary, Empire International Mining Corporation, and its 100% owned Albanian subsidiary, Empire Mining (Albania) SHPK.

(e) Gulf of Mexico – Canoe and Selectron Shallow Prospect

EnerGulf entered into a letter of intent (“LOI”) with Texas South Energy, Inc. (OTCBB: TXSO) (“Texas South”) to participate in six offshore Gulf of Mexico prospects owned and operated by GulfSlope Energy Inc. (“GulfSlope”) (OTCBB: GSPE). Subject to the execution of definitive agreements and the Company’s financial obligations therein, the LOI provides for participation by the Company in drilling one well on Block 378, Vermilion Area, South Addition (“Canoe Prospect”) and a second well on either the Canoe Prospect or Block 375, Vermilion Area, South Addition (“Selectron Shallow Prospect”). The Company has made a US$200,000 payment for its interest in the Canoe Prospect and paid an additional US$200,000 for its interest in the Selectron Shallow Prospect. At this point the Company has earned the right to a 16.8% non-operated working interest in each of the Canoe and the Selectron Shallow prospects in the Gulf of Mexico and will have certain cost interest obligations in the Canoe and Selectron Shallow Prospects. The Company elected not to make a $400,000 payment to earn participation in the deep prospects (Alpha, Beta, Baryon, and Proton) and additional interests in the Canoe and Selectron Shallow prospects. The Company is renegotiating the terms of such participation at this time.

(Expressed in Canadian Dollars unless noted otherwise)

4. Exploration and Evaluation Expenditures - *continued*

(e) Gulf of Mexico – Canoe and Selectron Shallow Prospect - *continued*

As additional consideration to Texas South, EnerGulf agreed as a term of the definitive agreement to issue to Texas South a warrant to purchase up to 7,000,000 common shares of EnerGulf exercisable for a three year term at a price of CDN$0.06 per share. The issuance of the proposed bonus warrants and the proposed acquisition of the Canoe and Selectron Shallow Prospects remains subject to acceptance by the TSX Venture Exchange.

On June 24, 2016, the Company entered into a US$200,000 bridge loan with an investment fund controlled by a Director to make the payment for the Selectron Shallow Prospect. The loan agreement was amended to extend the repayment date and borrow an additional $10,000 with a total of $210,000 now due on May 31, 2017. The loan agreement also provides for the Company to issue 3,283,582 Bonus Warrants at an exercise price of $0.05. The issuance of the proposed Bonus Warrants remains subject to acceptance by the TSX Venture Exchange and if the acceptance is not received from the TSXV by May 31, 2017 the Company will pay an additional cash bonus in the amount of US$30,000 in lieu of the warrants.

5. Accounts Payable, Accrued Liabilities and Note Payable

Accounts Payable and Accrued Liabilities

		November 30, 2016		February 29, 2016
Accounts payable	$	1,157,832	$	985,135
Accrued liabilities		23,535		64,058
Total accounts payable and accrued liabilities	$	1,181,367	$	1,049,193

Note Payable

On October 8, 2015, the Company entered into a promissory note agreement with Marrelli Services Limited ("Marrelli") under which, the Company shall repay on demand, $20,912, in exchange for settling outstanding accounts payable to Marrelli. The promissory has an interest rate of Royal Bank of Canada prime rate plus 1%.

6. Share Capital

(a) Share capital

The Company is authorized to issue an unlimited number of common shares without par value. At November 30, 2016 the Company had 99,319,160 (November 30, 2015 – 92,597,725) common shares issued and outstanding.

On June 24, 2016, the company closed a non-brokered private placement for gross proceeds of $310,609. A total of 6,212,185 units were issued at a price of $0.05 per unit. Each unit is comprised of one common share and one warrant for the purchase of one additional common share of the Company at an exercise price of $0.06 per share for a period of 18 months after the date of closing.

On June 24, 2016, the Company settled aggregate outstanding debt of $50,925 that was owed to Columbus Gold Corp. for the provision by Columbus of management and support services to the Company. 50% of the debt or $25,462.50 was forgiven by Columbus and the remaining 50% was converted into 509,250 common shares of the Company, at a conversion price of $0.05 per share.

On September 29, 2015, the Company issued 9,200,000 common shares of the Company to shareholders of Columbus Copper and acquired a 100% interest in Columbus Copper.

(Expressed in Canadian Dollars unless noted otherwise)

6. Share Capital - *continued*

(b) Share options

The Company has a stock option plan by which it can grant stock options to officers, directors and employees. The aggregate number of shares reserved for issuance under the stock option plan cannot exceed 19,863,382 shares.

The continuity of the Company's share options is as follows:

	Number of options	**Weighted average exercise price ($)**
Balance, February 28, 2015	**8,730,000**	**0.39**
Cancelled	(1,005,000)	0.33
Expired	(3,035,000)	0.56
Balance, February 29, 2016 and November 30, 2016	**4,690,000**	**0.29**

A summary of the Company's options at November 30, 2016 is as follows:

Expiry date	**Exercise price ($)**	**Weighted average remaining contractual life (years)**	**Number of options outstanding and exercisable**
December 2, 2016	0.65	0.01	150,000
December 30, 2016	0.66	0.08	680,000
December 4, 2017	0.20	1.01	190,000
July 8, 2018	0.18	1.60	100,000
August 30,2018	0.20	1.75	1,800,000
November 5, 2018	0.22	1.93	1,100,000
December 23, 2018	0.20	2.03	500,000
March 12, 2019	0.45	2.28	170,000
		1.51	**4,690,000**

The fair value of share options recognized as share-based compensation during the nine month ended November 30, 2016 was $nil (2015 - $15,028).

The fair value of each share option is estimated on the date of grant using the Black-Scholes option pricing model. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate.

(Expressed in Canadian Dollars unless noted otherwise)

6. Share Capital – *continued*

(c) Warrants

On June 24, 2016, the Company announced that it closed a non-brokered private placement for gross proceeds of $310,609. The private placement closed in two tranches, the first on May 30, 2016 for gross proceeds of $53,000 and the second on June 24, 2016 for $257,609. A total of 6,212,185 units were issued at a price of $0.05 per unit. Each unit is comprised of one common share and one warrant for the purchase of one additional common share of the Company at an exercise price of $0.06 per share for a period of 18 months after the date of closing. The fair value of the warrants at issue date was $104,987 as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions:

Expected price volatility	112%
Risk free interest rate	0.54%
Expected life of options	1.5 years
Expected dividend yield	nil

Finder's warrants to acquire up to 164,931 additional common shares of the Company on the same terms as the private placement warrants were issued to one finder in connection with the private placement. The fair value of the finder's warrants at issue date was $5,047 as calculated based on the Black-Scholes option pricing model with the same assumptions.

The continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, February 28, 2015	14,676,120	0.33
Expired	(11,822,956)	0.35
Balance, February 29, 2016	**2,853,164**	**0.25**
Expired	(2,853,164)	0.25
Granted	6,377,116	0.06
Balance, August 31, 2016	**6,377,116**	**0.06**

A summary of the Company's warrants at November 30, 2016 is as follows:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of warrants outstanding and exercisable
November 30, 2017	0.06	1.00	1,060,000
December 24, 2017	0.06	1.07	5,317,116
		1.05	**6,377,116**

(Expressed in Canadian Dollars unless noted otherwise)

7. Related party transactions

The following related party transactions were in the normal course of operations and are measured at their exchange amounts being the amount of consideration as agreed to between the parties.

(a) Transaction with key management personnel

	Nine months ended November 30, 2016	Nine months ended November 30, 2015
Management fees	$ 161,419	$ 72,346
Share-based payment	Nil	4,498
Total remuneration	$ 161,419	$ 76,844

Payments to key management personnel, including the President, Chief Financial Officer, executive directors and companies directly controlled by key management personnel are for management fees and are directly related to their position in the organization.

For the nine months ended November 30, 2016, the Company expensed $131,419 (US$100,000) (2015 - $nil) to Ernest Miller for his services to act as President of the Company and these amounts were included in management fees. As at November 30, 2016, Ernest Miller was owed US$42,382 (CA$56,884). Ernest Miller was appointed as President and CEO of the Company on June 1, 2016 for an indeterminate period of time at an annual rate of US$200,000 per annum until such time as the Company has cash on deposit equal to not less than US$1,000,000 for a period of 60 days after which the rate will be US$250,000. The agreement is subject to termination at any time, if either party gives thirty (30) days written notice.

For the nine months ended November 30, 2016, the Company expensed $30,000 (2015 - $nil) to Clive Brookes for his services to act as CFO of the Company. Clive Brookes was appointed as CFO and Secretary of the Company on June 6, 2016.

For the nine months ended November 30, 2016, the Company expensed $nil (2015 - $63,144) to John D. Elmore, the former President, for his services to act as President of the Company and these amounts were included in management fees. As at November 30, 2016, John D. Elmore was owed $125,494 (February 28, 2016 - $131,083).

For the nine months ended November 30, 2016, the Company expensed $nil (2015 - $9,202) to Marrelli Services Limited ("Marrelli") for the services of Jonathan Chu to act as CFO of the Company. Jonathan Chu was appointed as CFO and Secretary of the Company on March 1, 2014 and resigned effective September 1, 2015.

(b) Other Related Party Transactions

	Nine months ended November 30, 2016	Nine months ended November 30, 2015
Consulting fees	$ 4,500	$ 4,500
Office and administration	19,488	Nil
Accounting fees	Nil	21,864
Corporate secretarial and filing services	$ Nil	$ 12,041

(Expressed in Canadian Dollars unless noted otherwise)

For the nine months ended November 30, 2016, the Company expensed $4,500 (2015 - $4,500) to Resource Finance for the services of a director to act as consultant to the Company. As at November 30, 2016, Resource Finance was owed $266,204 (February 28, 2016 - $261,704). There are no specific terms of repayment for the amount outstanding.

7. Related party transactions – *continued*

(b) Other Related Party Transactions – *continued*

For the nine months ended November 30, 2016, the Company expensed $19,488 (2015 - $nil) to Ernest Miller for office and administration services.

For the nine months ended November 30, 2016, the Company expensed $nil (2015 - $21,864) to Marrelli for accounting services and these amounts were included in professional fees. On October 8, 2015, the Company entered into a promissory note agreement with Marrelli under which, the Company shall repay on demand, $20,912, in exchange for settling outstanding accounts payable to Marrelli (see note 8).

For the nine months ended November 30, 2016, the Company expensed $nil (2015 - $12,041) to DSA for corporate secretarial and filing services and these amounts were included in office and administration. DSA is affiliated with Marrelli Support through a common officer.

The following due to related party balances remain payable as at each reporting date:

	November 30, 2016	February 29, 2016
Ernest Miller – Director/President	$ 56,884	$ -
Clive Brookes - Director/CFO	58,515	317
Sunrise Communication Ltd. – Company controlled by Clive Brookes	46,200	44,200
Jeff Greenblum - Director	24,720	19,524
Resource Finance Ltd. - Company controlled by Jeff Greenblum	266,204	261,704
Peter Gianulis - Director	10,556	10,642
Carrelton Asset Management – Fund controlled by Peter Gianulis	308,701	-
John D. Elmore – Former Director/President	-	131,083
Marrelli* - Company associated with former CFO	-	-
DSA – Company associated with former CFO	-	-
	$ 771,781	**$ 467,470**

* On October 8, 2015, Marrelli debt was settled with promissory note (see note 5).

8. Segment information

The Company has one reportable business segment, being oil and gas exploration and development. Information by geographical areas are as follows:

(Expressed in Canadian Dollars unless noted otherwise)

	November 30, 2016 ($)	**February 29, 2016 ($)**
Current assets		
Canada	16,443	27,959
Namibia	819	3,298
DRC	876	3,485
Albania	3,244	3,791
	21,382	**38,533**

8. Segment information - *continued*

	November 30, 2016 ($)	February 29, 2016 ($)
Non-current assets		
Albania	-	3,990
	-	**3,990**
Total assets		
Canada	16,443	27,959
Namibia	819	3,298
DRC	876	3,485
Albania	3,244	7,781
	21,382	**42,523**

9. Subsequent Events:

Subsequent to November 30, 2016, 830,000 stock options expired.