FREEDOM ENERGY INC.

(formerly Minecorp Energy Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED
MARCH 31, 2018

FORM 51-102F1

REPORT DATE – JULY 20, 2018

INTRODUCTION

Freedom Energy Inc. (formerly Minecorp Energy Ltd.) ("Freedom" or the "Company") is a public company incorporated on April 7, 2005 under the laws of the province of British Columbia. On May 29, 2017, the Company changed its name from Minecorp Energy Ltd. to Freedom Energy Inc. The Company is a reporting issuer in British Columbia and Alberta, and its common shares are listed and posted for trading on the TSX Venture Exchange ("TSX-V") under the trading symbol "FREE" and on the Frankfurt Stock Exchange under the symbol "B1H". The Company's offices are located at 315 – 837 West Hastings Street, Vancouver, BC, V6C 3N6.

Freedom is an exploration and development company focused on the acquisition of exploration and development stage precious metal and energy projects. The Company is continuously evaluating new projects for acquisition and development.

This management's discussion and analysis ("MD&A") of the Company should be read in conjunction with the audited annual consolidated financial statements for the year ended March 31, 2018 (the "Annual Financial Statements") of Freedom and the notes thereto, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Management believes the primary risk factors have been identified in the Risks and Uncertainties section of this document.

FORWARD LOOKING STATEMENTS (continued)

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of required approvals for our operations;
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled labour and staff; and
- our ongoing relations with our employees and with our business/joint venture partners.

We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

PROPOSED TRANSACTIONS

<u>BOE Tools Inc., USA/Canada</u>

On April 4, 2017, the Company entered into a letter of intent ("LOI") with BOE Tools, Inc. ("BOE"), a closely held Alberta-based oil field service corporation, and its shareholders to acquire a 70% interest in that corporation. Under the terms of the LOI, the Company must pay $140,000 over 12 months and issue a total of 6,108,590 common shares to the shareholders of BOE in exchange for a 70% interest in BOE. A total of 2,960,540 of such common shares are to be held in escrow for five years and are subject to the right of the Company to repurchase some or all of such shares at a price of $0.30 per share in the first year after closing of the transaction, with the price increasing in increments of $0.05 per share each year, such that the price would be $0.50 per share in the fifth year after closing.

This proposed transaction was abandoned during the year ended March 31, 2018.

<u>Magnum Joint Venture, Mexico</u>

On March 16, 2016, as amended on April 5, 2016, the Company entered into a letter of intent with Magnum Manufacturing LLC, a Texas based oil service company wherein the parties intend to form a joint venture to conduct international business development of Magnum's leading-edge tubular running and drilling equipment and technology through a proposed joint venture partnership in Mexico and other mutually agreed countries.

This proposed joint venture was abandoned during the year ended March 31, 2018.

EXPLORATION AND EVALUATION ASSETS

Good Hope Property, Nevada

On June 24, 2016, the Company entered into an option agreement to acquire a 100% interest in the Good Hope gold property (the "Good Hope Property"). The terms of the option are as follows:

Date	Cash	Common Shares	Property Expenditures
	($)		($)
On Exchange approval (issued)	-	200,000	-
First anniversary of Exchange approval	-	200,000	-
Second anniversary of Exchange approval	100,000	200,000	-
Third anniversary of Exchange approval	-	200,000	-
Forth anniversary of Exchange approval	-	200,000	-
Fifth anniversary of Exchange approval	-	-	2,000,000

The optionor of the Good Hope Property will also retain a 5% net smelter return ("NSR") royalty, however, the Company can purchase up to 3% of the NSR royalty in exchange for cash payments of $1,000,000 for each 1% of the NSR royalty.

The Good Hope property is comprised of 8 unpatented lode mining claims. It is a volcanic and sediment-hosted, epithermal precious metal property, which includes or is adjacent to mines with historic production, situated in the Tuscarora mountains of northern Elko county, Nevada. The Tuscarora mountains host the northern end of Carlin-trend mineralization, and consists of a series of Eocene to Miocene volcanic centres, which have intruded, and locally covered sequences of upper- and lower-plate Paleozoic sedimentary rocks. Mineralized Eocene dikes have been found in many of the mines within the Carlin trend, and the temporal and spatial correlation with Carlin-type gold mineralization suggests a genetic link. The Good Hope property contains altered exposures of probable lower-plate Paleozoic sedimentary rocks that appear to be correlative with the Devonian Rodeo Creek formation. The bulk of the exposed gold-silver-arsenic-antimony-mercury mineralization has been found in coeval intermediate to felsic volcanics, which have been dated as Eocene (36 million years ago to 40 million years ago) throughout most of the Tuscarora mountains. Similar ages of mineralization have been determined for a number of typical Carlin-type mines within the Carlin trend, Getchell district, Jerritt Canyon district and Battle Mountain-Eureka trend of gold mineralization.

The target concept for the Good Hope property is that high-level, epithermal gold-arsenic-dominated, volcanic-hosted, Eocene-aged, precious metal mineralization that represents the top of mineralizing hydrothermal plumes, which had the potential to form high-grade Carlin-type (Meikle) deposits within favourable stratigraphic sections of lower plate sediments at depth. It is believed that detailed geologic, structural, stratigraphic, geochemical and geophysical studies can target the favourable areas which overlie permission stratigraphy at a reasonable depth (less than 2,500 feet).

The Good Hope property area is situated within a zone of world-class gold endowment, where the potential of finding a large, high-grade, gold mine is favourable. Past work has defined areas of strongly argillized volcanics, which host numerous silicified breccias zones, and it is believed that additional exploration offers an excellent opportunity to discover new Carlin-type mineralization beneath shallow volcanic cover on the Good Hope property.

The Company is currently in default under this agreement.

RESULTS OF OPERATIONS

Three month period ended March 31, 2018

The Company's reported a net loss for the three month period ended March 31, 2018 (the "Current Quarter") of $738,904 or a $0.03 per share as compared with $437,071 or $0.02 per share for the three month period ended March 31, 2017 (the "Comparative Quarter").

The Company reported a larger loss in the Comparative Quarter due to the recognition of share-based compensation from the issuance of incentive stock options to directors, officers and consultants of the Company.

Year ended March 31, 2018

The Company's reported a net loss for the year ended March 31, 2018 (the "Current Year") of $1,147,918 or a $0.04 per share as compared with $760,118 or $0.04 per share for the year ended March 31, 2017 (the "Comparative Year").

The Company reported a larger loss in the Current Period due to increased consulting and professional fees incurred during the due diligence process involving BOE and other potential acquisitions.

SELECTED ANNUAL INFORMATION

The Company's functional and presentation currency is the Canadian Dollar for all years presented.

	2018	2017	2016
	($)	($)	($)
Consolidated Statements of Loss and Comprehensive Loss:			
Revenue	-	-	-
Operating expenses	(534,071)	(726,244)	(403,108)
Other income (expenses)	(613,847)	(33,874)	343,473
Loss and comprehensive loss	(1,147,918)	(760,118)	(59,635)
Basic and diluted loss per share	(0.04)	(0.04)	(0.01)
Balance Sheet:			
Cash	32,142	48,787	472
Exploration and evaluation assets	2	67,861	1
Total assets	105,303	624,944	57,783
Total liabilities	902,396	715,367	913,092
Total shareholder's deficiency	(797,093)	(90,423)	(855,309)

SUMMARY OF QUARTERLY RESULTS

The following table provides summary financial data for our last eight quarters:

Quarter ended:	Revenue	Loss before other income and expense	Net income (loss) and comprehensive income (loss)	Basic and diluted earnings (loss) per common share	Weighted average number of common shares
	($)	($)	($)	($)	
March 31, 2018	-	(133,952)	(738,904)	(0.03)	32,303,224
December 31, 2017	-	(121,466)	(123,240)	(0.00)	31,257,644
September 30, 2017	-	(137,947)	(128,829)	(0.00)	30,793,341
June 30, 2017	-	(140,706)	(156,945)	(0.01)	28,809,202
March 31, 2017	-	(463,915)	(437,071)	(0.02)	25,884,575
December 31, 2016	-	(165,665)	(171,673)	(0.01)	21,365,364
September 30, 2016	-	(48,147)	(63,255)	(0.00)	13,607,136
June 30, 2016	-	(48,517)	(88,119)	(0.01)	13,449,993

The primary factors causing material variations in the Company's losses by quarter are summarized as follows:

a) March 31, 2016 - the Company recognized a gain of $497,065 from the extinguishment of accounts payable owing to various creditors and a loss of $84,350 from settling debt through the issuance of shares of the Company.

b) March 31, 2017 – the Company recognized share-based compensation for options granted during the period and incurred significant consulting fees in relation to the proposed acquisition of BOE. In addition, the Company recognized a gain of $73,948 from the extinguishment of accounts payable owing to various creditors

LIQUIDITY AND CAPITAL RESOURCES

As at Mar ch 31, 2018, the Company had a cash balance of $32,142 and a working capital deficiency of $453,183 compared to $48,787 and a $158,284 at March 31, 2017, respectively. The Company continues to utilize its cash resources to fund its administrative requirements, fund its exploration and evaluation asset requirements and investigate other accretive asset acquisitions. As the Company has no revenue, the Company's operations to date have been financed by loans and the issuance of its common shares. The Company continues to seek capital through various means, and while the Company has been successful in raising funds in the past, there is no assurance that it will continue to do so in the future. The Company's current cash on hand is not sufficient to fund all of its ongoing operational needs. Accordingly, the Company will need to raise additional capital.

The Company's consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

OUTSTANDING SHARE CAPITAL

As at the Report Date, the Company had the following share structure:

	Number of Shares
Common shares	33,395,446
Warrants	2,394,444
Options	2,230,000
Fully diluted	38,019,890

FINANCING AND INVESTING ACTIVITIES

During the year ended March 31, 2018, the Company advanced a further $153,234 (net of repayments) to BOE under a promissory note that bears simple interest at 5% per annum and is due on demand.

In July 2017, the Company completed an equity financing wherein it issued 2,256,800 common shares at $0.11 per share for gross proceeds of $248,248.

In December 2017, the Company completed an equity financing wherein it issued 944,444 units at $0.09 per share for gross proceeds of $85,000. Each unit was comprised of a common share and a common share purchase which entitles the holder to purchase an additional common share at a price of $0.10 until December 6, 2019.

In March 2018, the Company issued 1,200,000 units at $0.09 per unit under the first tranche of a non-brokered private placement for aggregate proceeds of $108,000. On March 28, 2018, the Company completed the second tranche of the placement and issued 250,000 units at $0.09 for aggregate proceeds of $22,500. Each unit was comprised of a common share and a common share purchase warrant which entitles the holder to purchase an additional common share at a price of $0.15 until March 6, 2020.

TRANSACTIONS WITH RELATED PARTIES

The Company's key management personnel consist of directors, officers and companies owned or controlled in whole or in part by officers and directors. The following summarizes the Company's related party transactions during the years ended March 31, 2018 and 2017:

Key Management Personnel

	2018 ($)	2017 ($)
Professional and consulting fees paid or accrued to a corporation controlled by Sean McGrath, the Chief Financial Officer ("CFO") of the Company.	48,919	44,925
Consulting fees paid or accrued to a corporation controlled by Jacqueline Collins, the former Corporate Secretary of the Company.	24,000	10,000
Share-based compensation vested for incentive stock options issued to certain directors and officers of the Company.	-	35,464
Total	72,919	90,389

a) As at March 31, 2018, a total of $46,246 (2017 – $2,520) was included in accounts payable and accrued liabilities owing to a corporation controlled by Sean McGrath, the CFO of the Company, for professional and consulting fees.

b) As at March 31, 2018, a total of $12,010 (2017 - $Nil) was included in accounts payable and accrued liabilities owing to a corporation controlled by Jacqueline Collins, the former Corporate Secretary of the Company, for consulting fees.

c) As at March 31, 2018, a total of $23,405 (2017 - $2,200) was included in accounts payable and accrued liabilities owing to George Heard, CEO of the Company, for reimbursable expenses.

d) During the year ended March 31, 2018, the Company settled $Nil (2017 - $65,000) in outstanding payables through the issuance of Nil (2017 - 1,300,000) common shares. During the year $3,698 of accounts payable to a related party was extinguished. As at March 31, 2018, a total of $Nil (2017 - $3,698) was included in accounts payable and accrued liabilities owing to a corporation controlled by a close family member of the CEO of the Company for office rental and vehicle costs.

SUBSEQUENT EVENT

Subsequent to March 31, 2018, the Company received $22,500 in share subscriptions receivable.

COMMITTMENTS

As at the Report Date, the Company has no commitments.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

The Company did not enter into any off-statement of financial position arrangements during the year ended March 31, 2018.

OUTLOOK

Oil prices have experienced significant decline from record highs experienced just over a year ago, however prices have seen a sustained rebound in the first quarter of 2018. Management believes that this price decline has created many opportunities for acquisitions and joint ventures in the oil and gas industry, particularly for junior exploration and production companies. Consequently, the Company is actively trying to identify quality conventional oil projects to exploit. The Company is primarily focused on acquisitions in Canada and the USA due to their economic and political stability and availability of infrastructure.

As a complementary business and as a means of identifying and participating in new and existing oil development opportuinities, the Company proposed the acquisition of an oil services company, BOE Tools, Inc. The Company was not able to complete the transaction on economically favourbale terms and has termintated the transaction.

The Company also believes the price of gold will remain strong and even improve over the coming year due to political and economic uncertainty that currently exists across the globe as well as the extremely volatile crypto currency market. Accordingly, the Company maintains a quality gold exploration project in a stable jurisdiction so that it can potentially capitalize on this situation.

RISKS AND UNCERTAINTIES

The Company is in the natural resource exploration and development business, and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations, and financial performance.

<u>Exploration and Development</u>
Exploration for natural resources such as coal and oil involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company attempts to mitigate its exploration risk through joint ventures with other companies, when possible.

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover deposits but also from finding deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions.

RISKS AND UNCERTAINTIES (continued)

Delays in obtaining governmental approvals, conflicting mineral rights claims and other factors could cause delays in exploring and developing properties. Unusual or unexpected geological formations, labour disruptions, flooding, landslides, environmental hazards, and the inability to obtain suitable or adequate machinery, equipment, road access, power or labour are other risks involved in the conduct of exploration and development programs.

Going Concern and Access to Additional Capital
The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations and project development plans. If the Company were unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the consolidated statement of financial position classifications currently used.

The continued development of the Company's various projects and the implementation of some of its strategic plans may require substantial additional financing. Failure to obtain financing may result in a delay or indefinite postponement of development of the Company's projects and certain of its strategic plans.

Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity, issuance of debt or joint venture agreements to fund operations. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future or, if available, that the terms will be favourable to the Company. Any funding could involve substantial dilution to existing shareholders. The failure to raise additional capital when required may have a material adverse effect on the Company's business, financial condition and results of operations.

Political, Economic and Other Risks of Foreign Operations
The Company may have operations located in Canada, Asia and the United States. As such, Freedom is subject to political, economic and social risks relating to operating in foreign jurisdictions. These risks include nationalization, expropriation of assets or property with or without compensation, forced modification or cancellation of existing contracts, currency fluctuations and devaluations, unfavourable tax enforcement, changing political conditions, political unrest, civil strife, and changes in governmental regulations or policies with respect to currency, production, price controls, profit repatriation, export controls, labour, taxation, trade, and environmental, health and safety matters or the personnel administering those regulations or policies.

Any of these risks could have a material adverse effect on the Company's business, results of operations and financial performance.

Price Fluctuations and Share Price Volatility
Since 2008 the securities markets generally have experienced price and volume volatility. Decreases or increases may not necessarily be related to current operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in share price will not occur.

RISKS AND UNCERTAINTIES (continued)

Reliance on Key Personnel and Skilled Workers

Freedom's operations require employees and contractors with a high degree of specialized technical, management and professional skills, such as engineers, trades people and plant and equipment operators. In some geographic areas, the Company competes with other local industries for these skilled workers. If the Company is unable to find an adequate supply of skilled workers, a decrease in productivity or an increase in costs may result which could have a material adverse effect on the Company's business, results of operations and financial performance.

The success of Freedom's operations and activities is dependent to a significant extent on the efforts and abilities of its senior management team, as well as outside contractors, experts and its partners. The loss of one or more members of senior management, key employees, contractors or partners, if not replaced, could have a material adverse effect on the Company's business, results of operations and financial performance.

Commodity Price Risk

The price of commodities greatly affects the value of the Company and the potential value of its exploration and evaluation assets and investments. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

Financial Market Risk

The Company is highly dependent on the equity markets as its source of operating working capital and the Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Title Risk

The Company has investigated its right to explore and exploit its exploration and evaluation assets and, to the best of its knowledge, has title to exploration and evaluation assets in which it has a material interest. However, the results of the Company's investigations should not be construed as a guarantee of title.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations.

Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. The cost of compliance with changes in governmental regulations has a potential to negatively impact financial performance. Although minimal at this time, decommissioning liabilities are a component of exploration expenses.

Value Risk

There is no certainty that the exploration and evaluation assets which the Company may defer as assets on its consolidated statement of financial position will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

RISKS AND UNCERTAINTIES (continued)

Operating Hazards and Risks
The exploration, development and production of mineral exploration and evaluation assets involve risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. A combination of experience, knowledge and careful evaluation may not be able to overcome these risks.

Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition and operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements. The Company has not completed a feasibility study on any of its properties to determine if they host resources that can be economically developed and profitably mined.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, term deposits, investments, amounts receivables, note receivable, accounts payable and loans payable.

The fair values of the Company's amounts receivable, note receivable, accounts payable and accrued liabilities and loans payable approximate their carrying values due to the short-term nature of these instruments. The carrying amount of the term deposit approximates its fair value, as the stated rate approximates the market rate of interest.

The Company's cash and investments are classified at Level 1 of the fair value hierarchy. The Company has no financial instruments classified as Level 2 or 3.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure
The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has an unsecured demand note for $541,105 as at December 31, 2017 which poses a significant credit risk. Other than the note receivable, the Company has no material counterparties to its financial instruments with the exception of the financial institutions that hold its cash and term deposit. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of recoverable expenses and goods and services tax due from the government and the balances are in good standing as at March 31, 2018.

Liquidity risk
The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and term deposit. The Company's cash and term deposit are invested in business accounts which are available on demand. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and loans payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions.

Interest rate risk
The Company is exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest rate risk is minimal as the Company does not have significant interest-bearing assets or any interest-bearing liabilities that are tied into market rates.

Foreign exchange risk
Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company expects to continue to raise equity predominantly in Canadian dollars. However, the Company is exposed to foreign currency risk in relation to promissory notes it holds from BOE Tools Inc. which are denominated in United States dollars.

Commodity price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become mandatorily effective.

The following standards have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

IFRS 9, Financial instruments

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. This new standard replaces International Accounting Standards ("IAS") 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces a new impairment model for financial assets and new rules for hedge accounting.

IFRS 9 requires financial assets to be classified into one of three measurement categories on initial recognition: FVTPL, fair value through OCI and amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The new standard retains most of the existing requirements for financial liabilities.

IFRS 9 introduces a new impairment model for financial assets. This new model may result in the earlier recognition of credit losses as it requires the Company to account for expected credit losses from the time the financial instruments are first recognized.

The adoption of this standard is not expected to have a material impact on the Company's financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. This new standard is based on the principle that revenue should be recognized to depict the transfer of goods or services to customers at an amount that the entity expects it will be entitled to in exchange for those goods.

IFRS 15 introduces a new five step model for the recognition of revenue based on when control of a good or service transfers to a customer. The notion of control replaces the existing notion of risks and rewards and could result in changes in the timing of revenue recognition for certain contracts.

The adoption of this standard is not expected to have a material impact on the Company's financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

The following standard has been issued for annual periods beginning on or after January 1, 2019 but is not yet effective:

IFRS 16, Leases

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. This new standard replaces the existing leasing guidance in IAS 17, Leases.

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the balance sheet a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a very low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized on the consolidated statement of income (loss) will be recognized on the consolidated statement of financial position.

The Company has not yet assessed the potential impact of the application of this standard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements for the year ended March 31, 2018 is the responsibility of management. In the preparation of consolidated financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

ADDITIONAL INFORMATION

Jacqueline Collins resigned as Corporate Secretary of the Company on July 4, 2018. Sean McGrath assumed the role of interim Corporate Secretary while the Company searches for a permanent replacement.

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

CORPORATE INFORMATION

Directors:	George Heard Chester Shynkaryk Stuart Tenannt
Officers:	George Heard, CEO Sean McGrath, CFO and Corporate Secretary
Auditor:	Smythe LLP Chartered Professional Accountants Suite 700 – 355 Burrard Street Vancouver, BC, V6C 2G8
Legal Counsel:	Boughton Law Corporation Suite 700 595 Burrard Street Vancouver, BC, V7X 1S8
Transfer Agent:	Computershare Trust Company of Canada 2nd Floor – 510 Burrard Street Vancouver, BC, V6C 3B9

Contact Information

George Heard, CEO
Freedom Energy Inc.
Suite 315 – 837 West Hastings Street
Vancouver, British Columbia V6C 3N7
Tel: 604-992-9462