

ORACLE ENERGY CORP.  
MANAGEMENT DISCUSSION & ANALYSIS  
For the three months ended March 31, 2018

**Introduction**

The following management discussion and analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the three months ended March 31, 2018 and the audited annual financial statements as at and for the years ended December 31, 2017 and 2016. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A is intended to help the reader understand the consolidated financial statements of the Company. All amounts are expressed in Canadian dollars unless otherwise indicated.

**Forward-looking statements**

Readers are cautioned that the MD&A contains forward-looking statements and actual events may vary from management's expectations. Forward looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar statements that certain events will occur. Forward looking statements are based on management's opinions and estimates on the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual results and future events to differ materially from those anticipated in such statements.

**1. Date of this report**

The date of this MD&A is May 28, 2018 and it contains information up to and including this date.

**2. Overall Performance**

***The Company***

Oracle Energy Corp. (the "Company", or "Oracle") was incorporated on October 2, 1985 under the Business Corporations Act of British Columbia. The Company is in the business of acquiring, exploring and evaluating oil and gas properties and developing these properties further or disposing of them when the evaluation is completed. The Company trades on Tier 2 of the TSX Venture Exchange ("TSX-V") under symbol OEC.

Currently, the Company has no operating income from production. Funding for operations is raised primarily through related party loans and the sale of capital stock. Future operations and the Company's ability to meet its commitments depend on the Company's ability to raise sufficient funds through share offerings, debt, or operations to meet current and future expenditures. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in amounts and on terms deemed acceptable, further success of the business could be adversely affected.

### ***Performance for the 3 months ended March 31, 2018***

On March 5, 2018, the Company announced that it is in the process of evaluating various opportunities to acquire oil and gas leases in the Eagle Ford district of South Texas which, since its discovery in 2008, has been one of the most drilled shale formations in the United States,

On March 29, 2018, the Company closed the first tranche of a private placement and issued 11,978,333 units at a price of \$0.075 per unit for cash proceeds of \$898,375. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of \$0.20 per share for 24 months from closing. Finders fees of \$65,105 was paid in cash and 731,920 agent's warrants were issued in connection with the private placement.

### ***Performance subsequent to the 3 months ended March 31, 2018***

On April 27, 2018, the Company closed the second tranche of a private placement issuing an additional 21,354,987 units at a price of \$0.075 per unit for cash proceeds of \$1,601,624. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of \$0.20 per share for 24 months from closing.

On May 2, 2018, the Company announced that, subject to regulatory approval, it will be conducting a non-brokered private placement of up to 13 million units at a price of eleven and a half cents per unit (\$0.1150) for proceeds of up to \$1.5 million. Each unit will consist of one common share and one common share purchase warrant (the "Unit Warrants") with each Unit Warrant entitling the holder to acquire one additional common share at a price of \$0.20 per share for 24 months from closing subject to the right of the Company to accelerate the exercise period of the warrants to 20 days if, after the four month hold period, shares of the Company have a closing price of \$0.40 or higher for ten (10) consecutive trading days.

On May 22, 2018, the Company closed several share for debt settlements for a total of \$299,338 in debt to certain directors and officers of the Company by issuing 2,660,783 shares at a price of \$0.1125 per share.

The Company also announced that the TSX Venture Exchange has advised that the Company's Italmin project has been accepted. On May 17, 2018, the Company completed the acquisition of the Italmin Project in Italy in Italy by paying the initial installment of Euro 10,000.

### 1.3 Selected Annual Information

Following is a summary of selected audited financial information for the Company's most recent three fiscal years.

	2017	2016	2015
Revenues	Nil	Nil	Nil
Net loss	(\$36,802)	(\$503,025)	(\$586,374)
Loss per share basic & fully diluted	\$0.01	\$0.08	\$0.09
Working capital (deficiency)	(\$1,792,116)	(\$1,755,864)	(\$1,253,587)
Total assets	\$96,206	\$33,664	\$101,332
Long term debt	Nil	Nil	Nil
Total liabilities	\$1,886,698	\$1,787,354	\$1,351,997
Share capital	\$16,977,342	\$16,977,342	\$16,977,342
Deficit	(\$22,281,853)	(\$22,245,051)	(\$21,742,026)

**2014 to 2015:** the lower 2015 net loss reflects the absence or reduction of certain costs previously incurred in 2014: an unrealized loss of \$694,845 (2015: \$109,120) on the GRIT short term investment, a write-down of capitalized exploration and evaluation costs of \$131,213 (2015: Nil) for the Portugal concession, a non-cash expense of \$112,654 (2015: \$25,170) for the fair value of extending the expiry date of Company warrants. Management fees for the year were lower by \$52,000 mainly due to a one-time signing bonus of \$150,000 for the new Chairman.

Remaining 2015 costs were mainly direct expenses associated with further development of the Nigeria opportunities, accrued monthly compensation to outside directors and officers, interest on notes payable to related parties, and ongoing corporate sustainment costs.

**2015 to 2016:** the lower 2016 net loss is mainly due to reduced travel expenses in 2016 and a lower loss on the GRIT investment on final disposal. The reinstated accrual for monthly compensation to outside directors and officers, implemented to compensate for time and effort in the ongoing activities required to pursue new opportunities offset some of these savings.

**2016 to 2017:** the reduced loss in 2017 is mainly due to the cancellation and writedown of current and prior year management and consulting fees for related parties partially offset by increased travel expenses as the Company investigated new opportunities in West Africa and Italy.

## 1.4 Results of Operations

### ***Operations***

For the three months ended March 31, 2018 the Company reported a net loss and comprehensive loss of \$129,953 (\$0.02 per share) compared to \$229,703 (\$0.04 per share) in 2017.

Travel expenses for the quarter decreased by \$55,734 due to extended travel in West Africa and Italy in the prior period. Professional fees and consulting fees for the three months ended March 31, 2018 were increased due to due diligence for the Italmin project and other consulting services to assist in raising new capital. Management fees were reduced to nil for the quarter compared to \$49,000 in the prior year as the directors opted not to take any fees. Interest on notes payable was reduced to zero in the current quarter as the lenders agreed as at September 30, 2017 to waive further interest on the notes.

Effective June 1, 2015 the board approved a success-based compensation to key management personnel, payable when the Company has completed a material transaction and has adequate funding to make such payments. Should the Company be successful in its efforts to secure a substantial project, the Company would pay up to \$1,000,000 to certain directors and other related parties.

### ***Oil & gas properties***

#### *West Africa*

Although the Company has not been successful in its endeavor to secure a project in West Africa, the management team is continuing to explore opportunities in that region.

#### *Italmin Project – Italy*

On November 28, 2017 entered into an agreement with Italmin Energie Sri (“Italmin”), an Italian corporation, to acquire a 16% participating interest in an oil and gas permit situated in central south Italy and referred to as the NUSCO permit (the “Permit”). Italmin currently has a 20% participating interest and is party to a Joint Operating Agreement with a third party that has an 80% interest (the “Majority Interest Holder”). The Company will carry Italmin on its 4% carried participating interest until the Company has spent Euro 800,000 under a joint operating agreement (“JOA”), being its 20% share of a total of Euro 4,000,000 to be spent on drilling and testing operations of a first well.

Once Euro 4,000,000 has been expended all parties to the JOA will be responsible to pay their share of costs going forward on the basis of the Majority Interest Holder paying 80%, the Company 16% and Italmin 4%. In addition to the cost of carrying Italmin on its carried interest as outlined above, the purchase price for the Company’s 16% participating interest is Euro 30,000 payable as to Euro 10,000 by January 15, 2018 and the remaining Euro 20,000 upon environmental drilling authorization being obtained. Italmin has the right to convert its carried participating interest in all future activities that have origin from the Permit into a gross participating interest with Italmin only paying all taxes, royalties and any other statutory obligations relating to such interest (“Gross Participating Interest”) at the conversion rate of receiving 1% Gross Participating Interest

for each 4% of carried interest converted. Conversion into a Gross Participating Interest will result in Italmin receiving its percentage of net profits in payment or kind from the hydrocarbons produced from the Permit without Italmin having to participate in any kind of investment and expenditures in connection with the production of such hydrocarbons. Subsequent to quarter end, the payment deadline was extended, and the 10,000 Euro was paid on May 17, 2018.

## 1.5 Summary of Quarterly Results

	Q4	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	December	December	September	June	March	December	September	June
	31	31	30	30	31	31	30	30
	2017	2017	2017	2017	2017	2016	2016	2016
Net gain (loss)	(129,953)	220,353	(\$97,992)	\$70,540	(\$229,703)	(\$114,045)	(\$183,475)	(\$96,577)
Gain (loss) per share	(\$0.02)	\$0.03	(\$0.01)	\$0.01	(\$0.04)	(\$0.02)	(\$0.03)	(\$0.02)

The main factors causing significant fluctuations in net gain (loss) from quarter to quarter were as follows:

- *Finance costs*: Cash outlay of \$24,661 Q3, 2016 for fees paid/accrued to a New York investment bank engaged to advise on funding asset acquisitions in Africa
- *Consulting Fees*: A retainer of \$39,087 was paid for the lead consultant and placement agent for the purposes of raising capital to use to acquire producing assets in Nigeria in Q3, 2016. In Q1, 2017, \$65,835 was expensed on fees for the due diligence of the West Africa Option. This was written down in Q2 due to a pending settlement agreement. In Q4 2017, additional consulting expenses were incurred for the Italmin project \$10,750 and a reallocation of the Settlement agreement for the writedown of the West Africa Project.
- *Exploration and evaluation fees* – In Q4, 2017, the company expensed \$17,060 evaluating a potential West Africa asset.
- *Interest Expense* – In Q4, 2017, the Company entered into agreements with certain directors to discontinue interest accruals on outstanding debt. As a result, no interest was recorded in Q4, 2017 or Q1, 2018.
- *Management fees*: \$49,000 per quarter from Q3, 2015 to Q3, 2017 for monthly compensation of outside directors for service on committees and of officers for ongoing corporate duties. In Q4, 2017, the company entered into agreements to discontinue fees and to write down \$147,000 of fees for the current year. No fees were accrued in Q1, 2018
- *Loss on short-term investments*: In 2015 (Q1 - \$80,428; Q2 - \$2,975 (gain), Q3 - \$25,131; Q4 - \$6,536; in 2016 (Q1 - \$11,213; Q2 2,333(gain) - for changes in fair value of GRIT short-term investment
- *Share-based payments*: Non-cash costs for stock options granted to key personnel and consultants in 2015 (Q1 - \$17,063; Q2 - \$8,920, Q3 - \$700)
- *Travel and promotion*: quarterly expenses ranged from \$6,639/quarter in Q1, 2015

to \$68,479/quarter in Q4, 2015 depending on requirements, mainly for travel to Africa and Europe to progress acquisition opportunities and seek financing. There was no travel in Q1 or Q2, 2016. Due to increased activity, \$20,546 was expended on travel again in Q3, 2016. Increased travel expenses of \$56,732 in Q1, 2017 and a reallocation in Q4 for the due diligence of the West Africa Option. Travel in Q1, 2018 was lower than other quarters

- *Gain on Debt Settlement* – In Q4, 2017, the Company recorded a gain of \$284,531 on the settlement of debt with directors and other related parties.

## 1.6 Liquidity

At March 31, 2018, the Company had cash of \$538,944 (\$19,668 at December 31, 2017) and a working capital deficiency of \$1,088,697 (\$1,792,116 at December 31, 2017).

### ***Financing activities***

To fund ongoing acquisition development activities and working capital requirements the Company finances its activities primarily through the issue of capital stock and advances from related parties. During the three months ended March 31, 2018 net cash generated by financing activities was \$690,002 (2017 - \$112,920) from related party advances and share issuances.

The Company expects to continue raising funds to finance its growth strategy and to meet related obligations and working capital commitments. Future operations and the Company's ability to meet its commitments depend on its ability to raise sufficient funds through share offerings, debt, or operations. Issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in amounts and on terms deemed acceptable, further success of the business could be adversely affected.

### ***Operating Activities***

Net cash used in operating activities during the three months ended March 31, 2018 was \$170,726 (2017: \$108,842). Although some operating costs for the period were reduced from prior years, the Company used cash to pay down related party balances and other payables pursuant to the debt settlement agreement in the prior year.

### ***Investing Activities***

There was no cash used or provided from investing activities during the three months ended March 31, 2018 or 2017.

## 1.7 Capital Resources

The Company is in the oil and gas exploration and development business and has incurred losses since its inception. To date the Company has had limited revenue and funded its operations primarily through the issuance of capital stock and advances from related parties. The Company must continue to raise additional financing to progress its

strategy for the acquisition and development of oil and gas properties in West Africa, Italy, and North America, but currently has insufficient funds to meet expected operating and capital expenditures without raising additional capital. The Company will use its best efforts to do so, but there can be no assurances that the Company will be able to continue to secure financing in amounts and on terms deemed acceptable to continue these activities.

In April of 2018 the Company closed a private placement of 33,333,320 units in two tranches for gross proceeds of \$2,499,999 at \$0.075 per unit. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of \$0.20 per share for 24 months from closing. In connection with the placement, finders' fees of \$24,637.50 as paid in cash and 328,500 broker warrants were issued.

Additional funding will be required throughout the year.

## 1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the three months ended March 31, 2018 or 2017.

## 1.9 Transactions with Related Parties

### a) Transactions with key management personnel

	THREE MONTHS ENDED MARCH 31	
	2018	2017
Salaries and other short-term benefits	\$ 12,000	\$ 68,000
Share-based payments	\$ -	\$ -
	<b>\$ 12,000</b>	<b>\$ 67,000</b>

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at March 31, 2018, \$314,612 (December 31, 2017 - \$432,893) were owing to key management personnel or to a company controlled by a director and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

### a) Other Related Party Transactions

- i) During the three months ended March 31, 2018, the Company charged \$Nil (2017 - \$Nil) to corporations with at least one common officer and director for recovery of expenses. As at March 31, 2018, \$6,356 (December 31, 2017 - \$6,356) were due

from these corporations and the amounts were included in amounts receivable. The amounts receivable are non-interest bearing, are unsecured, and have no specific terms of repayment.

- ii) During the three months ended March 31, 2018, the Company was charged \$Nil (2017 - \$1,313) under a shared services arrangement for office space and administrative assistance by companies with at least one common director. As at March 31, 2018, \$21,401 (December 31, 2017 - \$21,401) were due and included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

### **1.10 Notes Payable**

During the three months ended March 31, 2018 and the year ended December 31, 2017, the Company entered into loan agreements with several directors, officers, shareholders and other related parties. As at March 31, 2018, the total amounts owed to related parties were \$1,233,266 (December 31, 2017 - \$1,194,035), including interest payable of \$269,115 (December 31, 2017 - \$268,449). The outstanding loans are unsecured, bear interest at 12% per annum through September 30, 2017, and are due on demand. Effective September 30, 2017, the interest on the loans was discontinued by agreement of the lenders. During the three months ended March 31, 2018, the Company recorded a total of \$nil (2017 - \$21,669) in interest expense on notes payable to related parties.

### **1.11 Proposed Transactions**

At the date of this report there are no proposed asset or business acquisitions or dispositions for which the directors or senior management consider confirmation by the Board of Directors to proceed with the transaction to be probable.

### **1.12 Critical Accounting Estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Elements of these financial statements subject to material estimation uncertainty include:

Fair value measurements

In the preparation of these financial statements, management has estimated the fair value of financial instruments, for which there are no active markets. The fair value estimates are based on the best available information and experience of management. Future events or changes in circumstances may materially impact these estimates used in valuing assets and liabilities at year end.

#### Valuation of stock options

In the preparation of these financial statements, management has estimated the fair value of stock options granted based on the Black-Scholes option pricing model. Share-based compensation in respect of stock options granted during the period is a non-cash expense. Option pricing models require the input of highly subjective assumptions including the expected price and volatility of the Company's stock. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options granted during the year.

Elements of these financial statements subject to significant judgment include:

Significant judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) going concern assessment;
- ii) consideration of exploration and evaluation asset impairment criteria;
- iii) the useful life and recoverability of equipment;
- iv) impairment of short-term investments;
- v) recovery of amounts receivable;
- vi) the fair value model and the inputs used in the valuation of share-based payments;  
and
- vii) deferred income tax asset valuation allowances.

### **1.13 Changes in Accounting Policies**

The Company's financial statements for the three months ended March 31, 2018 have been prepared on a basis consistent with the financial statements for the year ended December 31, 2017, in accordance with International Financial Reporting Standards ("IFRS"). The reader should refer to the annual audited financial statements for a complete summary of significant accounting policies.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2018, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

### *IFRS 9 Financial Instruments*

IFRS 9 Financial Instruments is part of the IASB's wider project of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristic of the financial assets. This standard is effective for annual periods beginning on or after January 1, 2018.

### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model for an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This standard is effective for annual periods beginning on or after January 1, 2018.

### *IFRS 16 Leases*

IFRS 16 replaces the previous leases standard, IAS 17 Leases, and interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, lessee and lessor. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers.

## **1.14 Financial Instruments and Other Instruments**

The carrying value of cash, accounts receivable, accounts payable and due to related parties and notes payable approximates their fair values due to the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these statements.

### **1.14.1 Financial Risk Exposure and Risk Management**

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk

Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Goods and Services Tax (GST) credits and other receivables.

b) 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 ensures there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

c) Market Risk

The significant market risks to which the Company is exposed are currency, interest rate, commodity and equity price risks.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at March 31, 2018 and December 31, 2017, the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	<b>MARCH 31</b>	<b>DECEMBER 31</b>
	<b>2018</b>	<b>2017</b>
Cash	<b>USD 153</b>	USD 1,571
Accounts payable	<b>USD 26,938</b>	USD 18,623
Notes payable	<b>USD 156,436</b>	USD 151,836

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of \$23,625 (Dec 31, 2017 - \$21,2187) in income/loss from operations.

ii) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at March 31, 2018 and December 31, 2017 no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

iii) Commodity and Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's financing abilities due to movements in individual equity prices or general movements in the stock market. The company closely monitors equity prices and the stock market to determine the appropriate course of action to be taken by the Company. The Company's investments consist of common or ordinary shares which are subject to fair value fluctuations.

As at March 31, 2018 and December 31, 2017, the Company had no investments subject to commodity and equity price risk.

## 1.15 Other MD & A Requirements

### 1.15.1 Additional Information

Additional information relating to the Company may be found on SEDAR at: [www.sedar.com](http://www.sedar.com) and at the Company's website: [www.oracleenergy.com](http://www.oracleenergy.com)

### **1.15.2 Outstanding Share Data**

Authorized:

- Unlimited number of common shares without par value
- 5,000,000 preferred shares, par value of \$5 per share (none issued)

As at the date of this report, the Company had 42,244,120 issued and outstanding shares, 247,000 exercisable stock options, and 21,735,487 outstanding warrants.

### **1.16 Investor Relations**

The Company has no Investor Relations contracts in place as at March 31, 2018

### **1.17 Disclosure Controls and Procedures**

In contrast to the certificate required under National Instruments 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.