NEW STRATUS ENERGY INC.
(formerly RED ROCK ENERGY INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

NEW STRATUS ENERGY INC.

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The Audit Committee of the Board of Directors of New Stratus Energy Inc.

We have audited the accompanying consolidated financial statements of New Stratus Energy Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2018, and the consolidated statements of operations and comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describe matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about New Stratus Energy Inc.'s ability to continue as a going concern.

Other Matter

The statement of financial position as at March 31, 2017 and the statements of earnings and comprehensive earnings, changes in equity and cash flows for the year then ended were audited by another auditor who issued an unmodified opinion on July 28, 2017.

Deloitte LLP.

Chartered Professional Accountants

May 24, 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in Canadian dollars)

	Note	**March 31, 2018**	March 31, 2017
ASSETS			
Current assets			
Cash		**$561,929**	$4,707
Other receivables		**22,616**	20,653
Prepaid expenses		**97,994**	-
		682,539	25,360
Non-current assets			
Deposits	6	**80,406**	265,907
Exploration and evaluation	7	**1,233,723**	1,233,723
Total assets		**$1,996,668**	$1,524,990
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	8	**188,226**	770,119
Term loan	9	**1,304,050**	1,304,050
Due to shareholders	16	**575,389**	575,389
		2,067,665	2,649,558
Non-current liabilities			
Decommissioning obligations	10	**-**	102,010
Total liabilities		**2,067,665**	2,751,568
Shareholders' equity (deficiency)			
Share capital	11	**14,163,730**	11,146,365
Warrants		**398,265**	-
Contributed surplus		**619,975**	-
Cumulative translation adjustment		**(725)**	
Deficit		**(15,252,242)**	(12,372,943)
Total equity (deficiency)		**(70,997)**	(1,226,578)
Total liabilities and equity		**$1,996,668**	$1,524,990

Going concern (note 1)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in Canadian dollars)

		For the year ended March 31,	
	Note	**2018**	2017
Revenues			
		$ -	**$ -**
		-	-
Expenses			
General and administrative		**1,844,188**	31,591
Interest expense		**3,731**	115,566
Stock-based compensation	11	**854,388**	-
Foreign exchange loss		**93,306**	-
Loss on sale of assets	14	**83,686**	-
Exploration and evaluation expenses		**-**	9,777
Total expenses		**2,879,299**	156,934
Net loss		**(2,879,299)**	(156,934)
Other Comprehensive Loss			
Translation reserve		**(725)**	-
Comprehensive loss		**(2,880,024)**	(156,934)
Net loss per share			
Basic and diluted	12	**(.09)**	(.04)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in Canadian dollars)

	Shares issued	Share capital	Warrants	Contributed surplus	Accumulated deficit	Cumulative translation reserve	Net Shareholders' Equity
As at March 31, 2016	**51,137,679**	**$11,146,365**	**-**	**$9,713**	**($12,225,722)**	**-**	**($1,069,644)**
Expired stock options	-	-	-	(9,713)	9,713	-	-
Net loss for the period	-	-	-	-	(156,934)	-	(156,934)
As at March 31, 2017	**51,137,679**	**$11,146,365**	**-**	**-**	**($12,372,943)**	**-**	**($1,226,578)**
Shares issued for debt	**9,037,322**	**722,986**	**-**	**-**	**-**	**-**	**722,986**
Share consolidation	**(55,675,001)**	**-**	**-**	**-**	**-**	**-**	**-**
Issued shares at $0.05	**10,000,000**	**264,170**	**-**	**500,000**	**-**	**-**	**764,170**
Issued warrants	**-**	**-**	**213,852**		**-**	**-**	**213,852**
Issued shares at $0.10	**20,770,332**	**1,982,485**	**-**	**-**	**-**	**-**	**1,982,485**
Issued finders shares	**500,000**	**47,724**	**-**	**-**	**-**	**-**	**47,724**
Issued options	**-**	**-**		**119,975**	**-**	**-**	**119,975**
Warrant extension	**-**	**-**	**184,413**	**-**	**-**	**-**	**184,413**
Net loss for the period	**-**	**-**	**-**	**-**	**(2,879,299)**	**-**	**(2,879,299)**
Translation reserve						**(725)**	**(725)**
As at March 31, 2018	**35,770,332**	**$14,163,730**	**$398,265**	**$619,975**	**($15,252,242)**	**(725)**	**($70,997)**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in Canadian dollars)

	Note	For the year ended March 31,	
		2018	2017
Operating activities			
Net loss and comprehensive loss		**($2,879,299)**	($156,934)
Adjustments:			
Stock based compensation	11	**854,388**	-
Loss on sale of assets		**83,686**	-
Accretion on decommissioning obligation		**-**	1,728
Deposits	6	**(98,343)**	-
Accrued interest		**-**	85,705
Other receivables		**(1,963)**	(2,702)
Accounts payable and accrued liabilities		**140,299**	27,731
Unrealized foreign exchange loss		**98,793**	
		(1,802,439)	(44,472)
Investing activities			
			-
Financing activities			
Issue of common shares, net of costs	11	**2,244,379**	-
Due to shareholder		**-**	46,445
Issue of common share purchase warrants	11	**213,852**	-
Cash received on acquisition of subsidiary		**1,011**	
		2,459,242	46,445
Net increase (decrease) in cash		**656,803**	1,973
Impact of foreign exchange on foreign currency-denominated cash balances		**(99,581)**	-
Cash, beginning of period		**4,707**	2,734
Cash, end of period		**$561,929**	$4,707

See accompanying notes to the consolidated financial statements.

NOTE 1 - GENERAL INFORMATION AND GOING CONCERN

New Stratus Energy Ltd. and its subsidiary ("the Company") are in the business of acquisition, exploration and development of properties for the purpose of producing uranium and oil and gas.

New Stratus Energy Inc. is a publicly traded company, incorporated and domiciled in Canada. Its registered office is located at 1000, 250 2nd St SW, Calgary, Alberta T2P 0C1. The Company was incorporated on April 12, 2005, pursuant to the Business Corporations Act (Alberta). The Company's principal assets are mineral properties located in Saskatchewan.

At March 31, 2018, the Company had working capital deficit of $1,385,126 (March 31, 2017 – deficit of $2,624,198) and an accumulated deficit of $15,252,242 (March 31, 2017 – $12,372,943). The Company's ability to continue its operations is dependent on the Company's success in developing its mineral and oil and gas interests, obtaining required funds to continue exploration activities and attaining profitable operations. The Company plans to meet its future expenditures and obligations by raising funds through a combination of private placements and asset sales while controlling expenditures over the next twelve months.

On October 3, 2017, the Company acquired 100% of the common shares of Petrolia SARL ("the Subsidiary") for USD $1.00. The Subsidiary is a Luxembourg company incorporated on February 22, 2016.

These consolidated financial statements (the "financial statements") have been prepared on the basis that the Company will be able to discharge its obligations and realize its assets in the normal course of business at the values at which they are carried in these financial statements, and that the Company will be able to continue its business activities. The ability of the Company to realize the costs it has incurred to date on these and other properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mining claims, the ability to obtain necessary financing and attain profitable operations, or alternatively, upon the disposal of properties, or the Company's interests therein, on an advantageous basis. Management believes that steps being taken will enable the Company to obtain additional capital as its commitments become due. These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

The Board of Directors approved these financial statements for issuance on May 24, 2018.

NOTE 2 - BASIS OF PREPARATION

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS").

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for where the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Stock options and warrants:

The fair values of stock options and warrants are measured based on a Level 2 fair value measurement using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, forfeiture rate, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 4 - Determination of fair values;
- Note 7 - Exploration and evaluation assets;
- Note 10 - Decommissioning obligation
- Note 11 - Share capital
- Note 15 - Income Taxes

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

Impairment indicators and calculation of impairment:
At each reporting date, the Company assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of physical damage, deterioration of commodity prices, changes in the regulatory environment, or increases in estimates of costs required to reach technical feasibility and related estimates of proved and probable reserves.

Income taxes:
The Company recognizes deferred income tax assets to the extent that it is probable that taxable profit will be available to allow the benefit of that deferred income tax asset to be utilized. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred income tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Stock-based Compensation:
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date they are granted. Estimating the fair value requires the determination of the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant. This also requires the determination of the most appropriate inputs to the valuation model including the expected life of the option, risk free interest rates, volatility and dividend yield.

Contingencies:
By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

Non-derivative financial instruments:
Non-derivative financial instruments are comprised of cash, other receivables, trade and other payables, term loan and due to shareholders. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

Financial assets at fair value through profit or loss
An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has classified cash as fair value through profit or loss.

Other
Other non-derivative financial instruments, such as other receivables, trade and other payables, term loan and due to shareholders are measured at amortized cost using the effective interest method, less any impairment losses. Due to the short-term nature of other receivables and accounts payable, their carrying values approximate fair value.

Derivative financial instruments:
The Company has not entered into any financial derivative contracts.

Share capital:
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Exploration and evaluation assets:
Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the acquisition date fair value of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as exploration and evaluation (“E&E”) assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statements of operations and comprehensive loss.

Acquisition costs, including general and administrative costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Where the Company’s exploration commitments for a mineral or oil and gas property are performed under option agreements with a third party, the proceeds of option payments under such agreements are applied to the mineral property to the extent costs are incurred. The excess, if any, is recorded to the statement of loss. Provincial government mining credits are applied against the related mineral properties.

Impairment:
E&E assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further E&E activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in the taxation and regulatory environment; and
- Adverse changes in variations in commodity prices and markets.

Once the technical feasibility and commercial viability of the extraction of mineral resources and oil and gas properties in an area of interest are demonstrable, E&E assets attributable to that area of interest are first tested for impairment and then reclassified to mining or oil and gas property and development assets within property and equipment. To date, none of the Company’s mineral or oil and gas properties has demonstrated technical feasibility and commercial viability.

Recoverability of the carrying amount of any E&E assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Financial assets:
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the consolidated statements of operations and comprehensive loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the consolidated statements of operations and comprehensive loss.

Non-financial assets:
The carrying amounts of the Company's non-financial assets, other than E&E assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The Company does not have any other non-financial assets.

Share based payments:
As the fair value of the services rendered cannot be estimated reliably, the Black-Scholes option valuation model has been used to estimate the fair value of equity instruments granted. The grant date fair value of options granted to employees, warrants, and non-employees is recognized as compensation expense, within general and administrative expenses, with a corresponding increase in contributed surplus over the vesting period.

A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

Decommissioning obligation:
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category. The Company's asset retirement obligation is measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized or expensed. Actual costs incurred upon settlement of the asset retirement obligation are charged against the provision to the extent the provision was established.

To date, the Company's mineral properties have not advanced past the exploration stage and, accordingly, all site restoration costs are expensed as incurred. Mineral property security deposits have been paid to the Government of Saskatchewan and are refundable upon completion of required expenditures.

On May 1, 2017, the Company sold its oil and gas assets including the decommissioning liabilities – (Note 14)

Income tax:
Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Per share amounts
The Company presents basic and diluted earnings per share data for its common shares. Earnings per share are calculated by dividing the net earnings attributable to equity holders of the Company by the weighted average number of common shares outstanding.

Diluted earnings per share is determined by adjusting the net earnings attributable to equity holders of the Company and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. The calculation of diluted earnings per share assumes that outstanding options which are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share.

Segment reporting:
As at March 31, 2018, the Company operated in one reportable operating segment – the exploration and evaluation of mineral resource properties in Canada.

New standards and interpretations not yet adopted:

Recent accounting pronouncements
The following are the IFRS pronouncements that have been issued and adopted by the Company during the year-ended March 31, 2018. The adoption of these pronouncements did not have a material effect on the Company.

IAS 1 Amendment
On July 1, 2016, the Company adopted amendments to IAS 1 which involve applying professional judgment in determining what information to disclose in the financial statements. Furthermore, the amendments state that professional judgment should be used in determining where and in what order information is presented in the financial disclosures. The changes did not have a significant impact on disclosures in the Company's financial statements.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
On July 1, 2016, the Company adopted amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The changes did not have a significant impact on disclosures in the Company's financial statements

IFRS 11 "Joint Arrangements"
On July 1, 2016, the Company adopted the amendment to IFRS 11 "Joint Arrangements" for accounting for acquisitions of interest in joint operations. The amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11 and disclose the information required by IFRS 3 and other IFRSs for business combinations. The Company is in the process of assessing the impact of the above newly issued IFRS pronouncements. The changes are not expected to have a significant impact on disclosures in the Company's financial statements

IFRS 15 "Revenue from Contracts with Customers"
On April 1, 2018, the Company adopted IFRS 15, "Revenue from Contracts with Customers". IFRS 15 was issued in May 2014 and replaces IAS 11, "Construction Contracts," IAS 18, "Revenue Recognition," IFRIC 13, "Customer Loyalty Programs," IFRIC 15, "Agreements for the Construction of Real Estate," IFRIC 18, "Transfers of Assets from Customers," and SIC-31, "Revenue – Barter Transactions Involving Advertising Services." IFRS 15 provides a single, principle-based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17 and financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments," IFRS 10, "Consolidated Financial Statements" and IFRS 11, "Joint Arrangements." In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. These changes are not

expected to have any impact on the Company's financial position or comprehensive loss.

IFRS 9 "Financial Instruments"
On April 1, 2018, the Company adopted IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

Future accounting pronouncements
The following are new IFRS pronouncements that have been issued, although not yet effective and have not been early adopted. The Company is currently assessing the impact that these pronouncements will have.

IFRS 16 "Leases"
In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on- balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. These changes are not expected to have any impact on the Company's financial position or comprehensive loss.

NOTE 4 – DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- Level 1 Fair Value Measurements – Level 1 fair value measurements are based on unadjusted quoted market prices.
- Level 2 Fair Value Measurements – Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.
- Level 3 Fair Value Measurements – Level 3 fair value measurements are based on unobservable information.

Cash, other receivables, deposits and trade and other payables:
The fair value of cash, other receivables, deposits and trade and other payables approximated their carrying value due to their liquidity and relatively short terms to maturity, respectively.

Stock options and warrants:
The fair values of stock options and warrants are measured based on a Level 2 fair value measurement using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, forfeiture rate, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

NOTE 5 – CASH

Cash include cash on deposit.

NOTE 6 – PREPAID EXPENSES AND DEPOSITS

Prepaid expenses include $65,000 paid in advance for planned work on the company's mineral asset and deposits include amounts held by provincial governments for future abandonment and environmental reclamation and for amounts in excess of minimum spending requirements on leases that are applicable to future periods. Deposits were reduced by $185,850 for abandonment deposits held with the BC Government which were transferred pursuant to a purchase and sale agreement as further described in Note 8.

NOTE 7 – EXPLORATION AND EVALUATION ASSETS: MINERAL PROPERTIES

	March 31, 2018	March 31, 2017
Opening balance	**$1,233,723**	$1,233,723
Additions	**-**	-
Closing balance	**$1,233,723**	$1,233,723
Allocation		
Mining claims	**134,000**	134,000
Mineral properties	**1,099,723**	1,099,723
Closing balance	**$1,233,723**	1,233,723

These mineral properties are all located on Lake Athabasca, Northern Saskatchewan. As the Company is still in the development stage, no amortization has been provided on the mineral properties or the mining claims. These properties have been provided as security for the term loan described in Note 9 to the financial statements.

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

On April 10, 2017 $722,986 of accounts payable was settled by issuing common shares of the Company pursuant to shares for debt agreements with certain creditors. The shares issued are further detailed in Note 11.

NOTE 9 – TERM LOAN

On December 29, 2017 the Company negotiated an extension for the term loan to August 31, 2018. The term loan is secured against the Company's Saskatchewan mineral properties only, which are prospective for uranium. Interest is no longer accrued or payable on the loan per the extension agreement.

NOTE 10 – DECOMMISIONING OBLIGATION

The Company's decommissioning obligation results from net ownership interests in oil and natural gas well sites. The Company estimates the total undiscounted amount of expenditures required to settle its decommissioning liability is approximately $nil (2017 – $102,000) which will be incurred over the next five years. A risk-free rate of approximately 0.75% (2016 – 0.6%) was used to discount this amount. A reconciliation of the decommissioning liabilities is provided below:

March 31	2018	2017
Balance, beginning of year	$102,010	$ 100,282
Accretion expense	-	1,728
Disposition of oil and gas properties (Note 14)	102,010	
Balance, end of year	$ -	$ 102,010

NOTE 11 – SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Issued and Outstanding

	Number		Amount
Balance at March 31, 2017	51,137,679	$	11,146,365
Apr 10, 2017 common shares issued in exchange for debt (note 8)	9,037,322		722,986
April 18, 2017 common share consolidation[1]	(55,675,001)		-
May 3, 2017 common shares issued in private placement at $0.05 per unit	10,000,000		264,170
June 7, 2017 common shares issued in private placement at $0.10 per share	20,770,332		1,982,485
June 7, 2017 common shares issued for services	500,000		47,724
Balance at March 31, 2018	**35,770,332**		**14,163,730**

[1] As part of the reorganization existing shares were consolidated on 13.37:1 basis resulting in 4,500,000 common shares held by the pre-reorganization shareholders.

Warrants

On May 3, 2017, the Company issued 10,000,000 units to certain directors and key management personnel at a discount to the fair market value of $0.08 per share, each unit consisted of one common share and one common share purchase warrant. $500,000 was recognized as share-based compensation in relation to the private placement. The warrants were valued based upon assumptions including stock volatility, a risk-free interest rate, an expected dividend rate and expected life of the warrants. The warrants originally expired on May 3, 2018. Upon approval to extend the warrant expiry to May 3, 2020, an additional 184,413 was recognized as share-based compensation in relation to the extension. The Company uses a Black-Scholes valuation methodology to value the warrants at the date of issuance for accounting purposes. The significant inputs into the model were share price of $0.10, exercise price of $0.10, volatility of 53%, dividend yield of 0%, an expected warrant life of one year and an annual risk-free interest rate of 1.08%. Volatility was estimated based on average volatility of a sample of peer companies with public pricing data available. A summary of share purchase warrants is presented below:

	Number		Amount
Balance at March 31, 2017	-	$	-
Issued	10,000,000		213,852
Extension of expiry date to May 3, 2020[1]	-		184,413
Balance at March 31, 2018	**10,000,000**		**398,265**

[1] The company was granted approval to extend the warrants on March 23,2018.

Stock Options

The Company has a stock option plan for employees, officers, directors and consultants. The Company calculates stock option expense using graded vesting. Stock options typically vest over a two-year period and expire five years from the date of grant. The determination of fair value for recording stock option expense is based upon assumptions including stock volatility, a risk-free interest rate, an expected dividend rate and expected life of the options. The Company uses a Black-Scholes valuation methodology to value the stock options at the date of award for accounting purposes. The maximum number of stock options reserved for issuance under the plan may not exceed 10 percent of the number of common shares issued and outstanding. As at March 31, 2018 3,500,000 stock options are outstanding or 9.8 percent of the number of common shares outstanding. The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was $0.0463 per option. The significant inputs into the model were share price of $0.10 at the grant date, exercise price shown below, volatility of 53%, dividend yield of 0%, an expected option life of five years and an annual risk-free interest rate of 1.08%. Volatility was estimated based on average volatility of a sample of peer companies with public pricing data available.

The number and weighted-average exercise prices of stock options were as follows:

	Number	Weighted-Average Exercise Price
Balance at March 31, 2017	-	-
Granted on June 7, 2017	3,500,000	0.10
Balance at March 31, 2018	**3,500,000**	**0.10**

Information with respect to stock options outstanding at March 31, 2018 is presented below.

Stock Options Outstanding				Stock Options Exercisable	
Range of Exercise Prices	Number of Stock Options	Remaining Contractual Life Yrs	Weighted-Average Exercise Price	Number of Stock Options	Weighted-Average Exercise Price
$0.10	3,500,000	5.0	0.10	1,166,666	0.10
	3,500,000	**5.0**	**0.10**	**1,166,666**	**0.10**

Stock-based compensation of $854,388 (2017 - Nil) was expensed during the year ended March 31, 2018 (March 31, 2017 – Nil).

NOTE 12 – NET (LOSS) INCOME PER SHARE

Basic and diluted net (loss) income per share is calculated as follows:

	For the year ended March 31,	
	2018	2017[(1)]
Net (loss) income	**(2,879,299)**	(156,934)
Weighted-average common share adjustments		
Weighted-average common shares outstanding, basic	**30,868,350**	3,824,172
Effect of stock options	**-**	-
Weighted-average common shares outstanding, diluted	**30,868,350**	3,824,172
Basic and diluted net loss per share	**$(0.09)**	$(0.04)

(1) Pursuant to the common share consolidation on April 18, 2017 the number of common shares outstanding have been retroactively adjusted to affect the consolidation.

For the year ended March 31, 2018, stock options and warrants were anti-dilutive due to the net loss.

NOTE 13 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's classification of financial instruments remains unchanged from March 31, 2017.

Fair Value of Financial Instruments

The carrying values and respective fair values of cash, other receivables and trade and other payables approximate their fair values at March 31, 2018, given the short-term nature of these financial instruments.

The Company classifies the fair value of financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments have been assessed on the fair value hierarchy described above. Cash is classified as Level 1. There has been no reclassification of financial instruments into or out of each fair value hierarchy during the twelve months ended March 31, 2018. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement within the fair value hierarchy level.

Market Risk

Market risk is the risk that changes in market factors, such as commodity prices and foreign exchange rates will affect the

Company's cash flows, profit or loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and maximize returns.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for uranium and crude oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk through the use of financial derivatives. The Company had no commodity contracts in place during the twelve months ended March 31, 2018.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain expenditures are denominated in Colombian pesos and US dollars. As at March 31, 2018, the Colombian peso to the Canadian dollar exchange rate was 2372:1 (March 31, 2017 – 2163:1) and the United States dollar to Canadian dollar exchange rate was 0.7971:1 (March 31, 2017 – 0.7513:1). Cash held in US dollars at March 31, 2018 was USD $431,660 and a change of 1% in the exchange rate would have impacted the Canadian dollar equivalent by +/- CAD $5,415. The Company had no forward exchange rate contracts in place as at or during the twelve months ended March 31, 2018.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives.

NOTE 14 – DISPOSITION OF OIL AND GAS ASSETS

On May 1, 2017, the Company sold its oil and gas assets with a carrying value of nil to a private company owned by a former director of the Company for a purchase price of $10.00 plus an abandonment deposit in the amount of $185,850 held by the BC government and assumption of all liabilities related to such assets including decommissioning liabilities of $102,010. A loss on disposition of $83,686 was recognized in the year.

NOTE 15 – INCOME TAXES

The estimated taxable loss for the year ended March 31, 2018 is ($2,859,309). The tax benefit of tax pools in excess of carrying values has not been recognized to the extent of the future tax renounced for the flow-through shares issued in fiscal 2006, fiscal 2008, fiscal 2009, fiscal 2010 and fiscal 2012. It cannot be reasonably estimated at this time, if it is more likely than not that the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities.

Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by a valuation allowance. The estimated valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some portion of or all of the future tax assets or future tax liabilities will be realized

The following table reconciles the income tax recovery at the Canadian statutory income tax rate of 27% (2017 – 27%) to the amounts recognized in the statement of loss:

	Year ending March 31, 2018	Year ending March 31, 2017
Loss before provision for current income taxes	**2,859,309**	156,934
Expected income tax recovery at Canadian statutory income tax rates - 27 % (2017 - 27 %)	**772,013**	42,372
Stock based compensation	**(230,685)**	-
Loss on sale of assets	**(22,595)**	-
Effect of change in tax rates	**-**	-
Actual income tax recovery (expense)	**518,733**	42,372
Change in Unrecognized Deferred Income Tax Asset	**(518,733)**	(42,372)
Recovery of income taxes	**-**	-

	March 31, 2018	March 31, 2017
Non-capital losses	**1,585,844**	$ 1,550,729
Equipment & Mineral and Oil and gas properties	**728,701**	756,243
Future income tax (liability) asset before valuation allowance	**2,314,545**	2,306,972
Unrecognized Deferred Income Tax Asset	**(2,314,545)**	(2,306,972)
Net future income tax liability	**$ -**	$ -

At March 31, 2018, the Company had non-capital losses in Canada of approximately $5,873,498 ($5,733,440 – March 31, 2017) which are available under certain circumstances to reduce future taxable income. These losses expire between 2026 and 2037.

NOTE 16 – RELATED PARTY TRANSACTIONS

A company controlled by a shareholder advanced $575,389 to the Company bearing interest at 6% and repayable on demand. On May 3, 2017 the Company entered into an Amended and Restated Loan Agreement fixing the amount owing at $575,389 and reducing the interest to nil with a maturity date of December 31, 2017. On December 29, 2017 the Company negotiated an extension for the shareholder loan to August 31, 2018. The shareholder loan is secured against the Company's Saskatchewan mineral properties only, which are prospective for uranium. Interest is not accrued or payable on the loan per the extension agreement.

A company controlled by an officer of the Company provides financial management services to the Company. During the year ended March 31, 2018 fees and disbursements incurred for amounts due to this officer totaled and $82,500 (2017 - Nil). As of March 31, 2018, $Nil (2017 – $Nil) is outstanding in accounts payable.

A company controlled by a shareholder and director provides CEO services to the Company. During the three and twelve months year ended March 31, 2018 fees and disbursements incurred for amounts due to this director totaled $110,000 (2017 - Nil). As of March 31, 2018, $Nil (2017 – $Nil) is outstanding in accounts payable.

Key management personnel were compensated as follows:

	For the year ended March 31,	
	2018	2017
Short-term benefits	192,500	142,500
Share based payments	854,388	-
Total	**1,046,888**	142,500

During the year ended March 31, 2018, the company advanced USD $40,000 and CAD $20,000 to cover travel expenses of key management personnel. At March 31, 2018, CAD $24,426 is included in other receivables.

All of the above transactions are in the normal course of operations and are measured at fair value which is the price agreed to by the related parties.

NOTE 17 – CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, warrants, contributed surplus and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended March 31, 2018.