STANDARD EXPLORATION LTD.

Condensed Interim Financial Statements

For the Three Months Ended March 31, 2018 and 2017

(unaudited)

NOTICE OF DISCLOSURE OF NO AUDITOR REVIEW

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

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

The Corporation's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor

Standard Exploration Ltd.

Condensed Interim Statements of Financial Position

(amounts in Canadian dollars)

Assets	Notes	March 31, 2018 *(unaudited)*	December 31, 2017
Current assets			
Cash and cash equivalents		$ 925,192	$ 919,199
Accounts receivable	4(c)	86,937	97,864
Deposits and prepaid expenses		107,790	123,448
Total current assets		1,119,919	1,140,511
Exploration and evaluation assets	6	-	-
Property and equipment	7	2,522,268	2,608,603
Total assets		$ 3,642,187	$ 3,749,114
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4(d)	$ 245,114	$ 243,654
Total current liabilities		245,114	243,654
Decommissioning provisions	8	1,095,424	1,093,699
Total liabilities		1,340,538	1,337,353
Shareholders' Equity			
Share capital	10	15,922,585	15,922,585
Contributed surplus		3,882,891	3,882,891
Deficit		(17,503,827)	(17,393,715)
Total shareholders' equity		2,301,649	2,411,761
Total liabilities and shareholders' equity		$ 3,642,187	$ 3,749,114
Contingency	4(d)		

See accompanying notes to the unaudited condensed interim financial statements.

Approved by the Board of Directors,

(signed)
"Tom MacKay"
Director

(signed)
"David Richards"
Director

Standard Exploration Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss

(amounts in Canadian dollars)

(unaudited)

	Notes	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Revenue			
Petroleum and natural gas sales		$ 187,705	$ 258,404
Royalties		(24,146)	(32,030)
		163,559	226,374
Expenses			
Production and operating		52,473	51,688
Transportation		10,642	14,345
Exploration and evaluation		9,212	1,040
Depletion and depreciation	7	86,335	106,436
General and administrative		112,832	131,979
Share-based compensation	11(b)	-	4,725
Total expenses		271,494	310,213
Loss before the following:		(107,935)	(83,839)
Net finance income (loss)	12	(2,177)	(3,068)
Loss on disposition	7	-	-
Loss before income taxes		(110,112)	(86,907)
Income tax	9	-	-
Net loss and comprehensive loss for the period		$ (110,112)	$ (86,907)
Loss per share			
Basic and diluted	13	($0.00)	($0.00)

See accompanying notes to the unaudited condensed interim financial statements.

Standard Exploration Ltd.

Condensed Interim Statements of Changes in Shareholders' Equity

(amounts in Canadian dollars)
(unaudited)

	Notes	Number of Shares	Share Capital Stated Value	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance at January 1, 2017		**121,234,854**	**$ 15,922,585**	**$ 3,878,166**	**$(16,787,821)**	**$ 3,012,930**
Share-based compensation related to stock options	12	-	-	4,725	-	4,725
Net loss for the period		-	-	-	(86,907)	(86,907)
Balance at March 31, 2017		**121,234,854**	**$ 15,922,585**	**$ 3,882,891**	**$(16,874,728)**	**$ 2,930,748**
Net loss for the period		-	-	-	(518,987)	(518,987)
Balance at December 31, 2017		**121,234,854**	**$ 15,922,585**	**$ 3,882,891**	**$(17,393,715)**	**$ 2,411,761**
Net loss for the period		-	-	-	(110,112)	(110,112)
Balance at March 31, 2018		**121,234,854**	**$ 15,922,585**	**$ 3,882,891**	**$(17,503,827)**	**$ 2,301,649**

See accompanying notes to the unaudited condensed interim financial statements.

Standard Exploration Ltd.

Condensed Interim Statements of Cash Flows

(amounts in Canadian dollars)

(unaudited)

	Notes	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Operating activities			
Net loss for the period		$ (110,112)	$ (86,907)
Adjustments for:			
Share-based compensation		-	4,725
Depletion and depreciation		86,335	106,436
Loss on disposition	7	-	-
Net finance income (loss)		2,177	3,068
Cash decommissioning expenditures	8	(3,111)	(1,031)
Changes in non-cash working capital	5	40,987	44,816
Net cash from (used in) operating activities		16,276	71,107
Investing activities			
Proceeds from disposition of property and equipment, net of selling costs	7	-	-
Changes in non-cash working capital	5	(12,942)	-
Net cash from investing activities		(12,942)	-
Financing activities			
Interest received		2,659	732
Changes in non-cash working capital	5	-	-
Net cash from financing activities		2,659	732
Change in cash and cash equivalents		5,993	71,839
Cash and cash equivalents, beginning of period		919,199	603,637
Cash and cash equivalents, end of period		$925,192	$ 675,476

See accompanying notes to the unaudited condensed interim *financial statements*.

1. General business description

Standard Exploration Ltd. ("Standard" or the "Corporation") is engaged in the exploration for, development of and production of petroleum and natural gas in Alberta. The Corporation is listed on the TSX Venture Exchange under the symbol SDE.V, incorporated and domiciled in Canada. The registered office is located at 1404 Memorial Drive NW, Calgary, Alberta, Canada, T2N 3E5.

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2017 and 2016, except as outlined below. They have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain financial information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed. The disclosure provided herein is incremental to the disclosure included in the annual financial statements. The condensed interim financial statements should be read in conjunction with the Corporation’s annual audited financial statements for the year ended December 31, 2017 and 2016.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on May 29, 2018.

3. Significant accounting policies

These condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the Corporation’s audited financial statements for the year ended December 31, 2017 and 2016 except as noted below:

(a) New accounting policies:

All new or revised accounting standards that were relevant to the Corporation were applied in preparing these financial statements.

- *IFRS 9, “Financial Instruments” (“IFRS 9”)* provides a comprehensive new standard for accounting for all aspects of financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as 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 currently provided in IAS 39.

Requirements for financial liabilities were added to IFRS 9 whereby the fair value option requires different accounting for changes to the fair value of a financial liability resulting from changes to an entity’s own credit risk.

IFRS 9 introduces a single, forward-looking ‘expected loss’ impairment model for financial assets which will require more timely recognition of expected credit losses, and a fair value through other comprehensive income category for financial assets that are debt instruments.

The Corporation has adopted IFRS 9 effective January 1, 2018. Based on the Corporation's analysis to date, the Corporation determined that there is no material impact to the Corporation's financial statements resulting from adopting IFRS 9.

- *IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"*) provides a single model to determine how and when an entity should recognize revenue, as well as requiring entities to provide more informative, relevant disclosures in respect of its revenue recognition criteria. IFRS 15 was applied prospectively and is effective for annual periods beginning on or after January 1, 2018, The Corporation has adopted IFRS 9 effective January 1, 2018. Based on the Corporation's analysis to date, the Corporation determined that there is no material impact to the Corporation's financial statements resulting from adopting IFRS 15.

(b) Future accounting pronouncements:

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following are relevant to the Corporation:

- IFRS 16, "Leases" ("IFRS 16"). The new standard requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases on low-value assets are exempt from the requirement, and may continue to be treated as operating leases. IFRS 16 is effective for years beginning on or after January 1, 2019 and is to be applied retrospectively. The Corporation has not determined the impact of the new standard on its financial statements.

4. Financial instruments and risk management

(a) Risk management overview

The Corporation's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these financial statements. The Corporation employs risk management strategies and polices to ensure that any exposure to risk are in compliance with the Corporation's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation's risk management framework, the Corporation's management has the responsibility to administer the strategies and monitor these risks.

(b) Fair value of financial instruments

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of those instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, which can be substantially observed or corroborated in the marketplace. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Cash and cash equivalents are measured at fair value based on a Level 1 designation.

(c) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Cash and cash equivalents

The Corporation manages the credit exposure related to cash and cash equivalents by selecting financial institutions with high credit ratings and monitors all short-term deposits to ensure an adequate rate of return. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

Accounts receivable

Substantially all of the Corporation’s accounts receivable are due from purchasers of the Corporation’s petroleum and natural gas production, joint interest partners and government agencies, and are subject to normal industry credit risk.

Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Management of the Corporation believes the risk is mitigated by the size and reputation of the companies to which they extend credit.

Joint interest receivables are typically collected within one to three months of the joint interest bill being issued to the partners. The Corporation attempts to mitigate the risk from joint interest receivables by obtaining partner approval of significant capital expenditures prior to expenditure and, in certain circumstances, may elect to cash call a joint interest partner in advance of the work. However, the receivables are from participants in the oil and natural gas sector and collection of the outstanding balances is dependent on industry factors such as commodity price fluctuations, escalation costs and the risk of unsuccessful drilling. The Corporation does not typically obtain collateral from oil and natural gas marketers or joint interest partners, however, the Corporation does have the ability to withhold production from joint interest partners in the event of non-payment.

The Corporation sells substantially all of its production to two marketers.

Receivables from petroleum and natural gas marketers are generally collected on the 25th day of the month following production and sale. Management of the Corporation believes the risk is mitigated by the size and reputation of the companies to which they extend credit. During 2018 and 2017, the Corporation has not experienced any collection issues with its marketers.

(amounts in Canadian dollars)

As at March 31, 2018 and December 31, 2017, the Corporation's accounts receivable were comprised of the following:

	March 31, 2018	December 31, 2017
Petroleum and natural gas sales	$ 72,873	$ 69,910
Joint interest partners	1,065	1,367
GST	12,743	12,743
Other	256	13,844
	$ 86,937	$ 97,864
0 to 30 days	$ 74,039	$ 71,304
31 to 60 days	-	13,287
61 to 90 days	155	155
Greater than 90 days	12,743	13,118
	$ 86,937	$ 97,864

The Corporation considers amounts greater than 90 days past due and establishes an allowance for doubtful accounts based on management's assessment of collection. Therefore, the carrying amount of accounts receivable generally represents the maximum credit exposure. There were no receivables allowed for or written off during the three month period ended March 31, 2018 or year ended December 31, 2017.

Deposits

Deposits are held by government agencies and as such, the exposure to credit risk is minimal.

d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation’s approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due by balancing capital and operating expenditures with available cash flow. The Corporation's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and the global economic downturn.

The Corporation expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flow, as well as future equity and debt financings.

Accounts payable and accrued liabilities

The Corporation's trade accounts payable are normally due within 30 to 60 days from the date of invoice.

The Corporation's accounts payable and accrued liabilities as at March 31, 2018 and December 31, 2017 are comprised of the following:

	March 31, 2018	December 31, 2017
Capital expenditures	$ 12,942	$ 6,574
General and administrative	22,033	46,268
Operating	180,174	160,847
Other	29,965	29,965
	$ 245,114	$ 243,654
0 to 30 days	$ 68,329	$ 28,821
31 to 60 days	11,041	30,762
61 to 90 days	5,781	15,250
Greater than 90 days	159,963	168,821
	$ 245,114	$ 243,654

A portion of the Corporation's accounts payable balances greater than 90 days are in dispute.

At March 31, 2018 and December 31, 2017, the estimated liability relating to the fair value of the Standard common shares and reimbursement of estimated legal fees offered to Canadian Energy Exploration Inc. ("CEEI"), a shareholder who exercised dissent rights relating to the Corporation's acquisition of CEEI shares in 2012 included in accounts payable and accrued liabilities is $29,965.

On March 4, 2016, Standard served the shareholder with a Formal Offer to Settle for 937,032 common shares of Standard and reimbursement of legal fees up to $20,000. The shareholder did not respond and the Formal Offer expired on May 4, 2016.

(e) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Corporation's net income (loss) or the value of financial instruments and relate to risks that are largely outside the control of the Corporation. The objective of the Corporation is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns. Market risks are as follows:

Foreign currency risk

Prices for crude oil are determined in global markets and generally are denominated in United States dollars ("US$"). Natural gas prices obtained by the Corporation will be influenced by both United States and Canadian demand and the corresponding North American supply, and by imports of liquefied natural gas. An increase (decrease) in the value of the Canadian dollar relative to the US$ will decrease (increase) the revenues received from the sale of crude oil and natural gas commodities. The impact of such exchange rate fluctuations cannot be accurately quantified.

As at and for the three month period ended March 31, 2018 and year ended December 31, 2017, the Corporation had no forward foreign exchange contracts in place nor any working capital items denominated in foreign currencies.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Corporation does not have any debt hence there is no exposure to interest rate risk as at March 31, 2018.

Commodity price risk

The Corporation is exposed to fluctuations in commodity prices for crude oil, natural gas, and natural gas liquids. Commodity prices are affected by many factors including supply, North American and World demand, foreign exchange rates, weather patterns and geo-political influences. The Corporation currently does not use financial hedges to manage the Corporation's exposure to commodity price fluctuations and therefore has no related financial instruments.

A 10% change in the commodity prices, assuming that production remained constant at 2018 level, the Corporation's net loss would vary by $87,000.

(f) Capital management

The Corporation's capital management policy is to maintain a strong capital base that optimizes the Corporation's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its shareholders. The Corporation maintains a flexible capital structure to maximize its ability to pursue petroleum and natural gas exploration and acquisition opportunities and sustain the future development of the business. The Corporation monitors the level of risk associated for each capital project to balance the proportion of debt and equity in its capital structure. The Corporation's officers are responsible for managing the Corporation's capital and do so through quarterly meetings and regular reviews of financial information. The Corporation's directors are responsible for overseeing this process. The Corporation considers its capital structure to include working capital.

The Corporation monitors its capital based on projected cash flow from operations and anticipated capital expenditures. In order to manage its capital structure, the Corporation prepares annual capital expenditure and operating budgets, which are updated as necessary. The annual and updated budgets are prepared by the Corporation's management and approved by or reviewed with the Corporation's Board of Directors. The budget results are regularly reviewed and updated as required.

In order to maintain or adjust the capital structure, the Corporation may issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure. The Corporation's ability to raise additional debt or equity financing is impacted by external conditions, including future commodity prices and global economic conditions. The Corporation continually monitors business conditions including changes in economic conditions, the risk of its drilling programs, forecasted commodity prices, and potential corporate or asset acquisitions.

(amounts in Canadian dollars)

The Corporation's defined capital as at March 31, 2018 and December 31, 2017 is as follows:

	March 31, 2018	December 31, 2017
Current assets	$ 1,119,919	$ 1,140,511
Current liabilities	(245,114)	(243,654)
Working capital	**$ 874,805**	**$ 896,857**

The Corporation is not required to meet any financial covenants and is not subject to any other externally imposed capital requirements. There has been no change to management's approach to managing capital during the three month period ended March 31, 2018 and year ended December 31, 2017.

5. Supplementary cash flow information

Changes in non-cash working capital is comprised of:

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Sources (uses) of cash:		
Accounts receivable	$ 10,927	$ 34,041
Deposits and prepaid expenses	15,658	(350)
Accounts payable and accrued liabilities	1,460	50,174
	$ 28,045	$ 83,865
Related to operating activities	$ 40,987	$ 77,291
Related to investing activities	(12,942)	6,574
Related to financing activities	-	-
	$ 28,045	$ 83,865

(amounts in Canadian dollars)

6. Exploration and evaluation assets and expenses

Balance at December 31, 2016	$ -
Impairment	-
Balance at December 31, 2017 and March 31, 2018	$ -

7. Property and equipment

	Petroleum and natural gas interests	Well and production equipment and facilities	Corporate and other	Total
Cost				
Balance at December 31, 2016	$ 7,459,830	$ 2,638,272	$ 41,965	$ 10,140,067
Dispositions	(659,175)	(164,794)	-	(823,969)
Decommissioning provisions	(8,318)	-	-	(8,318)
Balance at December 31, 2017	$ 6,792,337	$ 2,473,478	$ 41,965	$ 9,307,780
Dispositions	-	-	-	-
Decommissioning provisions	-	-	-	-
Balance at March 31, 2018	$ 6,792,337	$ 2,473,478	$ 41,965	$ 9,307,780
Accumulated depletion and depreciation and impairments				
Balance at December 31, 2016	$ (5,537,859)	$ (943,940)	$ (41,965)	$ (6,523,764)
Dispositions	156,970	39,243	-	196,213
Depletion and depreciation	(278,840)	(92,786)	-	(371,626)
Balance at December 31, 2017	$ (5,659,729)	$ (997,483)	$ (41,965)	$ (6,699,177)
Depletion and depreciation	(64,751)	(21,584)	-	(86,335)
Balance at March 31, 2018	$ (5,724,480)	$ (1,019,067)	$ (41,965)	$ (6,785,512)
Net book value				
At December 31, 2016	$ 1,921,971	$ 1,694,332	$ -	$ 3,616,303
At December 31, 2017	$ 1,132,608	$ 1,475,995	$ -	$ 2,608,603
At March 31, 2018	$ 1,067,857	$ 1,454,411	$ -	$ 2,522,268

The depletion and depreciation calculation for the three month period ended March 31, 2018 and year ended December 31, 2017 included $Nil in future development costs.

(amounts in Canadian dollars)

In April 2017, the Corporation disposed of its asset at Claresholm, Alberta to an arms-length private company for cash proceeds, net of selling costs of $370,500. The transaction closed on April 7, 2017 with an effective date of March 1, 2017. Claresholm's net oil production averaged 9 boe/d. The Company incurred a net loss on disposition on $112,370.

Impairment is assessed based on the recoverable amount compared with the asset's carrying amount to measure the amount of the impairment. In addition, where a non-financial asset does not generate largely independent cash inflows, the Corporation is required to perform its test at a CGU, which is the smallest identifiable grouping of assets that generates largely independent cash inflows. As at December 31, 2017, there were no indicators of impairment for the Corporation's Chin Coulee, Alberta CGU and accordingly an impairment test was not required.

8. Decommissioning provisions

The Corporation's decommissioning provisions result from its ownership interest in petroleum and natural gas assets including well sites and gathering systems. The total decommissioning provision is estimated based on the Corporation's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The total estimated, inflated undiscounted risked cash flows required to settle the provisions, before considering salvage, is approximately $1,106,615 at March 31, 2018 (December 31, 2017 - $1,106,615), which have been discounted using risk-free rates ranging between 0.72% to 2.25% at March 31, 2018 (December 31, 2017 – 0.72% to 2.25%). These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years into the future and will be funded from general corporate resources at the time of abandonment.

The following table summarizes changes in the decommissioning provisions for the three month period ended March 31, 2018 and year ended December 31, 2017:

	March 31, 2018	**December 31, 2017**
Decommissioning provisions, beginning of period	$ 1,093,699	$ 1,268,533
Liabilities incurred	-	-
Changes in estimates	-	(36,220)
Liabilities settled	(3,111)	(11,318)
Property disposal (note 7)	-	(144,886)
Accretion expense (note 12)	4,836	17,590
Decommissioning provisions, end of period	$ 1,095,424	$ 1,093,699

Changes in estimates and assumptions for the three month period ended March 31, 2018 and year ended December 31, 2017 relates to both the change in discount rates used and revisions to abandonment and reclamation cost estimates and future abandonment dates of the Corporation's wells and facilities. Changes in estimates on decommissioning liabilities relating to properties that were fully impaired have been recorded in the profit or loss.

During the three month period ended March 31, 2018, the Corporation incurred $3,111 in cash decommissioning costs at its Redwater, Alberta property (year ended December 31, 2017 - $11,318).

(amounts in Canadian dollars)

9. Taxes

Non-capital tax losses of approximately $14.7 million at March 31, 2018 (December 31, 2017 – $14.7 million) will expire in future years ranging from 2023 - 2037. In addition, the Corporation has approximately $6.0 million in resource tax pools and undepreciated capital costs and $13,000 in undeducted share issuance costs at March 31, 2018 deductible against future taxable income for which no benefit has been recognized in the financial statements

10. Share capital

(a) Authorized

The authorized share capital of the Corporation consists of an unlimited number of voting common shares and an unlimited number of preferred shares.

(b) Issued

Common shares	**Number of shares**	**Stated value**
Balance, December 31, 2017	121,234,854	$ 15,922,585
Balance, March 31, 2018	121,234,854	$ 15,922,585

11. Share-based compensation

(a) Share option plan

Under the Corporation's share option plan, the Corporation may grant options to its directors, officers, employees and consultants up to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Corporation’s issued and outstanding shares reserved for any one person on a yearly basis. The maximum option term is 10 years from the grant date with vesting terms set at the discretion of the board of directors.

In July 2013, share options were granted to directors and officers to acquire 900,000 common shares of the Corporation at an exercise price of $0.10 per share. The options vest as to one-third immediately and one-third on each of the first and second anniversary dates.

In April 2014, share options were granted to directors and officers to acquire 2,600,000 common shares of the Corporation at an exercise price of $0.05 per share. The options vest as to one-third immediately and one-third on each of the first and second anniversary dates.

In February 2015, share options were granted to directors and officers to acquire 5,000,000 common shares of the Corporation at an exercise price of $0.05 per share. The options vest as to one-third immediately and one-third on each of the first and second anniversary dates.

(amounts in Canadian dollars)

The following is a summary of changes to the Corporation's share option plan during the periods:

	Three Months Ended March 31, 2018		Year ended December 31, 2017	
	Number	**Weighted Average Exercise Price**	**Number**	**Weighted Average Exercise Price**
Outstanding, beginning of period	8,500,000	$0.06	8,500,000	$0.06
Granted	-	-	-	-
Outstanding at end of period	8,500,000	$0.06	8,500,000	$0.06
Exercisable at end of period	8,500,000	$0.06	8,500,000	$0.06

The following table summarizes the expiry terms of the Corporation's outstanding share options as at March 31, 2018:

Date of grant	**Outstanding Options**	**Weighted Average Remaining Contractual Life (years)**	**Number of Share Options Exercisable**
July 3, 2013	900,000	0.3	900,000
April 1, 2014	2,600,000	1.0	2,600,000
February 24, 2015	5,000,000	1.9	5,000,000
	8,500,000	1.5	8,500,000

(b) Share-based compensation expense

The Corporation recorded share-based compensation expense of $Nil during the three month period ended March 31, 2018 (year ended December 31, 2017 - $4,725) with a corresponding increase to contributed surplus.

(amounts in Canadian dollars)

12. Finance income (loss) and expenses

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Finance income		
Interest income on cash and cash equivalents	$ 2,659	$ 732
Finance expenses		
Accretion of decommissioning provisions (note 8)	(4,836)	(3,800)
Change in estimate (note 8)	-	-
Net finance income (loss)	$ (2,177)	$ (3,068)

13. Loss per share

The following table summarizes the common shares used in calculating net loss per share:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Weighted average number of common shares outstanding		
Basic	121,234,854	121,234,854
Diluted	121,234,854	121,234,854

The calculation of diluted loss per share for the three month periods ended March 31, 2018 and 2017 excludes the effect of all outstanding share options as they are anti-dilutive.

14. Key management compensation

Key management personnel include executive officers and directors. Executive officers receive salaries, consulting fees, and benefits by virtue of their employment and consulting agreements with the Corporation, and also participate in the Corporation's share option program.

The executive officers during 2018 and 2017 included the Chief Executive Officer, Chief Financial Officer and Vice President of Finance, Vice President of Exploration, and Vice President of Land.

Non-executive directors are paid director fees and participate in the Corporation's share option program.

During the three month period ended March 31, 2018, director fees of $Nil (March 31, 2017 - $1,500) were incurred to non-executive directors of the Corporation. Of this amount, $Nil is included in accounts payable and accrued liabilities at March 31, 2018 (March 31, 2017 - $1,500).

(amounts in Canadian dollars)

Key management personnel compensation included in total remuneration is as follows:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Salaries, benefits, consulting fees and director fees	$ 72,000	$ 88,500
Share-based compensation (note 11(b))	-	4,725
	$ 72,350	$ 93,225

15. Related party transactions

During the three month period ended March 31, 2018, professional fees of $Nil (March 31, 2017 - $Nil) were incurred to a firm of which an officer and director of the Corporation is a partner and are included in general and administrative expenses. Of this amount, $Nil is included in accounts payable and accrued liabilities as at March 31, 2018 (March 31, 2017 - $Nil).

The related party transactions are in the normal course of operations and have been initially measured at fair value, which is the amount of consideration established and agreed to by the related party and is similar to amounts negotiated independently with third parties.