UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **February 28, 2017**

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to _____

Commission file number: 000-52645

FORTEM RESOURCES INC.
(Exact name of registrant as specified in its charter)

Nevada	**20-4119257**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

777 N. Rainbow Blvd., Suite 250, Las Vegas, NV 89107
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: **(403) 241-8912**

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Name of each Exchange on which registered
Nil	N/A

Securities registered pursuant to Section 12(g) of the Act

Common Stock, par value $0.001 per share
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
[ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer	[ ]		Accelerated filer	[ ]
Non-accelerated filer	[ ]	(Do not check if a smaller reporting company)	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

23,729,234 shares of common stock at a price of $0.11 per share for an aggregate market value of $2,610,215.74.

APPLICABLE ONLY TO CORPORATE REGISTRANTS

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date: **As of May 30, 2017, there were 115,884,698 shares of common stock outstanding.**

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980). **Not Applicable**

EXPLANATORY NOTE

Fortem Resources Inc. (“we”, our”) is filing this Amendment No. 1 (the "Amendment") to its Annual Report on Form 10-K for the fiscal year ended February 28, 2017 (the "Original Filing") filed on May 30, 2017. We are filing this Amendment as the Original Filing:

(1) inadvertently did not include the Exhibits that should have been filed with the Original Filing. Consequently, the first purpose of this Amendment is to include Exhibits that should be filed with the Original Filing.

(2) inadvertently referenced an incorrect date for Exhibit 99.2, Report of Apex Energy Consultants Inc. dated April 21, 2017 on the Compeer property (the “Report”), as the Report was dated April 24, 2017. Consequently, the second purpose of this Amendment is to update all references of the Report in the Original Filing to April 24, 2017.

Other than as expressly set forth above, this Amendment does not, and does not purport to, update or restate the information in the Original Filing or reflect any events that have occurred after the Original Filing was filed.

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PART I

ITEM 1. BUSINESS

Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. Forward-looking statements made in this Form 10-K include statements about:

- our beliefs regarding the future of our competitors;
- our future capital expenditures;
- our future exploration programs and results; and
- our expectation that we will be able to raise capital when we need it.

Assumptions in respect of forward-looking statements have been made regarding, among other things:

- volatility in market prices for oil and natural gas;
- volatility in exchange rates;
- liabilities inherent in oil and natural gas operations;
- changes or fluctuations in production levels;
- unexpected adverse weather conditions;
- stock market volatility and market valuation of our common shares;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of exploration and development programs;
- geological, technical, drilling, production and processing problems;
- changes in legislation, including changes in tax laws, royalty rates and incentive programs relating to the oil and natural gas industry; and
- our ability to raise capital.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors” and the risks set out below, any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

- we may be unable to raise sufficient funds to execute our business plan;
- we have a limited operating history;
- we are dependent on a small management team;
- we may be unable to manage any growth;
- market conditions or operation impediments may hinder our access to natural gas and oil markets or delay our production;
- risks inherent in the oil and gas industry;
- competition for, among other things, capital and skilled personnel; and
- other factors discussed under the section entitled “Risk Factors”,

any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US$) unless otherwise stated and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all references to "common shares" refer to the common shares in our capital stock.

As used in this annual report on Form 10-K, the terms "we", "us" "our", the "Company" and "Fortem" mean our company, Fortem Resources Inc.

Corporate Overview

Our company was incorporated under the laws of Nevada on July 9, 2004.

During October 2007 we amended our articles of incorporation to increase the number of our authorized common shares from 75,000,000 to 750,000,000 and to forward stock split our common stock on a 10-for-1 basis. The stock split was based on market conditions and upon a determination by our Board of Directors that the stock split was in our best interests and in the best interests of our shareholders.

On February 28, 2012, we adopted the assumed name of Big Lake Energy Ltd. for use in the Province of Alberta, Canada. On June 5, 2013, we adopted the assumed name of Big Lake Energy Ltd. for use in the Province of British Columbia, Canada. On February 27, 2014, we registered under the name of Strongbow Resources Inc. in the Province of Saskatchewan, Canada.

Effective March 17, 2014, we conducted a one for four reverse stock split of our issued and outstanding common stock. As a result, the number of the issued and outstanding common shares decreased from 111,586,705 Shares to 27,896,676 Shares. Our authorized capital of 750,000,000 shares of common stock with a par value of $0.001 was unchanged.

Effective March 30, 2017, we completed a merger with our wholly-owned subsidiary, Fortem Resources Inc., a Nevada corporation, which was incorporated solely to effect a change in our name. As a result, we have changed our name from "Strongbow Resources Inc." to "Fortem Resources Inc.".

Our Business

Compeer Oil and Gas Operations

Effective February 2, 2012, we entered into a Farmout Agreement ("Agreement") with Harvest Operations Corp. ("Harvest"). The Agreement provided for our acquisition of an undivided 100% working interest ("Working Interest") in a petroleum and natural gas license covering eight (8) sections of land (5,120 acres, more or less) located in the Compeer Area in the Province of Alberta, Canada ("Farmout Lands"). The Farmout Lands have no current commercial production.

To earn the Working Interest we were required to drill, complete, equip or abandon a test well on the Farmout Lands ("Test Well"). On March 14, 2012, we obtained operator status in the Province of Alberta. On April 4, 2012, the Alberta Energy Resources Conservation Board approved the transfer of the well license relating to the Test Well from Harvest to us.

The Test Well was spudded on May 27, 2012 and was drilled vertically 905 meters (2,977 feet) into the Bakken formation. We cut two full bore cores, one from each of the Viking and Bakken formations, and also ran a drill stem test in the Viking formation. The plug samples taken from the Viking formation exhibited strong oil fluorescence indicating light oil and had between 16% and 23% porosity in the samples. We estimate the net sand pay in the well is approximately 5 meters (16.45 feet). The Bakken formation was found to be uneconomic and was abandoned. Based on our evaluation, we elected to drill a horizontal leg to the Test Well running 1,045 meters (3,435 feet) into the Viking formation. The total depth drilled in the Test Well met the contract depth requirements under the Agreement.

On September 5, 2012, we received an earning notice from Harvest granting our company a 100% working interest in the Farmout Lands. Initial production from the Test Well has been limited by a higher than expected gas solution content. It is expected the oil ratio will increase as the gas component lessens. Oil recovered to date is light, sweet crude.

The Viking Formation oil prospect is part of an emerging large oil resource play in Eastern and Central Alberta as well as in the Dodsland area of Saskatchewan. We intend to develop the Viking Formation in the Compeer play by up to four horizontal wells per section per zone.

Our Working Interest in the Farmout Lands are held subject to a non-convertible overriding royalty payable to Harvest ("Harvest's Royalty"). Harvest's Royalty on net crude oil revenues will be measured on a sliding scale from 5% to 15% over a range of production volumes from 1 to 150 barrels per day. Harvest's Royalty on net gas and other petroleum product revenues is 15%.

On March 25, 2013, we completed the installation of permanent production facilities on our recently drilled Big Lake Compeer 5-29-33-02 W4M well. The well was horizontally drilled into the Viking formation. During drilling the well encountered light oil shows from the Viking formation. A ten stage multi-zone nitrogen aided fracture stimulation was made over the entire 1000 metre long lateral section of the well. The well was initially tested in November 2012, however, due to high solution gas ratios, proper wellhead separation and fluid storage facilities needed to be installed. This was completed and the well was placed on production test at the end of the first week of March 2013, producing light (42° API) oil. Production rates have been variable as it is in early stages of testing. IP rates were in excess of 60 barrels of oil per day based upon short flow periods, and the well needs to be production tested for a longer period of time.

As of February 28, 2017, we recognized no revenue and we had a carrying value of approximately $641,000 in exploration costs to drill, complete and equip the Test Well, net of impairment charges recorded in prior years. As at February 28, 2017, we recorded $24,546 in asset retirement obligations related to the future plugging and abandonment of the Test Well.

Colony Energy

On April 7, 2017, we entered into and closed two Membership Interest Purchase Agreements with three arm's length vendors to acquire all the membership interests of Colony Energy, LLC, a Nevada limited liability company. Colony Energy holds a 100% interest in and to certain petroleum, natural gas and general rights, including Alberta Crown Petroleum and Oil Leases, in 20 contiguous sections totaling 12,960 acres located in the Godin area of Northern Alberta.

The Company intends to develop the Godin Project in three phases beginning with a four well vertical, followed by a four section pad development of 10 wells per pad/per section. Phase 3 is intended to be the full development of 20 sections.

In consideration for the acquisition of Colony, we issued an aggregate of 21,000,000 shares of our common stock to the three vendors on the closing date and agreed to issue an additional 3,000,000 shares on a post□closing basis with 1,000,000 shares to be issued to one of the vendors on the first, second and third anniversaries of the closing date.

Colony Energy is a party to a Petroleum, Natural Gas and General Rights Conveyance dated as of March 31, 2017 with an arm's length vendor and the principal shareholder thereof, pursuant to which the vendor is entitled to receive certain milestone payments from Colony Energy in the aggregate amount of up to $210,000 as partial consideration for the original purchase of the oil and gas assets described above. Pursuant to a Milestone Payment Addendum dated April 7, 2017, we agreed that if Colony Energy fails to make timely payment of any milestone payment and does not remedy such failure within 30 days after receipt of written notice from the vendor, the vendor may elect to**:** (i) have Colony Energy re□convey the purchased assets to the vendor; or (ii) receive 250,000 shares of our common stock, with such re□conveyance or issuance of shares to be in full and final satisfaction of all obligations to make any further milestone payment.

Black Dragon

On April 12 2017, we entered into and closed a Membership Interest Purchase Agreement (the "Black Dragon MPA") with two arm's length vendors to acquire all membership interest of Black Dragon Energy, LLC ("Black Dragon"), a Nevada limited liability company. Black Dragon has the right to acquire a 75% working interest in and to certain leases, hydrocarbons, wells, agreements, equipment, surface rights agreements and assignable permits totaling approximately 165,000 acres (258 sections) at an 80% net revenue interest located in the Moenkopi formation of the Carbon and Emery Counties, Utah ("Black Dragon Property").

In consideration for the acquisition of Black Dragon, we issued an aggregate of 20,000,000 shares of our common stock to the two vendors on the closing date and paid $100,000 prior to the closing as a non-refundable deposit. In addition, we assumed the obligation for certain cash payments totaling $2.7 million before September 1, 2018 (or $2.4 million if all payments are made by September 1, 2017) for the working interest in the Black Dragon Property.

Black Dragon's sole asset consists of the rights and obligations arising from a Purchase and Sale Agreement dated effective March 1, 2017 (the "Black Dragon PSA") between an arm's length vendor and Black Dragon. Pursuant to the terms of the Black Dragon MPA, the parties may rescind the transactions, including the issuance of common shares thereunder, upon mutual agreement in the event that Black Dragon elects to terminate the Black Dragon PSA on or before April 17, 2017 due to the assertion by Black Dragon of one or more title defects as determined in accordance with the Black Dragon PSA. In the event that Black Dragon elects such termination and the parties have made certain closing deliveries under the Black Dragon MPA, such closing deliverables will be returned to the providing party and the closing under the Black Dragon MPA will be deemed not to have occurred (except for the payment of $100,000 which was paid prior to closing on a nonrefundable basis).

Under the Black Dragon PSA, Black Dragon has agreed to pay the vendor cash consideration totalling $2.7 million based upon the following schedule:

- $100,000 as a non-refundable deposit within 10 business days of closing (completed);
- $900,000 on or before September 1, 2017;
- $900,000 on or before March 1, 2018; and
- $800,000 on or before September 1, 2018.

However, if Black Dragon pays a total of $2.4 million on or before September 1, 2017, the parties have agreed that the cash consideration above will be deemed to have been paid in full.

Carry Obligation

Under the Black Dragon PSA, and in addition to the cash consideration, Black Dragon has agreed to pay all costs and expenses incurred on the assets with respect to any and all exploration, development and production during the carry period. The "**Carry Period**" continues until the later of either (i) the date that Black Dragon pays the full cash consideration set out above or (ii) the date that Black Dragon pays all costs and expenses for the drilling, logging, testing and completion two new wells, each well with a horizontal leg extending at least 2,000' in the target zone within the Moenkopi formation (the "**Two Obligation Wells**"). Black Dragon is required to drill to completion or cause to be drilled to completion (or plugging and abandonment) the Two Obligation Wells on or before February 28, 2019, failing which, Black Dragon's right to earn any assignment in and to the assets will terminate immediately. For each vertical well drilled to 200' below the top of the Kaibab formation through completion (or plugging or abandonment) within a Federal Unit, the obligation deadline will be amended to the later of (i) the current obligation deadline or (ii) 6 months from the date the rig that drilled such vertical well to total depth has been removed from the wellsite.

Within 10 business days after the later of Black Dragon paying the cash consideration in full or Black Dragon meeting in full its carry obligation, the vendor will convey to Black Dragon an undivided 75% of the Vendor's right, title and interest in and to the assets, at an 80% Net Revenue Interest in the assets as further described in the Black Dragon PSA.

On or before September 1, 2017, Black Dragon is required to pay the vendor $102,000 for rental, minimum royalty, option payments and shut□in royalty payments due on the leases through December 31, 2018.

Rolling Rock

On April 2017 2017, we entered into and closed a Membership Interest Purchase Agreement with two arm's length vendors to acquire 100% membership interest of Rolling Rock Resources, LLC ("Rolling Rock"), a Nevada limited liability company. Rolling Rock has the right to acquire a 50% working interest in and to certain leases, hydrocarbons, wells, agreements, equipment, surface rights agreements and assignable permits totaling approximately 101,888 acres (160 sections) at an 80% net revenue interest located in the Mancos formation in the Southern Uinta Basin, Utah ("Rolling Rock Property").

In consideration for the acquisition of Rolling Rock, we issued an aggregate of 20,000,000 shares of our common stock to the two vendors on the closing date and paid $100,000 prior to the closing as a non□refundable deposit.

Rolling Rock's sole asset consists of the rights and obligations arising from a Purchase and Sale Agreement dated effective March 1, 2017, as amended (together, the "Rolling Rock PSA"), between an arm's length vendor and Rolling Rock. Upon the satisfaction of the payments and obligations by Rolling Rock as set out below, the vendor has agreed to convey certain leases and related assets (the "Leases") to Rolling Rock. The Leases include certain leases, hydrocarbons, wells, agreements, equipment, surface rights agreements and assignable permits all as further set out in the Rolling Rock PSA.

Under the Rolling Rock PSA, Rolling Rock has agreed to pay the vendor cash consideration totalling $2.4 million based upon the following schedule:

- $100,000 as a non-refundable deposit within 5 business days of closing (completed);
- $1,300,000 on or before September 1, 2017;
- $500,000 on or before March 1, 2018; and
- $500,000 on or before September 1, 2018.

However, if Rolling Rock pays a total of $2,150,000 on or before September 1, 2017, the parties have agreed that the cash consideration above will be deemed to have been paid in full.

Carry Obligation

Under the Rolling Rock PSA, and in addition to the cash consideration, Rolling Rock has agreed to pay all costs and expenses incurred on the Leases with respect to any and all exploration, development and production during the carry period. The "**Carry Period**" continues until the later of either (i) the date that Rolling Rock pays the full cash consideration set out above or (ii) the date that Rolling Rock pays all costs and expenses for the drilling, logging, testing and completion of three new wells in each of the three Federal Units, each well with a horizontal leg extending at least 1,000' in the target zone within the Mancos formation (the "**Three Obligation Wells**"). Rolling Rock is required to drill to completion or cause to be drilled to completion (or plugging and abandonment) the Three Obligation Wells on or before February 28, 2019, failing which, Rolling Rock's right to earn any assignment in and to the Leases will terminate immediately. For each vertical well drilled to the top of the Dakota formation through completion (or plugging or abandonment) within a Federal Unit, the obligation deadline will be amended to the later of (i) the current obligation deadline or (ii) 6 months from the date the rig that drilled such vertical well to total depth has been removed from the wellsite.

The obligation well in the Grand Mancos Unit will be a vertical well drilled to a depth sufficient to test the Granite Walsh formation within such Federal Unit. For this well, completion (or plugging and abandonment) is expected to take place no later than 2 months after the rig that drilled to total depth has been removed from the wellsite and for a period of 6 months after completion of this obligation well (or plugging and abandonment), and Rolling Rock will have the exclusive option to purchase an additional 25% of the vendor's right, title and interest in and to the leases with respect to the Granite Walsh formation within the boundary of the Grand Mancos Unit for an additional payment of $10 million.

Within 10 business days after the later of Rolling Rock paying the cash consideration in full or Rolling Rock meeting in full its carry obligation, the vendor agreed to convey to Rolling Rock an undivided 50% of the vendor's right, title and interest in and to the Leases, or a 80% net revenue interest in the Leases as further described in the Rolling Rock PSA. Notwithstanding this transfer, within 10 business days after the later of payment of $300,000 on or before September 1, 2017 (which amount is in addition to the deposit and included in the cash consideration set out above) and the replacement of the vendor's bonds on or before September 1, 2017, the vendor agreed to convey to Rolling Rock an undivided 50% of the vendor's right, title and interest in and to the Cisco Dome leases and related assets as further set out in the Rolling Rock PSA. However, if Rolling Rock fails to timely meet any of its obligations under the Rolling Rock PSA, after having taken assignment of the Cisco Dome leases and assets, then, if the vendor elects in its sole discretion, Rolling Rock is required to reassign the Cisco Dome leases and assets to the vendor without any additional encumbrances.

On or before September 1, 2017, Rolling Rock is required to pay the vendor $65,000 for rental, minimum royalty, option payments and shut in royalty payments due on the leases through December 31, 2018.

City of Gold

In May 2017, we acquired 100% of the membership interest in City of Gold, LLC, a Nevada limited liability company, from two Nevada limited liability companies pursuant to a Membership Interest Purchase Agreement dated as of May 17, 2017. The Membership Interest Purchase Agreement provides for a total purchase price consisting of an aggregate of 30,000,000 common shares in the capital o at a deemed price of $2.00 per. 15,000,000 of these shares were issued at closing (7,500,000 to each transferor); the other 15,000,000 shares are to be issued within ten Business Days after City of Gold, LLC earns the Option (as defined below).

City of Gold, LLC's sole assets consist of 2,930,259 common shares and 2,930,259 share purchase warrants in the capital of Asia Pacific Mining Limited (**"Asia Pacific"**) and its rights under a binding financing and option agreement (the **"Option Agreement"**) with Asia Pacific and an individual named Nyi Nyi Lwin. City of Gold, LLC's only liabilities consist of three demand notes in favor of the Company for an aggregate of $1,500,000.

Under the Option Agreement, Asia Pacific and Nyi Nyi Lwin have agreed to grant to City of Gold, LLC the option (the **"Option"**) to purchase 100% of the ownership interest in a wholly□owned subsidiary of Asia Pacific (the "Project Subsidiary") which, in turn, owns 100% of the rights to the City of Gold mineral exploration project located

in Myanmar which covers an area of approximately 465 square kilometers in close proximity to hydropower, water, and infrastructure to accommodate exploration and development of the property. City of Gold, LLC can earn the Option upon issuance of an exploration license for the City of Gold Project, subject to a financing condition.

Once it has earned the Option, City of Gold, LLC will have the option to require Asia Pacific to transfer the Project Subsidiary to a Canadian publicly listed company to be selected by City of Gold, LLC("Acquisition Co") for an exercise price consisting of $7,000,000 in cash and thirty percent of the issued and outstanding share capital of Acquisition Co (calculated on a fully diluted basis, excluding up to 10% in stock options, but including shares Acquisition Co may have issued in order to raise the exercise price of $7,000,000 and an additional $5,000,000 in working capital). Half of the cash portion of the exercise price must be paid upon exercise of the Option; the balance is to be paid on the first anniversary of the exercise and is to be evidenced by a one year secured term note. Although City of Gold, LLC has the right to select Acquisition Co., it must select a Canadian publicly listed company that meets certain criteria – at exercise of the Option, Acquisition Co must have less than $100,000 in liabilities and $5,000,000 or more in working capital and Asia Pacific will have the right to nominate 30% of its directors.

Future Development Costs for Compeer

During fiscal 2018/19, we plan to focus on the exploration and drilling of the Farmout Lands, identify and complete additional asset acquisition(s), and pursue joint venture agreements with third parties to explore for oil and gas in Canada and the United States. We plan to drill 32 additional wells (Including 16 Potential reserve category wells) at approximately $800,000 per well from September, 2017 to January, 2019. Early estimates indicate the costs to perform the work outlined in our business plan would range from $37 million to $40 million.

Competition

The petroleum and natural gas industry is highly competitive. Numerous independent oil and gas companies, oil and gas syndicates and major oil and gas companies actively seek out and bid for oil and gas properties as well as for the services of third party providers, such as drilling companies, upon which we rely. A substantial number of our competitors have longer operating histories and substantially greater financial and personnel resources than we do, and have demonstrated the ability to operate through industry cycles.

Some of our competitors not only explore for, produce and market petroleum and natural gas, but also carry out refining operations and market the resultant products on a worldwide basis which may provide them with additional sources of capital. Larger and better capitalized competitors may be in a position to outbid us for particular prospect rights. These competitors may also be better able to withstand sustained periods of unsuccessful drilling. Larger competitors may be able to absorb the burden of any changes in laws and regulations more easily than we can, which would adversely affect our competitive position.

Petroleum and natural gas producers also compete with other suppliers of energy and fuel to industrial, commercial and individual customers. Competitive conditions may be substantially affected by various forms of energy legislation and/or regulation considered from time to time by the governments and/or their agencies and other factors which are out of our control including, international political conditions, terrorism, overall levels of supply and demand for oil and gas, and the markets for synthetic fuels and alternative energy sources.

To better deal with the competition, we target high potential exploration properties which are too small for our largest competitors. We rely upon the technical experience of our officers and engineers to select those properties on which our exploration expertise provides a differentiating advantage.

Customers

There are no contracts obligating our company to provide a fixed quantity of oil and gas to any party.

Regulation

The exploration, production and sale of oil and gas are extensively regulated by governmental authorities. Applicable legislation is under constant review for amendment or expansion. These efforts frequently result in an increase in the regulatory burden on companies in our industry and consequently an increase in the cost of doing business and decrease in profitability. Numerous governmental departments and agencies are authorized to, and have, issued rules and regulations imposing additional burdens on the oil and gas industry that often are costly to comply with and carry substantial penalties for non-compliance. Production operations are affected by changing tax and other laws relating to the petroleum industry, constantly changing administrative regulations and possible interruptions or termination by government authorities.

Oil and gas mineral rights may be held by individuals, corporations or governments having jurisdiction over the area in which such mineral rights are located. As a general rule, parties holding such mineral rights grant licenses or leases to third parties to facilitate the exploration and development of these mineral rights. The terms of the leases and licenses are generally established to require timely development. Notwithstanding the ownership of mineral rights, the government of the jurisdiction in which mineral rights are located generally retains authority over the drilling and operation of oil and gas wells.

Each province and the federal government of Canada have legislation and regulations governing land tenure, royalties, production rates and taxes, environmental protection and other matters under their respective jurisdictions. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the parties. Crown royalties are determined by government regulation and are generally calculated as a percentage of the value of the gross production with the royalty rate dependent in part upon prescribed reference prices, well productivity, geographical location, field discovery date and the type and quality of the petroleum product produced. From time to time, the governments of Canada and Alberta have established incentive programs such as royalty rate reductions, royalty holidays, tax credits and drilling royalty credits. These incentives are for the purpose of encouraging oil and natural gas exploration or enhanced recovery projects. These incentives generally increase cash flow.

Effective January 1, 2009, oil sands royalties in Alberta are calculated using a sliding scale for royalty rates ranging from 1% to 9% pre-payout and 25% to 40% post-payout depending on the world oil price. Project "payout" refers to the point in which we earn sufficient revenues to recover all of the allowed costs for the project plus a return allowance. The base royalty starts at 1% and increases for every dollar the world oil price, as reflected by the WTI, is priced above $55 per barrel, to a maximum of 9% when oil is priced at $120 per barrel or greater. The net royalty starts at 25% and increases for every dollar oil is priced above $55 per barrel to 40% when oil is priced at $120 or higher.

The exploration and development of oil and gas properties is subject to various United States federal, state and local governmental regulations. Our company may, from time to time, be required to obtain licenses and permits from various governmental authorities in regards to the exploration of our property interests. Matters subject to regulation include discharge permits for drilling operations, drilling and abandonment bonds, reports concerning operations, the spacing of wells, and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and gas wells below actual production capacity in order to conserve supplies of oil and gas.

Environmental Considerations

The oil and natural gas industry is subject to environmental laws and regulations pursuant to United States and Canadian local, state, provincial and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions of various substances produced or utilized in association with certain oil and gas industry operations. In addition, legislation requires that well and facility sites be monitored, abandoned and reclaimed to the satisfaction of provincial authorities. A breach of such legislation may result in the imposition of fines and penalties. Under these laws and regulations, we could be liable for personal injury, clean-up costs and other environmental and property damages as well as administrative, civil and criminal penalties. Accordingly, we could be liable or could be required to cease production on properties if environmental damage occurs. Although we maintain insurance coverage, the costs of complying with environmental laws and regulations in the future may harm our business. Furthermore, future changes in environmental laws and regulations could occur that result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on our financial condition or results of operations. We maintain commercial property and general liability insurance coverage on the properties we operate. We also maintain operators extra expense insurance which provides coverage for well control incidents specifically relating to regaining control of a well, seepage, pollution, clean-up and containment. No coverage is maintained with respect to any fine or penalty required to be paid due to a violation of the regulations set out by the federal and provincial regulatory authorities. We are committed to meeting our responsibilities to protect the environment and anticipate making increased expenditures of both a capital and expense nature as a result of the increasingly stringent laws relating to the protection of the environment.

Alberta's new climate change regulation, effective July 1, 2007, requires Alberta facilities that emit more than 100,000 tonnes of greenhouse gases a year to reduce emissions intensity by 12 per cent. Companies have four choices to meet their reductions: (1) they can make operating improvements to their operations that will result in greenhouse gas emission reductions; (2) purchase Alberta based offset credits; (3) contribute to the Climate Change and Emissions Management Fund; and (4) purchase or use emission performance credits, also called EPCs, these credits are generated by facilities that have gone beyond the 12% mandatory intensity reduction. EPCs can be banked for future use or sold to other facilities that need to meet the reduction target.

On June 18, 2009, the Canadian government passed the new Environmental Enforcement Act ("EEA"). The EEA was created to strengthen and amend nine existing Statutes that relate to the environment and to enact provisions respecting the enforcement of certain Statutes that relate to the environment. The EEA amends various enforcement, offence, penalty and sentencing provisions to deter offenders from committing offences under the EEA by setting minimum and maximum fines for serious offences. The EEA also gives enforcement officers new powers to investigate cases and grants courts new sentencing authorities that ensure penalties reflect the seriousness of the pollution and wildlife offences. The EEA also expands the authority to deal with environmental offenders by: (1) specifying aggravating factors such as causing damage to wildlife or wildlife habitat, or causing damage that is extensive, persistent or irreparable; (2) providing fine ranges that are higher for corporate offenders than for individuals; (3) doubling fine ranges for repeat offenders; (4) authorizing the suspension and cancellation of licenses, permits or other authorizations upon conviction; (5) requiring corporate offenders to report convictions to shareholders; and (6) mandating the reporting of corporate offences on a public registry.

The production, handling, storage, transportation and disposal of oil and gas, by-products thereof, and other substances and materials produced or used in connection with oil and gas operations are also subject to regulation under United States federal, state and local laws and regulations relating primarily to the protection of human health and the environment. Additionally, we may incur expenditures related to compliance with such laws, and may incur costs in connection with the remediation of any environmental contamination. The requirements imposed by such laws and regulations are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations.

Research and Development Expenditures

Other than seismic, engineering, geochemical and geophysical programs capitalized in connection with our oil and gas concessions, we have devoted no substantial efforts to research and development within the last two fiscal years.

Employees

As at May 30, 2017, we have two executive officers and no full-time employees. However, we use consultants and contractors to provide us, among other things, with executive management and accounting services, and technical engineering support.

Subsidiaries

As at May 30, 2017, we have 4 wholly owned subsidiaries, Colony Energy, LLC, Black Dragon Energy, LLC, Rolling Rock Resources, LLC, and City of Gold, LLC.

Intellectual Property

We do not own any intellectual property.

ITEM 1A. RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating our company and its business before purchasing shares of our company's common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. You could lose all or part of your investment due to any of these risks.

We have a history of losses and this trend may continue and may negatively impact our ability to achieve our business objectives.

We have experienced net losses since inception, and expect to continue to incur substantial losses for the foreseeable future. Our accumulated deficit was $6,345,026 as at February 28, 2017. We may not be able to generate significant revenues in the future. As a result, our management expects our business to continue to experience negative cash flow for the foreseeable future and cannot predict when, if ever, our business might become profitable. We will need to raise additional funds, and such funds may not be available on commercially acceptable terms, if at all. If we are unable to raise funds on acceptable terms, we may not be able to execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This may seriously harm our business, financial condition and results of operations.

We have a limited operating history, which may hinder our ability to successfully meet our objectives.

We have a limited operating history upon which to base an evaluation of our current business and future prospects. We do not have an established history of operating producing properties or locating and developing properties that have oil and gas reserves. As a result, the revenue and income potential of our business is unproven. In addition, because of our limited operating history, we have limited insight into trends that may emerge and affect our business. Errors may be made in predicting and reacting to relevant business trends and we will be subject to the risks, uncertainties and difficulties frequently encountered by early-stage companies in evolving markets. We may not be able to successfully address any or all of these risks and uncertainties. Failure to adequately do so could cause our business, results of operations and financial condition to suffer.

Our operations and proposed exploration activities will require significant capital expenditures for which we may not have sufficient funding and if we do obtain additional financing, our existing shareholders may suffer substantial dilution.

We intend to make capital expenditures far in excess of our existing capital resources to develop, acquire and explore oil and gas properties. We intend to rely on funds from operations and external sources of financing to meet our capital requirements to continue acquiring, exploring and developing oil and gas properties and to otherwise implement our business plan. We plan to obtain additional funding through the debt and equity markets, but we can offer no assurance that we will be able to obtain additional funding when it is required or that it will be available to us on commercially acceptable terms, if at all. In addition, any additional equity financing may involve substantial dilution to our then existing shareholders.

The successful implementation of our business plan is subject to risks inherent in the oil and gas business, which if not adequately managed could result in additional losses.

Our oil and gas operations are subject to the economic risks typically associated with exploration and development activities, including the necessity of making significant expenditures to locate and acquire properties and to drill exploratory wells. In addition, the availability of drilling rigs and the cost and timing of drilling, completing and, if warranted, operating wells is often uncertain. In conducting exploration and development activities, the presence of unanticipated pressure or irregularities in formations, miscalculations or accidents may cause our exploration, development and, if warranted, production activities to be unsuccessful. This could result in a total loss of our investment in a particular well. If exploration efforts are unsuccessful in establishing proved reserves and exploration activities cease, the amounts accumulated as unproved costs will be charged against earnings as impairments.

In addition, market conditions or the unavailability of satisfactory oil and gas transportation arrangements may hinder our access to oil and gas markets and delay our production. The availability of a ready market for our prospective oil and gas production depends on a number of factors, including the demand for and supply of oil and gas and the proximity of reserves to pipelines and other facilities. Our ability to market such production depends in substantial part on the availability and capacity of gathering systems, pipelines and processing facilities, in most cases owned and operated by third parties. Our failure to obtain such services on acceptable terms could materially harm our business. We may be required to shut in wells for lack of a market or a significant reduction in the price of oil or gas or because of inadequacy or unavailability of pipelines or gathering system capacity. If that occurs, we would be unable to realize revenue from those wells until arrangements are made to deliver such production to market.

Our future performance is dependent upon our ability to identify, acquire and develop oil and gas properties, the failure of which could result in under use of capital and losses.

Our future performance depends upon our ability to identify, acquire and develop additional oil and gas reserves that are economically recoverable. Our success will depend upon our ability to acquire working and revenue interests in properties upon which oil and gas reserves are ultimately discovered in commercial quantities, and our ability to develop prospects that contain proven oil and gas reserves to the point of production. Without successful acquisition and exploration activities, we will not be able to develop additional oil and gas reserves or generate revenues. We cannot provide you with any assurance that we will be able to identify and acquire additional oil and gas reserves on acceptable terms, or that oil and gas deposits will be discovered in sufficient quantities to enable us to recover our exploration and development costs or sustain our business.

The successful acquisition and development of oil and gas properties requires an assessment of recoverable reserves, future oil and gas prices and operating costs, potential environmental and other liabilities, and other factors. Such assessments are necessarily inexact and their accuracy inherently uncertain. In addition, no assurance can be given that our exploration and development activities will result in the discovery of additional reserves. Our operations may be curtailed, delayed or cancelled as a result of lack of adequate capital and other factors, such as lack of availability of rigs and other equipment, title problems, weather, compliance with governmental regulations or price controls, mechanical difficulties, or unusual or unexpected formations, pressures and or work interruptions. In addition, the costs of exploitation and development may materially exceed our initial estimates.

We have a very small management team and the loss of any member of our team may prevent us from implementing our business plan in a timely manner.

We have two executive officers and a limited number of additional consultants upon whom our success largely depends. We do not maintain key person life insurance policies on our executive officers or consultants, the loss of which could seriously harm our business, financial condition and results of operations. In such an event, we may not be able to recruit personnel to replace our executive officers or consultants in a timely manner, or at all, on acceptable terms.

Future growth could strain our personnel and infrastructure resources, and if we are unable to implement appropriate controls and procedures to manage our growth, we may not be able to successfully implement our business plan.

We may experience rapid growth in our operations, which will place a significant strain on our management, administrative, operational and financial infrastructure. Our future success will depend in part upon the ability of our management to manage growth effectively. This may require us to hire and train additional personnel to manage our expanding operations. In addition, we must continue to improve our operational, financial and management controls and our reporting systems and procedures. If we fail to successfully manage our growth, we may be unable to execute upon our business plan.

Market conditions or operation impediments may hinder our access to natural gas and oil markets or delay our production.

The marketability of production from our properties depends in part upon the availability, proximity and capacity of pipelines, natural gas gathering systems and processing facilities. This dependence is heightened where this infrastructure is less developed. Therefore, if drilling results are positive in certain areas of our oil and gas properties, a new gathering system would need to be built to handle the potential volume of gas produced. We might be required to shut in wells, at least temporarily, for lack of a market or because of the inadequacy or unavailability of transportation facilities. If that were to occur, we would be unable to realize revenue from those wells until arrangements were made to deliver production to market.

Our ability to produce and market natural gas and oil is affected and also may be harmed by:

- the lack of pipeline transmission facilities or carrying capacity;
- government regulation of natural gas and oil production;
- government transportation, tax and energy policies;
- changes in supply and demand; and
- general economic conditions.

We might incur additional debt in order to fund our exploration and development activities, which would continue to reduce our financial flexibility and could have a material adverse effect on our business, financial condition or results of operations.

If we incur indebtedness, the ability to meet our debt obligations and reduce our level of indebtedness depends on future performance. General economic conditions, oil and gas prices and financial, business and other factors affect our operations and future performance. Many of these factors are beyond our control. We cannot assure you that we will be able to generate sufficient cash flow to pay the interest on our current or future debt or that future working capital, borrowings or equity financing will be available to pay or refinance such debt. Factors that will affect our ability to raise cash through an offering of our capital stock or a refinancing of our debt include financial market conditions, the value of our assets and performance at the time we need capital. We cannot assure you that we will have sufficient funds to make such payments. If we do not have sufficient funds and are otherwise unable to negotiate renewals of our borrowings or arrange new financing, we might have to sell significant assets. Any such sale could have a material adverse effect on our business and financial results.

Our properties and/or future properties might not produce, and we might not be able to determine reserve potential, identify liabilities associated with the properties or obtain protection from sellers against them, which could cause us to incur losses.

Although we have reviewed and evaluated our properties in a manner consistent with industry practices, such review and evaluation might not necessarily reveal all existing or potential problems. This is also true for any future acquisitions made by us. Inspections may not always be performed on every well, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. Even when problems are identified, a seller may be unwilling or unable to provide effective contractual protection against all or part of those problems, and we may assume environmental and other risks and liabilities in connection with the acquired properties.

If we or our operators fail to maintain adequate insurance, our business could be materially and adversely affected.

Our operations are subject to risks inherent in the oil and gas industry, such as blowouts, cratering, explosions, uncontrollable flows of oil, gas or well fluids, fires, pollution, earthquakes and other environmental risks. These risks could result in substantial losses due to injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage, and suspension of operations. We could be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could have a material adverse effect on our financial condition and results of operations.

Any prospective drilling contractor or operator which we hire will be required to maintain insurance of various types to cover our operations with policy limits and retention liability customary in the industry. We also have acquired our own insurance coverage for such prospects. The occurrence of a significant adverse event on such prospects that is not fully covered by insurance could result in the loss of all or part of our investment in a particular prospect which could have a material adverse effect on our financial condition and results of operations.

The oil and gas industry is highly competitive, and we may not have sufficient resources to compete effectively.

The oil and gas industry is highly competitive. We compete with oil and natural gas companies and other individual producers and operators, many of which have longer operating histories and substantially greater financial and other resources than we do, as well as companies in other industries supplying energy, fuel and other needs to consumers. Our larger competitors, by reason of their size and relative financial strength, can more easily access capital markets than we can and may enjoy a competitive advantage in the recruitment of qualified personnel. They may be able to absorb the burden of any changes in laws and regulation in the jurisdictions in which we do business and handle longer periods of reduced prices for oil and gas more easily than we can. Our competitors may be able to pay more for oil and gas leases and properties and may be able to define, evaluate, bid for and purchase a greater number of leases and properties than we can. Further, these companies may enjoy technological advantages and may be able to implement new technologies more rapidly than we can. Our ability to acquire additional properties in the future will depend upon our ability to conduct efficient operations, evaluate and select suitable properties, implement advanced technologies and consummate transactions in a highly competitive environment.

Complying with environmental and other government regulations could be costly and could negatively impact our production.

Our business is governed by numerous laws and regulations at various levels of government. These laws and regulations govern the operation and maintenance of our facilities, the discharge of materials into the environment and other environmental protection issues. Such laws and regulations may, among other potential consequences, require that we acquire permits before commencing drilling and restrict the substances that can be released into the environment with drilling and production activities.

Under these laws and regulations, we could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of drilling operations, we may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, we do not believe that insurance coverage for the full potential liability of environmental damages is available at a reasonable cost. Accordingly, we could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm our business. Furthermore, future changes in environmental laws and regulations could result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on our financial condition or results of operations.

Shortages of rigs, equipment, supplies and personnel could delay or otherwise adversely affect our cost of operations or our ability to operate according to our business plans.

If drilling activity increases in Alberta, Canada, Utah or the United States generally, a shortage of drilling and completion rigs, field equipment and qualified personnel could develop. The demand for and wage rates of qualified drilling rig crews generally rise in response to the increasing number of active rigs in service and could increase sharply in the event of a shortage. Shortages of drilling and completion rigs, field equipment or qualified personnel could delay, restrict or curtail our exploration and development operations, which could in turn harm our operating results.

We will be required to replace, maintain or expand our reserves in order to prevent our reserves and production from declining, which would adversely affect cash flows and income.

In general, production from natural gas and oil properties declines over time as reserves are depleted, with the rate of decline depending on reservoir characteristics. If we are not successful in our exploration and development activities, our proved reserves will decline as reserves are produced. Our future natural gas and oil production is highly dependent upon our ability to economically find, develop or acquire reserves in commercial quantities.

To the extent cash flow from operations is reduced, either by a decrease in prevailing prices for natural gas and oil or an increase in exploration and development costs, and external sources of capital become limited or unavailable, our ability to make the necessary capital investment to maintain or expand our asset base of natural gas and oil reserves would be impaired. Even with sufficient available capital, our future exploration and development activities may not result in additional proved reserves, and we might not be able to drill productive wells at acceptable costs.

The oil and gas exploration and production industry historically is a cyclical industry and market fluctuations in the prices of oil and gas could adversely affect our business.

Prices for oil and gas tend to fluctuate significantly in response to factors beyond our control. These factors include:

- weather conditions;
- economic conditions, including demand for petroleum-based products;
- actions by OPEC, the Organization of Petroleum Exporting Countries;
- political instability in the Middle East and other major oil and gas producing regions;
- governmental regulations, both domestic and foreign;
- domestic and foreign tax policy;
- the pace adopted by foreign governments for the exploration, development, and production of their national reserves;
- the price of foreign imports of oil and gas;
- the cost of exploring for, producing and delivering oil and gas;
- the discovery rate of new oil and gas reserves;
- the rate of decline of existing and new oil and gas reserves;
- available pipeline and other oil and gas transportation capacity;

- the ability of oil and gas companies to raise capital;
- the overall supply and demand for oil and gas; and
- the availability of alternate fuel sources.

Changes in commodity prices may significantly affect our capital resources, liquidity and expected operating results. Price changes will directly affect revenues and can indirectly impact expected production by changing the amount of funds available to reinvest in exploration and development activities. Reductions in oil and gas prices not only reduce revenues and profits, but could also reduce the quantities of reserves that are commercially recoverable. Significant declines in prices could result in non-cash charges to earnings due to impairment.

Changes in commodity prices may also significantly affect our ability to estimate the value of producing properties for acquisition and divestiture and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on the value of the properties. Price volatility also makes it difficult to budget for and project the return on acquisitions and the exploration and development of projects. We expect that commodity prices will continue to fluctuate significantly in the future.

Our ability to produce oil and gas from our properties may be adversely affected by a number of factors outside of our control which may result in a material adverse effect on our business, financial condition or results of operations.

The business of exploring for and producing oil and gas involves a substantial risk of investment loss. Drilling oil and gas wells involves the risk that the wells may be unproductive or that, although productive, the wells may not produce oil or gas in economic quantities. Other hazards, such as unusual or unexpected geological formations, pressures, fires, blowouts, loss of circulation of drilling fluids or other conditions may substantially delay or prevent completion of any well. Adverse weather conditions can also hinder drilling operations. A productive well may become uneconomic if water or other deleterious substances are encountered that impair or prevent the production of oil or gas from the well. In addition, production from any well may be unmarketable if it is impregnated with water or other deleterious substances. There can be no assurance that oil and gas will be produced from the properties in which we have interests. In addition, the marketability of oil and gas that may be acquired or discovered may be influenced by numerous factors beyond our control. These factors include the proximity and capacity of oil and gas, gathering systems, pipelines and processing equipment, market fluctuations in oil and gas prices, taxes, royalties, land tenure, allowable production and environmental protection. We cannot predict how these factors may affect our business.

We may be unable to retain our leases and working interests in our leases including the Farmout Agreement, which would result in significant financial losses to our company.

Our properties are held under oil and gas leases including the Farmout Agreement. If we fail to meet the specific requirements of each lease, such lease may terminate or expire. We cannot assure you that any of the obligations required to maintain each lease or the Farmout Agreement will be met. The termination or expiration of our leases may harm our business. Our property interests will terminate unless we fulfill certain obligations under the terms of our leases and the Farmout Agreements related to such properties. If we are unable to satisfy these conditions on a timely basis, we may lose our rights in these properties. The termination of our interests in these properties may harm our business. In addition, we will need significant funds to meet capital requirements for the exploration activities that we intend to conduct on our properties.

Our Godin project is complex undertakings and may not be completed at our estimated cost or at all.

We, through our wholly owned subsidiary Colony Energy, LLC, holds a 100% interest in and to certain petroleum, natural gas and general rights, including Alberta Crown Petroleum and Oil Leases, in 20 contiguous sections totaling 12,960 acres located in the Godin area of Northern Alberta. The Godin project is complex, subject to extensive governmental regulation and will require significant additional financing. There can be no assurance that the necessary governmental approvals will be granted or that such financing could be obtained on commercially reasonable terms or at all, or that if one or more of these projects are completed that they will be successful or that we realize a return on our investment.

Risks Relating To Our Common Stock

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to develop new properties and continue our current operations. If our stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations.

The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our common stock.

If we issue additional shares in the future, it will result in the dilution of our existing shareholders.

Our articles of incorporation, as amended, authorizes the issuance of up to 750,000,000 shares of common stock with a par value of $0.001. Our board of directors may choose to issue some or all of such shares to acquire one or more businesses or to provide additional financing in the future. The issuance of any such shares will result in a reduction of the book value and market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current shareholders. Further, such issuance may result in a change of control of our corporation.

Trading of our stock may be restricted by the Securities Exchange Commission's penny stock regulations, which may limit a stockholder's ability to buy and sell our stock.

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Our common stock is illiquid and the price of our common stock may be negatively impacted by factors which are unrelated to our operations.

Our common stock currently trades on a limited basis on OTCQB operated by the OTC Markets Group. Trading of our stock through OTCQB is frequently thin and highly volatile. There is no assurance that a sufficient market will develop in our stock, in which case it could be difficult for shareholders to sell their stock. The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of our competitors, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our competitors or us. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

Item 1B. Unresolved Staff Comments

Not Applicable.

ITEM 2. PROPERTIES

Executive Offices and Registered Agent

Our administrative office is located at 777 N. Rainbow Blvd., Suite 250, Las Vegas, Nevada 89107. Our operational office is located at 67 East 5th Avenue, Vancouver, British Columbia, Canada V5T 1G7.

Property

Reserves

Apex Energy Consultants Inc. ("Apex") has prepared a report dated April 24, 2017 (the "Apex 2017 Report"), in which it has evaluated as at March 1, 2017 the oil and natural gas reserves attributable to our principal properties. The following information about our oil and natural gas reserves are from The Apex 2017 Report, which is attached as an exhibit to this annual report on Form 10-K.

The following table discloses our gross and net proved reserves, estimated using forecast prices and costs, by product type. "Forecast prices and costs" means future prices and costs used by Apex in the Apex 2017 Report that are generally accepted as being a reasonable outlook of the future, or fixed or currently determinable future prices or costs to which we are bound.

Oil and Gas Reserves Summary

VOLUMES IN IMPERIAL UNITS

	Oil		Natural Gas					
	Light, Medium, Shale		Solution		Associated and Non-Associated		Total BOE *	
	W.I Gross	Co. Share Net	W.I Gross	Co. Share Net	W.I Gross	Co. Share Net	W.I Gross	Co. Share Net
RESERVES CATEGORY	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	Mboe	Mboe
Proved Producing	16.4	15.6	0.0	0.0	0.0	0.0	16.4	15.6
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved	16.4	15.6	0.0	0.0	0.0	0.0	16.4	15.6
Probable	103.5	93.9	0.0	0.0	0.0	0.0	103.5	93.9
Proved plus Probable	119.9	109.5	0.0	0.0	0.0	0.0	119.9	109.5
Possible	448.1	399.8	0.0	0.0	0.0	0.0	448.1	399.8
Proved plus Probable plus Possible	568.0	509.3	0.0	0.0	0.0	0.0	568.0	509.3

VOLUMES IN METRIC UNITS

	Light, Medium, Shale		Solution		Associated and Non-Associated		Total BOE *	
	W.I Gross	Co. Share Net	W.I Gross	Co. Share Net	W.I Gross	Co. Share Net	W.I Gross	Co. Share Net
RESERVES CATEGORY	$E3M^3$	$E3M^3$	$10^3 M^3$	10^3M^3	10^3M^3	10^3M^3	$E3M^3Boe$	$E3M^3Boe$
Proved Producing	2.6	2.5	0.0	0.0	0.0	0.0	2.6	2.5
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved	2.6	2.5	0.0	0.0	0.0	0.0	2.6	2.5
Probable	16.4	14.9	0.0	0.0	0.0	0.0	16.4	14.9
Proved plus Probable	19.1	17.4	0.0	0.0	0.0	0.0	19.1	17.4
Possible	71.2	63.5	0.0	0.0	0.0	0.0	71.2	63.5
Proved plus Probable plus Possible	90.3	80.9	0.0	0.0	0.0	0.0	90.3	80.9

The following table discloses, in the aggregate, the net present value of our future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 0 percent, 5 percent, 10 percent, 15 percent and 20 percent.

	Before Income Taxes					After Income Taxes				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
RESERVES CATEGORY	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Producing	670	587.8	520.5	465.2	419.4	489.5	429	379.7	339.2	305.6
Proved Developed Non-Producing	0	0	0	0	0	0	0	0	0	0
Proved Undeveloped	0	0	0	0	0	0	0	0	0	0
Proved	670	587.8	520.5	465.2	419.4	489.5	429	379.7	339.2	305.6
Probable	2,399.1	1,537.4	1,445.6	480.7	151.7	1,751.3	1,066.5	580.3	227.4	-33.6
Proved plus Probable	3,069.7	2,125.2	1,445.6	945.9	571.2	2,240.9	1,495.5	959.9	566.6	272.0
Possible	11,828.6	7,518.7	4,606	2,582.4	1,143.3	8,634.9	5,217.6	2,908.7	1,305.4	166.8
Proved plus Probable plus Possible	14,898.3	9,643.9	6,051.6	3,528.3	1,714.4	10,875.7	6,713.1	3,868.6	2,967.2	1,872

The following two tables provide additional information regarding the future net revenue attributable to total proved reserves outlined in the previous table. This table discloses, in the aggregate, certain elements of our future net revenue attributable to our proved reserves and our proved plus probable reserves, estimated using forecast prices and costs, and calculated without discount.

RESERVES CATEGORY	Revenue $M	Royalties $M	Op. Costs $M	Cap. Costs $M	Well Aband Costs $M	Future Net Revenue Bef. Inc. Taxes $M	Income Taxes $M	Future Net Revenue After Income Taxes $M
Producing	1,114.1	57.4	327.2	0	58.9	670.6	181.1	489.5
Proved Developed Non- Producing	0	0	0	0	0	0	0	0
Proved Undeveloped	0	0	0	0	0	0	0	0
Proved	1,114.1	57.4	327.2	0	58.9	670.6	181.1	489.5
Probable	7,560.2	690.5	1,851.2	2,426.6	192.9	2,399.1	647.8	1,751.3
Proved plus Probable	8,674.3	747.9	2,178.4	2,426.6	251.7	3,069.7	828.8	2,240.9
Possible	34,042.4	3,674.9	7,971.5	9,782.6	784.9	11,828.6	3,193.7	8,634.9
Proved plus Probable plus Possible	42,716.8	4,422.8	10,149.9	12,209.3	1,036.6	14,898.3	4,022.6	10,875.7

This table discloses, by production group, the net present value of our future net revenue attributable to our proved and our proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10 percent discount rate.

RESERVES CATEGORY	Future Net Revenues Before Income Taxes (discounted at 10%) M$
Producing	1,056.7
Proved Developed Non-Producing	0
Proved Undeveloped	0
Proved	1,056.7
Probable	7,926.4
Proved plus Probable	8,983.1
Possible	38,294.0
Proved plus Probable plus Possible	47,277.1

When used in this report, “Bbls” means barrels of oil. We also use a number of terms when describing our reserves. “Proved reserves” are the quantities of oil that, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible. We provide information on two types of proved reserves - developed and undeveloped. “Proved developed reserves” are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. “Proved undeveloped reserves” are reasonably certain reserves in drilling units immediately adjacent to the drilling unit containing a producing well as well as areas beyond one offsetting drilling unit from a producing well.

Under SEC rules we are also permitted to provide information about probable and possible reserves. “Probable reserves” are additional reserves that are less certain to be recovered than proved reserves but which, in sum with proved reserves, are as likely as not to be recovered. “Possible reserves” are additional reserves that are less certain to be recovered than probable reserves. The various reserve categories have different risks associated with them. Proved reserves are more likely to be produced than probable reserves and probable reserves are more likely to be produced than possible reserves. Because of these risks, the different reserve categories should not be considered to be directly additive.

The term "Boe" may be misleading, particularly if used in isolation. A Boe conversion ratio of eight thousand cubic feet of natural gas to barrels of oil (8 Mcf: 1 Bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 8 Mcf :1 Bbl, utilizing a conversion ratio at 8 Mcf: 1 Bbl may be misleading as an indication of value.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the escalating price and cost assumptions contained in the Apex 2017 Report will be attained and variances could be material. The reserve and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.

All reserve definitions comply with the applicable definitions of the rules of the SEC. The reserves were estimated using engineering and geological methods widely accepted in our industry. The accuracy of the reserve estimates is dependent upon the quality of available data and upon independent geological and engineering interpretation of that data. For proved developed producing, the estimates considered to be definitive, using performance methods that utilize extrapolations of various historical data including oil and water production and pressure history. For other than proved producing, proved undeveloped reserves and probable and possible reserve estimates were made using volumetric methods.

Our policies regarding internal controls over reserve estimates require reserves to be in compliance with the SEC definitions and guidance and for reserves to be prepared by an independent engineering firm under the supervision of our Chief Executive Officer. We provide the engineering firm with estimate preparation material such as property interests, production, current operation costs, current production prices and other information. This information is reviewed by our Chief Executive Officer to ensure accuracy and completeness of the data prior to submission to our third party engineering firm. A letter which identifies the professional qualifications of the independent engineering firm who prepared the reserve report is included in the reserve report. There was no conversion of undeveloped reserves to prove reserves during the fiscal year ended February 28, 2017.

Apex Energy 2017 Price assumptions were used to determine cash flows in the non- fixed price tables.

Price Assumptions				
Effective Date	**WTI**	**Edmonton Light ((Alberta))**	**Compeer Price Differential**	**Apex Escalated Oil Price**
	US$/bbl	$/bbl	$/bbl	$/bbl
2017	40.00	56.90	$2.00	54.90
2018	55.00	61.32	$2.09	59.32
2019	60.00	63.61	$2.00	61.61
2020	70.00	68.00	$2.00	66.00
2021	75.00	81.89	$2.00	79.89
2022	80.00	84.68	$2.00	82.68
2023	85.00	86.23	$2.00	84.23
2024	87.88	86.70	$2.00	84.70
2025	89.63	87.31	$2.00	85.31
2026	91.42	87.91	$2.00	85.91
2027	93.25	90.32	$2.00	88.32
2028	95.12	96.34	$2.00	94.34
2029	97.02	116.83	$2.00	114.83
2030	98.96	119.17	$2.00	117.17
2031	100.94	121.55	$2.00	119.55
2032	102.96	123.98	$2.00	121.98

Proved undeveloped reserves and Probable Reserves.

We have no proved undeveloped reserves as at February 28, 2017.

There were no material changes in proved undeveloped reserves that occurred during the year ended February 28, 2017, including proved undeveloped reserves converted into proved developed reserves.

The proved producing reserves found during the year were previously in the “prospective resource” category of classification according to the Canadian Oil and Gas Handbook.

We have no proved undeveloped reserves in individual fields or countries that remain undeveloped for five years or more.

Our net probable reserves are 103,500 Bbls of oil. This was assumed by Apex to be the additional reserves to be developed in section 29-33-2W4 by drilling on a normal 4 horizontal well per section drilling pattern. This is slightly lower than the net 88,600 Bbls booked in 2015.

One producing well was drilled Big Lake Compeer 100/04-32-033-02W4/00 in the fiscal year ending February 28, 2013. The well was shut-in for most of 2016 as the market price was too low to justify operations. Production for the fiscal year was zero barrels. Fortem attempted to bring on the well in late 2016 but extremely cold weather made that too difficult to achieve for a single well operation.

Oil and gas production, production prices and production costs.

During the year ended February 29, 2016, we generated revenues of $nil from pre-production sales of oil. For accounting purposes, the proceeds from the sales less direct costs of $25,107 are added to the carrying value of the oil and gas properties.

We have not had any oil sales or production during the years ended February 28, 2017.

As of May 30, 2017, it is too early to provide stabilized production forecasts.

Drilling and other exploratory and development activities.

The number of net productive and dry exploratory wells drilled was one productive well in the Compeer area of eastern Alberta in the fiscal year ending February 28, 2017. There was no previous drilling or exploratory activities.

The Test Well was spudded on May 27, 2012 and was drilled vertically 905 meters (2,977 feet) into the Bakken formation. We cut two full bore cores, one from each of the Viking and Bakken formations, and also ran a drill stem test in the Viking formation. The plug samples taken from the Viking formation exhibited strong oil fluorescence indicating light oil and had between 16% and 23% porosity in the samples. We estimate the net sand pay in the well is approximately 5 meters (16.45 feet). The Bakken formation was found to be uneconomic and was abandoned. Based on our evaluation, we elected to drill a horizontal leg to the Test Well running 1,045 meters (3,435 feet) into the Viking formation. The total depth drilled in the Test Well met the contract depth requirements under the Agreement. Initial production from the Test Well has been limited by a higher than expected gas solution content. It is expected the oil ratio will increase as the gas component lessens. Oil recovered to date is light, sweet crude. Stabilized production was not seen in the 4-32 well until September 2013. As of February 2015, the production was 20 bbl /d of fluid with varying water cut from 25% to 50%. Production for the fiscal year to February 29, 2016 and February 28, 2017 is 0 Bbls.

Present activities.

There are no current drilling activities. There are up to 30 locations present on the Farmout Lands, on which we may commence drilling activities.

Delivery commitments.

We have no oil or gas delivery commitments.

Oil and gas properties, wells, operations, and acreage.

We have one well on 160 developed acres. We have 4,960 gross acres and 4,960 net undeveloped acres.

ITEM 3. LEGAL PROCEEDINGS

Other than as disclosed below, we know of no material pending legal proceedings to which our company or our subsidiary is a party or of which any of our properties, or the properties of our subsidiary, is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or our subsidiary or has a material interest adverse to our company or our subsidiary.

We were subject to the following claims:

Court/Registry	Date Instituted	Principal Parties	Description of Claim
Court of Queen's Bench of Alberta	July 23, 2013	**Plaintiff:** Baker Hughes Canada Company; **Defendant:** Fortem Resources Inc., also known as Big Lake Energy Ltd.	A Statement of Claim was filed July 23, 2013, whereby the Plaintiff is suing the Defendant for the sum of CAD$281,267.68 representing the amount owing for oil-field services and equipment, including cementing and fishing products and services provided by the Plaintiff. In December 2015, the Company reached a settlement agreement for a total of $149,784 (CAD$200,000) in eight equal monthly installments of $18,723 (CAD$25,000) starting February 1, 2016. Upon receipt of the final installment, the vendor agreed to discontinue the claim and provide a release to the Company. The Company only made one instalment payment of CAD$25,000 applied against the original claim and the settlement agreement was defaulted. As a result, there was a balance owing of $256,267 as at February 28, 2017.
Provincial Court of Alberta (Civil)	January 22, 2016	**Plaintiff:** Geologic Systems Ltd. **Defendant:** Fortem Resources Inc.	A Civil Claim was filed on January 22, 2016, whereby the Plaintiff is suing the Defendant for the sum of CAD$25,514.14 (plus interest) representing the amount owing for software data and licensing fees pursuant to a license agreement entered into on February 12, 2015. In March 2017, the Company settled the claims by making one lump-sum payment of $7,500.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market information

Our common stock is quoted on OTC Markets Group's OTCQB under the trading symbol "FTMR". The following chart shows the high and low bid prices as quoted by the OTCQB for each quarter for the fiscal years ended February 28, 2017 and February 29, 2016. Such prices represent quotations between dealers, without dealer markup, markdown or commissions, and may not represent actual transactions.

Quarter Ended	High	Low
February 28, 2017	$0.77	$0.25
November 30, 2016	$0.45	$0.13
August 31, 2016	$0.20	$0.11
May 31, 2016	$0.22	$0.10
February 29, 2016	$0.22	$0.04
November 30, 2015	$0.11	$0.05
August 31, 2015	$0.50	$0.10
May 31, 2015	$0.68	$0.20

On May 29, 2017, the closing price of our common stock as reported by the OTCQB was $2.00 per share.

Transfer Agent

Our shares of common stock are issued in registered form. The transfer agent and registrar for our common stock is Issuer Direct Corporation.

Holders of Common Stock

As of May 30, 2017, there were approximately 81 holders of record of our common stock. As of such date, 115,884,698 shares were issued and outstanding.

Dividends

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings, if any, to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

We must not declare, pay or set apart for payment any dividend or other distribution (unless payable solely in shares of our common stock or other class of stock junior to our preferred stock as to dividends or upon liquidation) in respect of our common stock, or other class of stock junior to our preferred stock, nor must we redeem, purchase or otherwise acquire for consideration shares of any of the foregoing, unless dividends, if any, payable to holders of our preferred stock for the current period (and in the case of cumulative dividends, if any, payable to holders of our preferred stock for the current period and in the case of cumulative dividends, if any, for all past periods) have been paid, are being paid or have been set aside for payment, in accordance with the terms of our preferred stock, as fixed by our board of directors.

Other than as stated above, there are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

- we would not be able to pay our debts as they become due in the usual course of business; or
- our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

Securities authorized for issuance under equity compensation plans.

The following table summarizes certain information regarding our equity compensation plans as at February 28, 2017:

Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders	Nil	N/A	Nil
Equity compensation plans not approved by security holders[(1)]	2,300,000	$0.10	3,279,335
Total	2,300,000	$0.10	3,279,335

(1) Effective April 19, 2014, our board of directors approved the 2014 Stock Option Plan, pursuant to which we may grant stock options to purchase up to 5,579,335 shares of our common stock. The purpose of the 2014 Stock Option is to retain the services of valued key employees and consultants of our company and such other persons as our board of directors select, and to encourage such persons to acquire a greater proprietary interest in our company, thereby strengthening their incentive to achieve the objectives of our stockholders, and to serve as an aid and inducement in the hiring of new employees and to provide an equity incentive to consultants and other persons selected by our board of directors.

Recent sales of unregistered securities

Since the beginning of our fiscal year ended February 28, 2017, we have not sold any equity securities that were not registered under the Securities Act of 1933 that were not previously reported in a quarterly report on Form 10-Q or in a current report on Form 8-K.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this annual report on Form 10-K.

General

We are focused on the acquisition, exploration, and development of oil and gas properties in the United States and Canada. As of May 30, 2017 we did not have any revenue from commercial production.

Results of Operations

Years Ended February 28, 2017 and February 29, 2016

The following summary of our results of operations should be read in conjunction with our audited financial statements for the years ended February 28, 2017 and February 29, 2016 which are included herein:

	February 28, 2017	February 29, 2016
Revenue	$ -	$ -
Expenses	(491,393)	(581,771)
Net Loss	$ (2,724,306)	$ (370,324)

Revenues

During the years ended February 28, 2017 and February 29, 2016, we did not generate any revenues from commercial production.

Expenses

Expenses decreased during the year ended February 28, 2017 to $491,393 as compared to $581,771 during the year ended February 29, 2016.

The table below details the changes in major expenditures for the year ended February 28, 2017 as compared to the corresponding year ended February 29, 2016:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $33,207	Decrease due to less consulting services were used during the year.
Management fees	Increase of $141,962	Increase due to a one-time adjustment to the CEO compensation.
Office, travel and general expenses	Decrease of $30,892	Decrease due to decreases in insurance, general office expenses, office rent, and travel expenses as part of cost cutting initiatives.
Professional fees	Increase of $66,851	Increase due to more professional services used for corporate filings, accounting, and legal services.
Salaries and benefits	Decrease of $127,910	Decrease due to hiring of COO and VP of Exploration in fiscal 2016. No such positions in fiscal 2017.
Stock-based compensation	Decrease of $107,172	Increase due to stock options granted during in November 2015 whereas no stock options were granted in fiscal 2017.

For the year ended February 28, 2017, we recorded a loss on the fair value adjustment of derivative financial liability of $1,197,268 (February 29, 2016 – gain of $229,327) The derivative liability consists of the fair value of share purchase warrants that were issued in unit private placements that have an exercise price in a currency other than the functional currency of our company as well as the embedded conversion feature in the convertible debenture issued and subsequently settled during the year. The derivative liability is a non-cash liability as we will not be required to expend any cash.

Liquidity and Capital Resources

Working Capital

	At February 28, 2017	At February 29, 2016
Current assets	$ 510,683	$ 33,514
Current liabilities	2,995,639	1,286,228
Working capital deficit	$ (2,484,956)	$ (1,252,714)

We had cash of $459,481 and a working capital deficit of $2,484,956 as of February 28, 2017 compared to cash of $22,426 and working capital deficit of $1,252,714 as of February 29, 2016. The current liabilities consists of the derivative financial liabilities of $2,590,477 (February 29, 2016 - $150,136) which is a non-cash liability as we will not be required to expend any cash.

We anticipate general and administrative expense, excluding impairment of oil and gas property, if any, will be higher than fiscal 2017 during the upcoming fiscal year. In connection with oil and gas operations and the new acquisitions mentioned above, we intend to increase number of executive officers. As a result, we estimate our general and administrative expense will be higher in fiscal 2018.

Our company's cash will not be sufficient to meet our working capital requirements for the next twelve month period. Our company plans to raise the capital required to satisfy our immediate short-term needs and additional capital required to meet our estimated funding requirements for the next twelve months primarily through the issuance of our equity securities. There is no assurance that our company will be able to obtain further funds required for our continued working capital requirements. The ability of our company to meet our financial liabilities and commitments is primarily dependent upon the continued financial support of our directors and shareholders, the continued issuance of equity to new shareholders, and our ability to achieve and maintain profitable operations.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration of our property interests, the identification of reserves sufficient enough to warrant development, successful development of our property interests and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on our audited financial statements for the year ended February 28, 2017, our independent auditors included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

Cash Flows

	12 months ended February 28, 2017	12 months ended February 29, 2016
Cash used in operating activities	$ (197,894)	$ (238,717)
Cash provided by financing activities	741,576	282,793
Cash used in investing activities	(63,402)	(47,736)
Effect of Foreign Exchange	-	(772)
Change in cash	$ 437,055	$ (4,432)

Cash Used in Operating Activities

Our cash used in operating activities for the year ended February 28, 2017, compared to our cash used in operating activities for the year ended February 29, 2016, decreased by $40,823, primarily due to decrease in non-cash items and non-cash working capital items from operations in the current year.

Cash Provided by Financing Activities

Our cash provided by financing activities for the year ended February 28, 2017, compared to our cash provided by financing activities for the year ended February 29, 2016, increased by $458,783 mainly due to higher proceeds received from common stock issued for cash.

Cash Used in Investing Activities

Our cash used in investing activities for the year ended February 28, 2017, compared to our cash used in investing activities for the year ended February 29, 2016, increased by $15,666 due to an increase of expenditures on oil and gas properties.

Outstanding Shares, Options, Warrants and Convertible Securities

As of May 30, 2017, we have 115,884,698 shares of common stock outstanding, 2,300,000 stock options outstanding and 3,823,698 warrants outstanding.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our stockholders.

Going Concern

Our audited financial statements and information for the year ended February 28, 2017, have been prepared by our management on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. We have generated no revenues to date and have incurred a net loss of $2,724,306 during the 12 month period ended February 28, 2017, and $6,345,026 from inception (July 9, 2004) through February 28, 2017. We cannot provide any assurance that we will ultimately achieve profitable operations or become cash flow positive, or raise additional funds through the sale of debt and/or equity.

Application of Critical Accounting Policies

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We regularly evaluate estimates and assumptions. We base our estimates and assumptions on current facts, historical experience and various other factors we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Our actual results may differ materially and adversely from our estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. The most significant estimates with regard to these financial statements relate to carrying values of oil and gas properties, the assumptions used to record asset retirement obligations and the estimated useful life of financial instruments.

Fair Value of Financial instruments

The estimated fair values for financial instruments are determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair value of cash, prepaid expenses, other receivables, accounts payable and amounts due to related parties approximates their carrying value due to their short-term nature.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar and reporting currency is the United States dollar. The Company translates assets and liabilities to US dollars using year-end exchange rates, stockholders' deficit accounts are translated at historical exchange rates, and translates revenues and expenses using average exchange rates during the period. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the Statement of Operations. Adjustments arising from the translation of balances from the Canadian dollar to the US dollar are included in other comprehensive income (loss). The Company has not entered into derivative instruments to offset the impact of foreign currency fluctuations.

Oil and Gas Properties

The Company utilizes the full cost method to account for its investment in oil and gas properties. Accordingly, all costs associated with acquisition, exploration and development of oil and gas reserves, including such costs as leasehold acquisition costs, interest costs relating to unproved properties, geological expenditures, tangible and intangible development costs including direct internal costs are capitalized to the full cost pool. When the Company commences production from established proven oil and gas reserves, capitalized costs, including estimated future costs to develop the reserves and estimated abandonment costs, net of salvage, will be depleted on the units-of-production method using estimates of proved reserves. Costs of unproved properties are not amortized until the proved reserves associated with the projects can be determined or until impairment occurs. If an assessment of such properties indicates that properties are impaired, the amount of impairment is added to the capitalized cost base to be amortized.

The capitalized costs included in the full cost pool are subject to a "ceiling test", which limits such costs to the aggregate of the (i) estimated present value, using a ten percent discount rate, of the future net revenues from proved reserves, based on current economic and operating conditions, (ii) the lower of cost or estimated fair value of unproven properties included in the costs being amortized, (iii) the cost of properties not being amortized, less (iv) income tax effects related to differences between the book and tax basis of the cost of properties not being amortized and the cost or estimated fair value of unproved properties included in the costs being amortized.

Sales of proved and unproved properties are accounted for as adjustments of capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in the statement of operations. The Company's oil and gas properties are under development with minimal production to date. Accordingly, no amortization is being recorded.

Equipment

Equipment is recorded at cost and amortized on a straight line basis over 20 years.

Income Taxes

Income taxes are determined using the liability method. Deferred tax assets and liabilities, if any, are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes that date of enactment. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

We account for uncertainty in income taxes by applying a two-step method. First, we evaluate whether a tax position has met a more likely than not recognition threshold, and second, it measures that tax position to determine the amount of benefit, if any, to be recognized in the financial statements. The application of this method did not have a material effect on our financial statements.

Asset Retirement Obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs an obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The estimated fair value of the asset retirement obligation is based on the current cost escalated at an inflation rate and discounted at a credit adjusted risk-free rate. This liability is capitalized as part of the cost of the related asset and amortized over its useful life. The liability accretes until the Company settles the obligation.

Loss per share

We present both basic and diluted earnings (loss) per share (EPS) on the face of the statements of operations. Basic EPS is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including convertible debt, stock options, and warrants, using the treasury stock method. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. Diluted EPS figures are equal to those of basic EPS for each period since we have incurred losses since inception.

Recently issued accounting pronouncements

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable) and to provide related footnote disclosures. The ASU provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The ASU is effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016, which for the Company is April 1, 2017. Early adoption is permitted. The adoption of this standard did not have a material impact on the Company's financial position or results of operations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.* This ASU is effective for annual periods beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. ASU No 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The adoption of this standard will not have a material impact on the Company's financial position or results of operations.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FINANCIAL STATEMENTS

February 28, 2017

BALANCE SHEETS

STATEMENTS OF OPERATIONS

STATEMENTS OF CASH FLOWS

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

NOTES TO FINANCIAL STATEMENTS

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Fortem Resources Inc. (formerly Strongbow Resources Inc.)

We have audited the accompanying balance sheets of Fortem Resources Inc. (formerly Strongbow Resources Inc.) as of February 28, 2017 and February 29, 2016, and the related statements of operations, cash flows and stockholders' deficit for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Fortem Resources Inc. (formerly Strongbow Resources Inc.) as of February 28, 2017 and February 29, 2016, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has not generated revenues since inception, has incurred losses in developing its business, and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ DMCL LLP

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
May 30, 2017

FORTEM RESOURCES INC.

(FORMERLY STRONGBOW RESOURCES INC.)
BALANCE SHEETS
(expressed in US dollars)

		February 28, 2017		February 29, 2016
ASSETS				
Current assets				
Cash		$ 459,481		$ 22,426
Receivable		27,103		3,279
Prepaid expense and other		24,099		7,809
		510,683		33,514
Non-current assets				
Deposit		33,082		32,224
Equipment		54,956		57,236
Oil and gas properties, full cost method		641,494		568,151
	$	**$ 1,240,215**		**$ 691,125**
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities				
Accounts payable		$ 282,784		$ 632,983
Accrued liabilities		54,722		99,765
Due to related parties		48,831		334,869
Note payable		18,825		18,475
Derivative liability		2,590,477		150,136
Subscriptions received		-		50,000
		2,995,639		1,286,228
Asset retirement obligation		24,546		21,900
		3,020,185		1,308,128
Stockholders' deficit				
Capital stock				
Authorized:				
750,000,000 common shares, par value $0.001 per share				
Issued and outstanding:				
37,537,556 common shares (30,029,046 at February 29, 2016)		29,428		21,919
Additional paid in capital		5,028,885		3,115,078
Share subscriptions receivable		(110,000)		-
Accumulated other comprehensive loss		(383,257)		(133,280)
Accumulated deficit		(6,345,026)		(3,620,720)
		(1,779,970)		(617,003)
		$ 1,240,215		**$ 691,125**

The accompanying notes are an integral part of these financial statements

FORTEM RESOURCES INC.
(FORMERLY STRONGBOW RESOURCES INC.)
STATEMENTS OF OPERATIONS
(expressed in US dollars)

	For the years ended	
	February 28, 2017	**February 29, 2016**
General and administrative expenses		
Consulting	$ 70,592	$ 103,799
Depreciation	3,409	3,419
Management fees	233,786	91,824
Office, travel and general	51,373	82,265
Professional fees	132,233	65,382
Salaries and benefits	-	127,910
Stock-based compensation	-	107,712
Loss from operations	(491,393)	(581,771)
Interest Income	251	243
Accretion expense	(202,263)	(2,061)
Gain on settlement of debt	79,239	-
Loss on settlement of convertible debt	(1,309,022)	-
Interest expense	(16,871)	-
Financing fee	(73,621)	8,938
Foreign exchange gain	271,294	-
Write-off of advances receivable	-	(25,000)
Gain on write-off of accounts payable	215,348	-
Change in fair value of derivative liability	(1,197,268)	229,327
	(2,232,913)	(211,447)
Net loss for the year	(2,724,306)	(370,324)
Foreign currency translation	(249,977)	(9,909)
Comprehensive loss for the year	$ (2,974,283)	$ (380,233)
Basic and diluted loss per share	$ (0.09)	$ (0.01)
Weighted average number of basic common shares outstanding	30,518,087	29,894,089

The accompanying notes are an integral part of these financial statements

FORTEM RESOURCES INC.

(FORMERLY STRONGBOW RESOURCES INC.)
STATEMENTS OF CASH FLOWS
(expressed in US dollars)

	For the years ended	
	February 28, 2017	**February 29, 2016**
Cash flows used in operating activities		
Net loss	$ (2,724,306)	$ (370,324)
Non-cash items		
Loss on settlement of convertible debt	1,309,022	-
Change in fair value of derivative liability	1,197,268	(229,327)
Accretion	202,263	2,061
Depreciation	3,409	3,419
Gain on settlement of debt	(79,239)	-
Management fees	233,786	-
Gain on write-off of accounts payable	(215,348)	-
Financing fee	73,621	-
Unrealized foreign exchange	(228,307)	31,674
Interest income	(251)	(243)
Shares issued for salaries and benefits	-	37,500
Stock-based compensation	-	107,172
Write-off of advances receivable	-	25,000
Changes in non-cash working capital items		
Receivable	(23,824)	1,401
Prepaid expenses and other	(16,290)	17,721
Accounts payable and accrued liabilities	70,302	135,229
Cash used in operating activities	(197,894)	(238,717)
Cash flows used in investing activities		
Expenditures on oil and gas properties	(63,402)	(35,399)
Deposits on oil and gas properties	-	(12,337)
Cash used in investing activities	(63,402)	(47,736)
Cash flows from financing activities		
Issuance of share capital, net of issuance costs	599,275	7,606
Subscriptions received	-	50,000
Issuance of convertible debenture	200,000	-
Net proceeds from (to) related parties	(100,924)	225,187
Cash provided by financing activities	698,351	282,793
Effect of foreign exchange on cash	-	(772)
Change in cash	437,055	(4,432)
Cash, beginning of year	22,426	26,858
Cash, end of year	$ 459,481	$ 22,426
Non-cash transactions		
Accrued expenditures on oil and gas properties	-	10,292

The accompanying notes are an integral part of these financial statements

EM RESOURCES INC.
ERLY STRONGBOW RESOURCES INC.)
MENT OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional	Share	Accumulated	Accumulated Other	To
	Number of Shares	Amount	Paid In Capital	Subscriptions Receivable	Deficit	Comprehensive Loss	Stockh De
bruary 28, 2015	29,881,824	$ 21,772	$ 2,962,947	-	$ (3,250,396)	$ (123,371)	
ock issued for cash	22,222	22	7,584	-	-	-	
l compensation	-	-	107,172	-	-	-	
ed for salaries and benefits	125,000	125	37,375	-	-	-	
	-	-	-	-	(370,324)	-	
rency translation	-	-	-	-	-	(9,909)	
bruary 29, 2016	30,029,046	21,919	3,115,078	-	(3,620,720)	(133,280)	
ock issued for cash	3,660,000	3,660	482,165	(110,000)	-	-	
ed to settle debt	2,574,812	2,575	618,853				
ed for convertible debenture	1,073,698	1,074	771,989	-	-	-	
issued	200,000	200	40,800	-	-	-	
	-	-	-	-	(2,724,306)	-	
rency translation	-	-	-	-	-	(249,977)	
bruary 28, 2017	37,537,556	29,428	5,028,885	(110,000)	(6,345,026)	(383,257)	

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Fortem Resources Inc. (the "Company") was incorporated in the State of Nevada on July 9, 2004. The Company focuses its business efforts on the acquisition, exploration, and development of oil and gas properties.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As of February 28, 2017, the Company has not achieved profitable operations, has incurred losses in developing its business, and further losses are anticipated. The Company has an accumulated deficit of $6,345,026.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and pay its liabilities when they come due. To date, the Company has funded operations through the issuance of capital stock and debt. Management plans to continue raising additional funds through equity or debt financings and loans from directors. There is no certainty that further funding will be available as needed. These factors raise substantial doubt about the ability of the Company to continue operating as a going concern. The ability of the Company to continue its operations as a going concern is dependent upon its ability to raise sufficient new capital to fund its operating commitments and ongoing losses and ultimately on generating profitable operations. The financial statements do not include any adjustments to be recorded to assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States ("US GAAP'), and are expressed in United States dollars. The Company has not produced material revenues from its principal business to date.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. The most significant estimates with regard to these financial statements relate to carrying values of oil and gas properties, the assumptions used to record asset retirement obligations, the assumptions used to determine the fair value of derivative financial liabilities, and the estimated useful life of equipment.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar and reporting currency is the United States dollar. The Company translates assets and liabilities to US dollars using year-end exchange rates, stockholders' deficit accounts are translated at historical exchange rates, and translates revenues and expenses using average exchange rates during the period. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the Statement of Operations. Adjustments arising from the translation of balances from the Canadian dollar to the US dollar are included in other comprehensive income (loss). The Company has not entered into derivative instruments to offset the impact of foreign currency fluctuations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Oil and Gas Properties

The Company utilizes the full cost method to account for its investment in oil and gas properties. Accordingly, all costs associated with acquisition, exploration and development of oil and gas reserves, including such costs as leasehold acquisition costs, interest costs relating to unproved properties, geological expenditures, tangible and intangible development costs including direct internal costs are capitalized to the full cost pool. When the Company commences production from established proven oil and gas reserves, capitalized costs, including estimated future costs to develop the reserves and estimated abandonment costs, net of salvage, will be depleted on the units-of-production method using estimates of proved reserves. Costs of unproved properties are not amortized until the proved reserves associated with the projects can be determined or until impairment occurs. If an assessment of such properties indicates that properties are impaired, the amount of impairment is added to the capitalized cost base to be amortized.

The capitalized costs included in the full cost pool are subject to a "ceiling test", which limits such costs to the aggregate of the (i) estimated present value, using a ten percent discount rate, of the future net revenues from proved reserves, based on current economic and operating conditions, (ii) the lower of cost or estimated fair value of unproven properties included in the costs being amortized, (iii) the cost of properties not being amortized, less (iv) income tax effects related to differences between the book and tax basis of the cost of properties not being amortized and the cost or estimated fair value of unproved properties included in the costs being amortized.

Sales of proved and unproved properties are accounted for as adjustments of capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in the statement of operations. The Company's oil and gas properties are under development with minimal production to date. Accordingly, no amortization is being recorded.

Equipment

Equipment is recorded at cost and amortized on a straight line basis over 20 years.

Asset Retirement Obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs an obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The estimated fair value of the asset retirement obligation is based on the current cost escalated at an inflation rate and discounted at a credit adjusted risk-free rate. This liability is capitalized as part of the cost of the related asset and amortized over its useful life. The liability accretes until the Company settles the obligation.

Environmental

Oil and gas activities are subject to extensive federal and state environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites.

Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Expenditures that have future economic benefits are capitalized. Liabilities for expenditures of a non-capital nature are recorded when an environmental assessment and/or remediation is probable, and the costs can be reasonably estimated.

Impairment of Long-Term Assets

The Company has adopted FASB ASC 360 "*Accounting for the Impairment or Disposal of Long-Lived Assets," w*hich requires that long-lived assets to be held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Oil and gas interests accounted for under the full cost method are subject to a ceiling test, described above, and are excluded from this requirement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue
Revenue is recognized when:

- The significant risks and rewards of ownership have been transferred;
- Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold has been retained;
- The amount of revenue can be measured reliably; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of consideration received or receivable.

Proceeds from the sale of oil and gas prior to commercial production are credited to costs deferred during development.

Fair Value of Financial Instruments
The estimated fair values for financial instruments are determined based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair value of cash, receivable, accounts payable and accrued liabilities, amounts due to related party and note payable approximate their carrying value due to the short-term nature of those instruments.

ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and

Level 3 – Unobservable inputs that are supported by little or no market activity, there for requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The Company had certain Level 3 liabilities required to be recorded at fair value on a recurring basis in accordance with US GAAP as at February 28, 2017. As at February 28, 2017, the Company's Level 3 liabilities consisted of warrants. The resulting Level 3 liabilities have no active market and are required to be measured at their fair value each reporting period based on information that is unobservable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A summary of the Company's level 3 liabilities for the years ended February 28, 2017 and February 29, 2016 is as follows:

	February 28, 2017	February 29, 2016
Warrants		
Beginning fair value	$ 150,136	$ 379,463
Issuance	1,043,074	-
Change in fair value	1,397,267	(229,327)
Ending fair value of warrants	2,590,477	150,136
Embedded Conversion feature		
Beginning fair value	-	-
Bifurcation of embedded conversion feature	199,999	-
Change in fair value	(199,999)	-
Ending fair value of embedded conversion feature	-	-
Ending fair value of Level 3 liability	**$ 2,590,477**	**$ 150,136**

Basic and Diluted Income (Loss) per Share

Earnings or loss per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income (loss) by the weighted-average of all potentially dilutive shares of the common stock that were outstanding during the years presented. There were 6,123,698 (2016 - 3,680,000) potentially dilutive securities excluded from the calculation of diluted loss per share as their effect would be anti-dilutive.

The treasury stock method is used in calculating diluted EPS for potentially dilutive stock options and share purchase warrants, which assumes that any proceeds received from the exercise of in-the-money stock options and share purchase warrants, would be used to purchase common shares at the average market price for the period.

Income Taxes

Income taxes are determined using the liability method. Deferred tax assets and liabilities, if any, are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes that date of enactment. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

The Company accounts for uncertainty in income taxes by applying a two-step method. First, it evaluates whether a tax position has met a more likely than not recognition threshold, and second, it measures that tax position to determine the amount of benefit, if any, to be recognized in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable) and to provide related footnote disclosures. The ASU provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The ASU is effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016, which for the Company is April 1, 2017. Early adoption is permitted. The adoption of this standard did not have a material impact on the Company's financial position or results of operations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.* This ASU is effective for annual periods beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. ASU No 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The adoption of this standard will not have a material impact on the Company's financial position or results of operations.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

3. OIL AND GAS PROPERTIES

Effective February 21, 2012, the Company entered into a Farmout Agreement (the "Agreement") with Harvest Operations Corp. ("Farmor"). The Agreement provided for the Company's acquisition of an undivided 100% working interest ("Working Interest") in a petroleum and natural gas license covering land located in the Compeer Area in the Province of Alberta, Canada (the "Farmout Lands").

To earn the Working Interest the Company was required to drill, complete, equip or abandon a test well on the Farmout Lands ("Test Well"). On March 14, 2012, the Company obtained operator status and was transferred the well license relating to the Test Well.

The Company's Working Interest in the Farmout Lands will be held subject to a non-convertible overriding royalty payable to the Farmor ("Farmor's Royalty"). The Farmor's Royalty on net crude oil revenues will be measured on a sliding scale from 5% to 15% over a range of production volumes from 1 to 150 barrels per day. The Farmor's Royalty on net gas and other petroleum product revenues is 15%.

The Test Well was spudded on May 27, 2012, and on September 5, 2012, the Company received an earning notice granting the Company a 100% working interest in the Farmout Lands.

As of February 28, 2017, the Company has incurred $641,494 (2016 - $568,151) in exploration costs to drill, complete and equip the Test Well, net of impairment charges in prior periods. The Company also has $33,082 (CAD$43,934) (2016 - $32,224 (CAD$43,605)) in bonds held with the Alberta Energy Regulator for its oil and gas properties.

4. EQUIPMENT

	February 28, 2017		
	Cost	Accumulated Depreciation	
	$	**$**	**$**
Oil and gas equipment	67,289	12,333	**54,956**

	February 29, 2016		
	Cost	Accumulated Depreciation	
	$	**$**	**$**
Oil and gas equipment	66,038	8,802	**57,236**

5. ACCOUNTS PAYABLE

During the year ended February 28, 2017, the Company paid $11,471 (CAD$15,000) in cash to settle $22,942 (CAD$30,000) of balance owing to the former chief operating officer of the Company. As a result, the Company recorded a gain on settlement of debt of $11,471.

During the year ended February 28, 2017, the Company paid $5,000 in cash to settle $12,898 of balance owing to a creditor. As a result, the Company recorded a gain on settlement of debt of $7,898.

6. NOTE PAYABLE

As at February 28, 2017, the Company had $18,825 (CAD$25,000) (2016 - $18,475 (CAD$25,000)) in short term note obligations to an unrelated party. The note payable is unsecured, non-interest bearing and payable upon demand.

7. ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation consists of reclamation and closure costs associated with the Test Well in the Farmout Lands. The asset retirement obligation was estimated based on the Company's understanding of its requirements to reclaim currently disturbed areas. Significant reclamation and closure activities include land rehabilitation, water, removal of building and well facilities and tailings reclamation.

The undiscounted estimate of this liability was $37,650 (CAD$50,000) (2016 - $36,950 (CAD$50,000)) reflecting payments commencing in 2024. This estimate was adjusted for an inflation rate of 2.00% and then discounted at a rate of 10.00% for a net present value of $24,546 (CAD$32,597) (2016 - $21,900 (CAD$29,660)) as at February 28, 2017.

8. CONVERTIBLE DEBENTURE AND DERIVATIVE FINANCIAL LIABILITIES

On May 17, 2016, the Company entered into a secured convertible debenture agreement (the "Debenture") with a Lender. Under the Debenture, the Lender agreed to lend to the Company $200,000. At the discretion of the Lender, the principal and accrued but unpaid interest under the Debenture was convertible into units of the Company at $0.20 per unit at any time until the Maturity Date. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to purchase one common share at a price of $0.40 per share for a period of two years.

8. CONVERTIBLE DEBENTURE AND DERIVATIVE FINANCIAL LIABILITIES (continued)

The conversion feature was determined to be a derivative liability due to the conversion price being denominated in a currency other than the Company's functional currency; therefore, at initial measurement, the proceeds were allocated to the conversion feature and any residual proceeds to the principal. At issuance date, the fair value of the conversion feature was $199,999 and a value of $1 was allocated to the principal.

In consideration for the Debenture, the Company issued the Lender 200,000 units. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to purchase one common share at a price of $0.40 per share for a period of two years. The warrants were determined to be derivatives. At issuance date, the fair value of these units totaling $73, 621 was recorded as a financing fee in the Statement of Operations.

On February 10, 2017, the Lender converted the outstanding principal and interest of $214,740 into 1,073,698 units of the Company with each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to purchase one common share at a price of $0.40 per share for a period of two years. At conversion date, the fair value of the common shares and warrants was $1,509,022. As a result, the Company recorded a loss on settlement of convertible debt of $1,309,022.

During the year ended February 28, 2017, the Company recognized accretion expense of $199,999 (2016 - $Nil) and a gain on fair value adjustment of $199,999 (2016 - $Nil). At February 28, 2017, the fair value of the derivative liability associated with the conversion feature was $Nil (2016 - $Nil).

The fair value of the conversion feature was calculated using the Black-Scholes Option Pricing Model at the issuance date, and was revalued at each reporting date.

9. DERIVATIVE FINANCIAL LIABILITIES - WARRANTS

Balance, February 28, 2015	$	379,463
Fair value adjustment		(229,327)
Balance, February 29, 2016		150,136
Warrants issued		1,043,074
Fair value adjustment		1,397,267
Balance, February 28, 2017	$	2,590,477

The derivative liability consists of the fair value of share purchase warrants that were issued in unit private placements that have an exercise price in a currency other than the functional currency of the Company.

9. DERIVATIVE FINANCIAL LIABILITIES – WARRANTS (continued)

At February 28, 2017, the fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following weighted average market assumptions:

	February 28, 2017	February 29, 2016
Volatility	265%	235%
Risk-free interest rate	1.22%	0.68%
Expected life	1.99 years	1.43 years
Dividend yield	nil	nil

10. SHARE CAPITAL

During the year ended February 28, 2017:

In March 2016, the Company issued 500,000 units at a price of $0.10 per unit for a total of $50,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into one additional share at an exercise price of $0.40 for a period of three years. The proceeds for this issuance were received in the year ended February 29, 2016 and on the issuance of these units, the Company allocated $500 to share capital and $49,500 to the warrant liability.

In May 2016, the Company issued 353,521 common shares with a fair price of $0.10 per share for a total of $35,352 to settle accounts payable of $95,584 (CAD$123,733). As a result, the Company recorded a gain on settlement of debt of $60,232.

In May 2016, the Company issued 200,000 units with a fair price of $0.21 per share in regards to the secured convertible debenture (Note 8). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to purchase one common share at a price of $0.40 per share for a period of two years. The warrants were determined to be derivatives. At issuance date, the fair value of the common shares and warrants was $73,621 with $41,000 allocated to share capital and $32,621 allocated to warrant liability.

In September 2016, the Company issued 250,000 units at a price of $0.10 per unit for gross proceeds of $25,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into one additional share at an exercise price of $0.40 for a period of three years. Upon the issuance of these units, the Company allocated $250 to share capital and $24,750 to the warrant liability.

In November 2016, the Company issued 400,000 common shares at a price of $0.25 per share for gross proceeds of $100,000.

In January 2017, the Company issued 1,680,000 common shares with a fair price of $0.25 per share for a total of $420,000 to settle amounts due to a related party payable of $420,000.

In January 2017, the Company issued 182,832 common shares with a fair price of $0.25 per share for a total of $45,708 to settle accrued liabilities of $76,100. As a result, the Company recorded a gain on settlement of debt of $30,392.

In January 2017, the Company issued 121,888 common shares with a fair price of $0.25 per share for a total of $30,472 to settle amounts due to a related party of $30,472.

In January 2017, the Company issued 236,571 common shares with a fair price of $0.38 per share for a total of $89,897 to settle accounts payable of $59,143. As a result, the Company recorded a loss on settlement of debt of $30,754.

10. SHARE CAPITAL (continued)

In January 2017, the Company issued 400,000 shares at a price of $0.25 per share for gross proceeds of $100,000.

In February 2017, the Company issued 1,310,000 shares at a price of $0.25 per share for gross proceeds of $327,500.

In February 2017, the Company issued 800,000 units at a price of $0.25 per unit for gross proceeds of $200,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into one additional share at an exercise price of $0.60 for a period of two years. Upon the issuance of these units, the Company allocated $800 to share capital and $199,200 to the warrant liability.

In February 2017, the Company issued 1,073,698 units with a fair price of $1,509,022 in connection with the conversion of the convertible debenture (Note 8). Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into one additional share at an exercise price of $0.40 for a period of two years. Upon the issuance of these units, the Company allocated $773,063 to share capital and $735,959 to the warrant liability.

The Company paid a total of $43,225 in finder's fees in connection with the private placements of equity financings during the year ended February 28, 2017.

During the year ended February 29, 2016:

In August 2015, the Company issued 22,222 common shares at CAD$0.45 for gross proceeds of $7,606 (CAD$10,000) in subscriptions for a private placement.

In January 2016, the Company issued 125,000 common shares to a former officer for an employment contract entered in April 2015. The fair value of the shares issued was $37,500, and is included in salaries and benefits.

Share Subscriptions Receivable

As at February 28, 2017, the Company had $110,000 in share subscriptions receivable. Subsequent to the year end, the Company received the proceeds in full.

Warrants

Below is a summary of the common share purchase warrant transactions:

	Number of Warrants	Weighted Average Exercise Price per Warrant
		$
Outstanding at February 28, 2015 and February 29, 2016	1,080,000	0.40
Issued	2,823,698	0.46
Expired	(80,000)	1.50
Number of warrants at February 28, 2017	3,823,698	0.44

10. SHARE CAPITAL (continued)

A summary of the common share purchase warrants outstanding and exercisable at February 28, 2017 is as follows:

Exercise Price	Number Outstanding	Expiry Date
$		
0.40	200,000	May 17, 2018
0.40	1,000,000	March 8, 2019
0.40	500,000	March 9, 2019
0.40	250,000	September 22, 2019
0.60	800,000	February 10, 2019
0.40	1,073,698	February 10, 2019
	3,823,698	

The weighted average exercise price is $0.44 and weighted average life of the warrants is 1.59 years.

Stock Options

The Company's Stock Option Plan allows a maximum 5,579,335 shares to be reserved for issuance under the plan. Options granted under the plan may not have a term exceeding 10 years and vesting provisions are at the discretion of the Board of Directors.

In November 2015, the Company granted 2,600,000 stock options for a period of five years, valued at $0.04 per option for a total value of $107,172 calculated using the Black-Scholes Option Pricing Model assuming a life expectancy of five years, a risk free rate of 1.59%, a forfeiture rate of 0%, and volatility of 168%.

During the year ended February 28, 2017, there were 300,000 stock options forfeited.

A summary of the stock options outstanding and exercisable at February 28, 2017 is as follows:

Exercise Price	Number Outstanding and Exercisable	Expiry Date	Aggregate Intrinsic Value
$			$
0.10	2,300,000	November 3, 2020	1,403,000

As at February 28, 2017, the remaining contractual life of the stock options outstanding was 3.68 years.

The aggregate intrinsic value in the proceeding table represents the total intrinsic value, based on the Company's closing stock price of $0.71 per share as of February 28, 2017.

11. RELATED PARTY TRANSACTIONS

During the year ended February 28, 2017, the Company

- Incurred a total of $233,786 (2016 - $91,824) in management fees to a director and officer of the Company.
- Incurred a total of $Nil (2016 - $3,634) in consulting fees to a director and officer of the Company.
- Incurred a total of $Nil (2016 - $108,262) to the former chief operating officer of the Company included in salaries and benefits. Of this amount, $37,500 was issued in shares of the Company.
- Incurred a total of $Nil (2016 - $107,172) in share-based payments to directors and management of the Company.
- Issued 1,680,000 common shares with a fair price of $0.25 per share for a total of $420,000 to settle amounts due to related party payable of $420,000.

As at February 28, 2017, Nil (2016 - $22,170 (CAD$30,000) was owing to the former chief operating officer of the Company and was included in accrued liabilities. This amount was non-interest bearing and unsecured.

Due to related parties consist of the following:

	February 28, 2017	February 29, 2016
	$	$
Due to directors and officers of the Company	48,831	334,869

12. INCOME TAXES

The Company is subject to United States federal income taxes at an approximate rate of 35%. The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows**:**

	February 28, 2017	February 29, 2016
	$	**$**
Loss before income taxes	(2,724,306)	(370,324)
Statutory tax rate	35%	35%
Expected recovery of income taxes computed at statutory rates	(954,000)	(130,000)
Permanent differences	680,000	(43,000)
Reconciliation of tax rates and other	-	(132,000)
Effect of foreign exchange	4,000	-
Change in valuation allowance	270,000	305,000
Provision for income taxes	$ -	$ -

12. INCOME TAXES (continued)

The significant components of deferred income tax assets at February 28, 2017 and February 29, 2016 are as follows:

	February 28, 2017	February 29, 2016
Deferred income tax assets:		
Operating loss carry forward	1,483,000	1,209,000
Oil and gas properties	342,000	346,000
Less: valuation allowance	(1,825,000)	(1,555,000)
Deferred income tax assets, net	-	-

At February 28, 2017, the Company had accumulated non-capital loss carry-forwards of approximately $4,237,000 that expire from 2025 through 2037.

The potential future tax benefits of these expenses and losses carried-forward have not been reflected in these financial statements due to the uncertainty regarding their ultimate realization.

Tax attributes are subject to review, and potential adjustment by tax authorities.

13. SUBSEQUENT EVENTS

a) In March and April 2017, the Company issued a total of 2,347,142 shares for total gross proceeds of $1,304,999.

b) In April 2017, the Company entered into and closed two Membership Interest Purchase Agreements with three arm's length vendors to acquire all membership interest of Colony Energy, LLC ("Colony"), a Nevada limited liability company. Colony holds a 100% interest in and to certain petroleum, natural gas and general rights, including Alberta Crown Petroleum and Oil Leases, in 20 contiguous sections totaling 12,960 acres located in the Godin area of Northern Alberta.

In consideration for the acquisition of Colony, the Company issued an aggregate of 21,000,000 shares of its common stock to the three vendors on the closing date and agreed to issue an additional 3,000,000 shares on a postclosing basis with 1,000,000 shares to be issued to one of the vendors on the first, second and third anniversaries of the closing date.

c) In April 2017, the Company entered into and closed a Membership Interest Purchase Agreement with two arm's length vendors to acquire all membership interest of Black Dragon, LLC ("Black Dragon"), a Nevada limited liability company. Black Dragon has the right to acquire a 75% working interest in and to certain leases, hydrocarbons, wells, agreements, equipment, surface rights agreements and assignable permits totaling approximately 165,000 acres (258 sections) at an 80% net revenue interest located in the Moenkopi formation of the Carbon and Emery Counties, Utah ("Black Dragon Property").

In consideration for the acquisition of Black Dragon, the Company issued an aggregate of 20,000,000 shares of its common stock to the two vendors on the closing date and paid US$100,000 prior to the closing as a non-refundable deposit. In addition, the Company assumed the obligation for certain cash payments totaling $2.7 million before September 1, 2018 (or $2.4 million if all payments are made by September 1, 2017) for the working interest in the Black Dragon Property.

13. SUBSEQUENT EVENTS (continued)

d) In April 2017, the Company entered into and closed a Membership Interest Purchase Agreement with two arm's length vendors to acquire 100% membership interest of Rolling Rock Resources, LLC ("Rolling Rock"), a Nevada limited liability company. Rolling Rock has the right to acquire a 50% working interest in and to certain leases, hydrocarbons, wells, agreements, equipment, surface rights agreements and assignable permits totaling approximately 101,888 acres (160 sections) at an 80% net revenue interest located in the Mancos formation in the Southern Uinta Basin, Utah ("Rolling Rock Property").

In consideration for the acquisition of Rolling Rock, the Company issued an aggregate of 20,000,000 shares of its common stock to the two vendors on the closing date and paid US$100,000 prior to the closing as a non-refundable deposit. In addition, the Company assumed the obligation for certain cash payments totaling $2.4 million before September 1, 2018 (or $2.15 million if all payments are made by September 1, 2017) for the working interest in the Rolling Rock Property.

e) In May 2017, the Company acquired 100% of the membership interest in City of Gold, LLC, a Nevada limited liability company, from two Nevada limited liability companies pursuant to a Membership Interest Purchase Agreement. The Membership Interest Purchase Agreement provides for a total purchase price consisting of an aggregate of 30,000,000 common shares of its common stock at a deemed price of $2.00 per share (the "Purchase Shares"). 15,000,000 of the Purchase Shares were issued at closing; the other 15,000,000 Purchase Shares are to be issued within ten Business Days after City of Gold, LLC earns the Option.

City of Gold, LLC's sole assets consist of 2,930,259 common shares and 2,930,259 share purchase warrants in the capital of Asia Pacific Mining Limited (**"Asia Pacific"**) and its rights under a binding financing and option agreement (the **"Option Agreement"**) with two vendors. City of Gold, LLC's only liabilities consist of three demand notes in favor of the Company for an aggregate of $1,500,000.

Under the Option Agreement, the vendors have agreed to grant to City of Gold, LLC the option (the "Option") to purchase 100% of the ownership interest in a wholly-owned subsidiary of Asia Pacific (the "Project Subsidiary") which, in turn, owns 100% of the rights to the City of Gold mineral exploration project located in Myanmar which covers an area of approximately 465 square kilometers in close proximity to hydropower, water, and infrastructure to accommodate exploration and development of the property. City of Gold, LLC can earn the Option upon issuance of an exploration license for the City of Gold Project, subject to a financing condition.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures

We maintain "disclosure controls and procedures", as that term is defined in Rule 13a-15(e), promulgated by the Securities and Exchange Commission pursuant to the *Securities Exchange Act of 1934*, as amended. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the *Securities Exchange Act of 1934* is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal accounting officer to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 under the *Securities Exchange Act of 1934*, our management, with the participation of our principal executive officer and principal financial officer, evaluated our company's disclosure controls and procedures as of the end of the period covered by this annual report on Form 10-K. Based on this evaluation, our management concluded that as of the end of the period covered by this annual report on Form 10-K, our disclosure controls and procedures were effective.

Internal control over financial reporting

Management's annual report on internal control over financial reporting

Our management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934).

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our internal control over financial reporting as of February 28, 2017. Our management's evaluation of our internal control over financial reporting was based on the framework in Internal Control—Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of February 28, 2017 and that there were no material weaknesses in our internal control over financial reporting.

A material weakness is a deficiency or a combination of control deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Limitations on Effectiveness of Controls

Our principal executive officer and principal financial officer do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additional controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting during the fourth quarter of our fiscal year ended February 28, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We are committed to improving our organization. We intend to: (1) increase our accounting personnel when funds are available which will also permit better segregation of duties, (2) appoint one or more additional outside directors who will also be appointed to our audit committee; and (3) prepare and implement sufficient written procedures pertaining to accounting.

We will continue to monitor and evaluate the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and are committed to taking further action and implementing additional improvements as necessary and as funds allow.

ITEM 9B. OTHER INFORMATION
None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

Our directors and executive officers, their age, positions held, and duration of such, are as follows:

Name	Position Held with our Company	Age	Date First Elected or Appointed
Michael Caetano	Chief Executive Officer, President, Secretary, Treasurer and Director	44	July 30, 2013
Robert DaCunha	Chief Financial Officer and Director	42	November 30, 2013

Business Experience

The following is a brief account of the education and business experience of directors and executive officers during at least the past five years, indicating their principal occupation during the period, and the name and principal business of the organization by which they were employed:

Michael Caetano, Chief Executive Officer, President, Secretary and Treasurer and Director

Michael Caetano joined our board of directors and became our president, chief executive officer secretary and treasurer on July 30, 2013. He has over 20 years of successful business development and leadership in a wide variety and range of businesses. Along with his business experience he specializes in capital funding, mergers and acquisitions. Mr. Caetano possesses a combination of high energy, entrepreneurial spirit and innate curiosity which will serve Fortem well in its goal of emerging into a successful junior oil and gas exploration and production company.

We believe Mr. Caetano is qualified to serve on our board of directors because of his knowledge of our company's history and current operations and his prior and current board experience, in addition to his education and business experience in business development.

Robert DaCunha, Chief Financial Officer and Director

Robert DaCunha, BA, joined our board of directors and became our chief financial officer on November 30, 2013. Mr. DaCunha earned his Bachelor of Arts degree from the University of Toronto. He has over 10 years of broad finance experience with financial institutions as well as private and public companies. He has been appointed onto the board of directors of several companies and has strong understanding of compliance and audit requirements. Mr. DaCunha is proficient in financial analysis and concentrates on the details pertaining to running a successful organization.

We believe Mr. DaCunha is qualified to serve on our board of directors because of his knowledge of our company's history and current operations and his prior and current board experience, in addition to his education and business experience in finance and accounting.

Family Relationships

There are no family relationships between any director or executive officer.

Involvement in Certain Legal Proceedings

Our directors and executive officers have not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

4. being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

5. being the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of: (i) any federal or state securities or commodities law or regulation; or (ii) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

6. being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Securities Exchange Act of 1934), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended February 28, 2017, all filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with, with the exception of the following:

Name	Number of Late Reports	Number of Transactions Not Reported on a Timely Basis	Failure to File Required Forms
Michael Caetano	1	1	Nil

Code of Ethics

We have not adopted a code of ethics because our board of directors believes that our small size does not merit the expense of preparing, adopting and administering a code of ethics. Our board of directors intends to adopt a code of ethics when circumstances warrant.

Corporate Governance

Term of Office

Our directors hold office until the next annual meeting of stockholders and until their successors have been elected and qualified or until their death, resignation or removal. Our board of directors appoints our executive officers, and our executive officers serve at the pleasure of our board of directors.

Committees of the Board

Our board of directors held no formal meetings during the year ended February 28, 2017. All proceedings of our board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the State of Nevada and our By-laws, as valid and effective as if they had been passed at a meeting of our directors duly called and held.

We currently do not have nominating or compensation committees or committees performing similar functions nor do we have a written nominating or compensation committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by our Board of Directors.

We do not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. We do not currently have any specific or minimum criteria for the election of nominees to our board of directors and we do not have any specific process or procedure for evaluating such nominees. Our board of directors assesses all candidates, whether submitted by management or shareholders, and makes recommendations for election or appointment.

A shareholder who wishes to communicate with our board of directors may do so by directing a written request to the address appearing on the first page of this annual report.

AUDIT COMMITTEE DISCLOSURE

Under Canadian National Instrument 52-110 – Audit Committees ("**NI 52-110**") reporting issuers are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's Charter, composition of the Committee, and the fees paid to the external auditor. We provide the following disclosure with respect to our board of directors, which acts as our Audit Committee:

Audit Committee Charter

Our audit committee charter is filed as Exhibit 99.1 to this annual report on Form 10-K.

Composition of Audit Committee

The members of our Audit Committee are:

Member	**Independent**[(1)]	**Financially Literate**[(2)]
Michael Caetano	No	Yes
Robert DaCunha	No	Yes

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with our company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements.

Audit Committee and Audit Committee Financial Expert

Our board of directors has determined that while we have a board member (Robert DaCunha) that qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K, we do not have a board member that qualifies as "independent" as the term is used by NASDAQ Marketplace Rule 5605(a)(2).

Audit Committee Oversight

At no time since the commencement of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by our board of directors.

Reliance on Certain Exemptions

Since the commencement of our most recently completed financial year, we have not relied on the exemptions contained in section 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of National Instrument 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), 6.1.1(5) (Events Outside Control of Member) and 6.1.1(6) (Death, Incapacity or Resignation) provide exemptions from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of our company or of an affiliate of our company. Part 8 (Exemptions) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of National Instrument 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of our external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by us.

Exemption

We are relying on the exemption provided by section 6.1 of NI 52-110 which provides that we, as a venture issuer, are not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

General

The Board of Directors (the "**Board**") of our company believes that good corporate governance improves corporate performance and benefits all shareholders. Canadian National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, Canadian National Instrument 58-101 *Disclosure of Corporate Governance Practices* prescribes certain disclosure by our company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board is comprised of Michael Caetano and Robert DaCunha. None of the Company's directors are independent as each director is also an officer of the Company.

Directorships

None of our directors are or have been directors of other reporting issuers or equivalent.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by our company, as may be applicable. The Board does not take any steps to provide continuing education for directors.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by our governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates in the best interests of our company.

Nomination of Directors

Our directors are responsible for identifying individuals qualified to become new directors and recommending to the Board new director nominees.

Compensation

The Board is responsible for determining compensation for the directors of our company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board has no formal policy to monitor the effectiveness of the directors, the Board and its committees.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation

The particulars of compensation paid to the following persons:

(a) all individuals serving as our principal executive officer during the year ended February 28, 2017;

(b) each of our two most highly compensated executive officers who were serving as executive officers at the end of the year ended February 28, 2017 who had total compensation exceeding $100,000; and

(c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the most recently completed financial year,

who we will collectively refer to as the named executive officers, for our years ended February 28, 2017 and February 29, 2016, are set out in the following summary compensation table:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensa-tion ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensa-tion ($)	Total ($)
Michael Caetano[1] *President, Chief Executive Officer, Secretary, Treasurer and Director*	2017 2016	233,786[3] 91,824[3]	Nil Nil	Nil Nil	Nil 82,440[5]	Nil Nil	Nil Nil	Nil Nil	233,786 174,264
Robert DaCunha[2] *Chief Financial Officer and Director*	2017 2016	Nil 3,634[4]	Nil Nil	Nil Nil	Nil 12,366[5]	Nil Nil	Nil Nil	Nil Nil	Nil 16,000

(1) Mr. Michael Caetano was appointed as our President, Chief Executive Officer, Secretary, Treasurer and a director on July 30, 2013.

(2) Mr. Robert DaCunha was appointed as our Chief Financial Officer and a director on November 30, 2013.

(3) Mr. Caetano was compensated in the form of management fees paid to an entity under his control, for services rendered in the normal course of operations. These fees were accrued.

(4) Mr. DaCunha was compensated in the form of consulting fees paid personally, for services rendered in the normal course of operations.

(5) On November 3, 2015, the Company granted 2,600,000 stock options for a period of five years, valued at $0.04 per option for a total value of $107,172 calculated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk free rate of 1.59%, a forfeiture rate of 0%, and volatility of 168%.

Compensation Discussion and Analysis

We have not entered into any agreements or understandings with our executive officers.

Long-Term Incentive Plans, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our board of directors from time to time. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth for each named executive officer certain information concerning the outstanding equity awards as of February 28, 2017:

	Option awards					Stock awards			
Name	**Number of securities underlying unexercised options (#) exercisable**	**Number of securities underlying unexercised options (#) unexercisable**	**Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)**	**Option exercise price ($)**	**Option expiration date**	**Number of shares or units of stock that have not vested (#)**	**Market value of shares of units of stock that have not vested ($)**	**Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)**	**Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)**
Michael Caetano	2,000,000	Nil	Nil	0.10	11/3/2020	Nil	Nil	Nil	Nil
Robert DaCunha	300,000	Nil	Nil	0.10	11/3/2020	Nil	Nil	Nil	Nil

Compensation of Directors

We have no directors who were not named executive officers for the year ended February 28, 2017.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

In the following table, we have determined the number and percentage of shares beneficially owned in accordance with Rule 13d-3 of the Securities Exchange Act of 1934 based on information provided to us by beneficial owner of more than 5% of our common stock, named executive officers and directors, and this information does not necessarily indicate beneficial ownership for any other purpose. In determining the number of shares of our common stock beneficially owned by a person and the percentage ownership of that person, we include any shares as to which the person has sole or shared voting power or investment power, as well as any shares subject to warrants or options held by that person that are currently exercisable or exercisable within 60 days.

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class[1]
Common Stock	Michael Caetano 3569 Twinmaple Drive Mississauga, ON, L4Y 3P9	4,430,000[2] Direct/ Indirect	3.76%
Common Stock	Robert DaCunha 68 Armstrong Avenue Toronto, ON M6H 1V8	303,333[3] Direct	0.26%
	Directors & Current Executive Officers as a group (2 persons)	4,730,000	4.08%
Common Stock	Marc A. Bruner 1155 Blake Street, Suite 1002 Denver, CO 80202	37,500,000[4] Indirect	32.36%
Common Stock	JM Magna Holdings LLC 153 Sierra Court Maple, ON L6A 2L8	17,500,000 Direct	15.10%
Common Stock	Angela Mainardi 1503 Commercial Drive Vancouver, BC V5L 3Y1	20,000,000[5] Indirect	17.26%

* Less than 1%.

(1) Percentage of ownership is based on 115,884,698 common shares issued and outstanding as of May 30, 2017. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable.

(2) Includes stock options which allow the holder to purchase 2,000,000 additional shares. Includes 1,680,000 common shares owned by Precision Asset Consulting Executives Inc., of which Michael Caetano beneficially owns and controls all securities.

(3) Includes stock options which allow the holder to purchase 300,000 additional shares.

(4) Consists of 17,500,000 common shares owned by MAB Resources Holdings LLC and 20,000,000 common shares owned by Blue Phoenix Energy, LLC. Marc A. Bruner owns and controls MAB Resources Holdings LLC and Blue Phoenix Energy, LLC.

(5) Consists of 20,000,000 common shares owned by Pacific Petroleum LLC. Angela Mainardi exercises investment power over common shares owned by Pacific Petroleum LLC.

Changes in Control

To the knowledge of management and other than as discussed below, there are no present arrangements or pledges of securities of which may result in a change in the control of our company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with related persons

Except as disclosed below, since March 1, 2015, there have been no transactions, or currently proposed transactions, in which we were or are to be a participant and the amount involved exceeds the lesser of $120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years, and in which any of the following persons had or will have a direct or indirect material interest:

(i) Any director or executive officer of our company;

(ii) Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;

(iii) Any of our promoters and control persons; and

(iv) Any member of the immediate family (including spouse, parents, children, siblings and in- laws) of any of the foregoing persons.

During the year ended February 28, 2017, the Company:

- Incurred or accrued a total of $233,786 (February 29, 2016 - $91,824) in management fees to Michael Caetano, a director and officer of the Company. As at February 28, 2017, $40,595 (February 29, 2016 - $331,145) was owing to Michael Caetano and have been included in due to related parties. The amounts are non-interest bearing and unsecured. In addition, the Company issued 1,680,000 common shares to a Company controlled by Michael Caetano, with a fair price of $0.25 per share for a total of $420,000 to settle payable of $420,000.
- Incurred or accrued a total of $nil (February 29, 2016 - $3,634) in consulting fees to Robert DaCunha, a director and officer of the Company. As at February 28, 2017, $3,795 (February 29, 2016 - $3,724) was owing to Robert DaCunha and have been included in due to related parties. The amounts are non-interest bearing and unsecured.

Director Independence

Our common stock is quoted on the OTCQB, which does not impose any director independence requirements. Under NASDAQ Marketplace Rule 5605(a)(2), a director is not considered to be independent if he is also an executive officer or employee of the company. Because Michael Caetano and Robert DaCunha serve in executive capacities, we determined that we have no "independent directors" as that term is defined by NASDAQ Marketplace Rule 5605(a)(2).

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

The following table sets forth the fees billed to our company for the years ended February 28, 2017 and February 29, 2016 for professional services rendered by Dale Matheson Carr-Hilton LaBonte, LLP, Chartered Professional Accountants:

Fees		**2017**		**2016**
Audit Fees	$	18,825	$	13,269
Audit Related Fees		10,814		9,105
Tax Fees		-		-
Other Fees		-		-
Total Fees	**$**	29,639	**$**	22,374

The category of "Audit-related fees" includes fees for our annual audit, quarterly reviews and services rendered in connection with regulatory filings with the SEC. "Tax fees" include fees incurred in the review and preparation of our annual income tax filings.

Pre-Approval Policies and Procedures

Our entire Board of Directors, which acts as our audit committee, pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by our board of directors before the respective services were rendered.

Our Board of Directors has considered the nature and amount of fees billed by Dale Matheson Carr-Hilton LaBonte, LLP and believe that the provision of services for activities unrelated to the audit is compatible with maintaining their respective independence.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibits required by Item 601 of Regulation S-K:

No.	**Description**
3.1	Articles of Incorporation (incorporated by reference from our registration statement on Form SB-2 filed on December 1, 2006)
3.2	Corporate Bylaws (incorporated by reference from our registration statement on Form SB-2 filed on December 1, 2006)
3.3	Certificate of Change (incorporated by reference from our current report on Form 8-K filed on October 22, 2007)
3.4	Certificate of Amendment (incorporated by reference from our current report on Form 8-K filed on February 15, 2008)
3.5	Articles of Merger dated effective March 30, 2017 (incorporated by reference from our current report on Form 8-K filed on March 30, 2017)
10.1	Farmout Agreement, Compeer Area with Harvest Operations Corp. effective February 21, 2012 (incorporated by reference from our annual report on Form 10-K filed on May 29, 2012)

10.2	Debt Settlement Agreement dated October 16, 2014, amongst the Company, Professional Trading S.A. and Stockbridge Resources Corp. (incorporated by reference from our current report on Form 8-K filed on October 20, 2014)
10.3	Employment Agreement dated April 23, 2015 with Kent Edney (incorporated by reference from our current report on Form 8-K filed on May 5, 2015)
10.4	Stock Option Agreement dated November 3, 2015 with Michael Caetano (incorporated by reference from our current report on Form 8-K filed on November 6, 2015)
10.5	Stock Option Agreement dated November 3, 2015 with Robert DaCunha (incorporated by reference from our current report on Form 8-K filed on November 6, 2015)
10.6	Stock Option Agreement dated November 3, 2015 with Robert Madzej (incorporated by reference from our current report on Form 8-K filed on November 6, 2015)
10.7	Debt Settlement Agreement dated April 11, 2016 with Apex Energy Consultants Inc. (incorporated by reference from our current report on Form 8-K filed on May 19, 2016)
10.8	Debt Settlement Agreement dated April 11, 2016 with Chamonix Canada Inc. (incorporated by reference from our current report on Form 8-K filed on May 19, 2016)
10.9	Debt Settlement Agreement dated January 13, 2017 with Precision Asset Consulting Executives Inc. (incorporated by reference from our current report on Form 8-K filed on February 3, 2017)
10.10	Debt Settlement Agreement dated January 13, 2017 with Seahawk Capital Corp. (incorporated by reference from our current report on Form 8-K filed on February 3, 2017)
10.11	Debt Settlement Agreement dated January 13, 2017 with CNK Enterprises Inc. (incorporated by reference from our current report on Form 8-K filed on February 3, 2017)
10.12	Debt Settlement Agreement dated January 30, 2017 with 2232985 Ontario Inc. (incorporated by reference from our current report on Form 8-K filed on February 3, 2017)
10.13	Membership Interest Purchase Agreement dated April 7, 2017 with Blue Phoenix Energy, LLC and Pacific Petroleum, LLC (incorporated by reference from our current report on Form 8-K filed on April 12, 2017)
10.14	Membership Interest Purchase Agreement dated April 12, 2017 with Blue Phoenix Energy, LLC and Pacific Petroleum, LLC (incorporated by reference from our current report on Form 8-K filed on April 17, 2017)
10.15	Membership Interest Purchase Agreement dated April 17, 2017 with MAB Resources Holdings LLC and JM Magna Holdings LLC (incorporated by reference from our current report on Form 8-K filed on April 21, 2017)
10.16	Membership Interest Purchase Agreement dated May 17, 2017 with MAB Resources Holdings LLC and JM Magna Holdings LLC (incorporated by reference from our current report on Form 8-K filed on May 24, 2017)

31.1*	Certification of Michael Caetano Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002
31.2*	Certification of Robert DaCunha Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002
32.1*	Certification of Michael Caetano Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002
32.2*	Certification of Robert DaCunha Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002
99.1*	Audit Committee Charter
99.2*	Report of Apex Energy Consultants Inc. dated April 24, 2017 on the Compeer property
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORTEM RESOURCES INC.

By: /s/ Michael Caetano
Michael Caetano
President, Chief Executive Officer, Secretary, Treasurer and Director
(Principal Executive Officer)
Date: May 31, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Michael Caetano
Michael Caetano
President, Chief Executive Officer, Secretary, Treasurer and Director
(Principal Executive Officer)
Date: May 31, 2017

By: /s/ Robert DaCunha
Robert DaCunha
Chief Financial Officer and Director
(Principal Financial Officer and Principal Accounting Officer)
Date: May 31, 2017