

RIPPER OIL AND GAS INC.

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the six months ended September 30, 2018 and 2017

RIPPER OIL AND GAS INC.

(the “Company” or “Ripper”)

CONDENSED INTERIM FINANCIAL STATEMENTS

As at and for the six months ended September 30, 2018

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of Ripper Oil And Gas Inc. is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

RIPPER OIL AND GAS INC.

Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	September 30, 2018	March 31, 2018
Assets		
Current Assets		
Cash	\$ 730,658	\$ 943,877
Total Assets	\$ 730,658	\$ 943,877
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 12,767	\$ 16,955
Shareholders' Equity		
Share capital (Note 6)	9,770,337	9,770,337
Share-based payment reserve (Note 6)	763,573	498,873
Deficit	(9,816,019)	(9,342,288)
	717,891	926,922
Total Liabilities and Shareholders' Equity	\$ 730,658	\$ 943,877

Nature and continuance of operations (Note 1)

Related party transactions (Note 5)

Subsequent events (Note 9)

Approved on Behalf of the Board on November 13, 2018:

"Scott Ackerman"

Scott Ackerman – Director

"Doug McFaul"

Doug McFaul – Director

The accompanying notes are an integral part of these financial statements

RIPPER OIL AND GAS INC.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the three months ended		For the six months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Expenses				
Consulting fees	\$ 23,625	\$ -	\$ 23,625	\$ -
General and administrative	9,130	3,587	12,715	7,208
Management fees	12,600	12,600	25,200	25,200
Professional fees	7,325	2,934	9,825	5,434
Property investigation costs	129,875	-	129,875	-
Share-based payments	264,700	-	264,700	-
Transfer agent and filing fees	6,475	4,684	7,791	7,338
Net loss and comprehensive loss for the period	\$ (453,730)	\$ (23,805)	\$ (473,731)	\$ (45,180)
Weighted average number of common shares outstanding	26,895,651	17,336,585	26,895,651	17,116,118
Basic and diluted loss per share	\$ (0.02)	\$ (0.00)	\$ (0.02)	\$ (0.00)

The accompanying notes are an integral part of these financial statements

RIPPER OIL AND GAS INC.

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Share-Based Payment Reserve	Deficit	Total Shareholders' Equity
Balance, March 31, 2017	16,895,651	\$ 9,170,337	\$ 498,873	\$ (9,247,414)	\$ 421,796
Warrants exercised	5,650,000	339,000	-	-	339,000
Loss for the period	-	-	-	(45,180)	(45,180)
Balance, September 30, 2017	22,545,651	\$ 9,509,337	\$ 498,873	\$ (9,292,594)	\$ 715,616
Balance, March 31, 2018	26,895,651	\$ 9,770,337	\$ 498,873	\$ (9,342,288)	\$ 926,922
Stock options granted	-	-	264,700	-	264,700
Loss for the period	-	-	-	(473,731)	(473,731)
Balance, September 30, 2018	26,895,651	\$ 9,770,337	\$ 763,573	\$ (9,816,019)	\$ 717,891

The accompanying notes are an integral part of these financial statements

RIPPER OIL AND GAS INC.

Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the six months ended September 30,	
	2018	2017
Cash (used in) / provided by:		
Operating Activities:		
Loss for the period	\$ (473,731)	\$ (45,180)
Item not affecting cash:		
Share-based payments	264,700	-
Changes in non-cash working capital items:		
Accounts payables and accrued liabilities	(4,188)	5,286
	(231,219)	(39,894)
Financing Activities:		
Warrants exercised	-	339,000
	-	339,000
Change in cash for the period	(213,219)	299,106
Cash, beginning of the period	943,877	433,244
Cash, end of the period	\$ 730,658	\$ 732,350
Supplemental cash flow information:		
Interest paid	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

RIPPER OIL AND GAS INC.

Notes to the Condensed Interim Financial Statements

As at and for the six months ended September 30, 2018

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Ripper Oil And Gas Inc. (“Ripper” or the “Company”) is a public company and its shares are listed on the NEX Board of the TSX Venture Exchange (TSX-V: RYP.H). The Company was originally incorporated under the Business Corporations Act (Alberta) on October 20, 2000 and on May 25, 2012, Ripper was continued as a British Columbia corporation under the Business Corporations Act (British Columbia). The Company’s head office is located 1600 – 609 Granville Street, Vancouver, B.C. V7Y 1C3 and its registered and records office is located at 2200 - 885 West Georgia Street, Vancouver, B.C. V6C 3E8.

The Company has no sources of revenue and its primary operation is the identification, and evaluation of a new business opportunity for the purpose of acquisition or participation. The Company currently has sufficient liquidity to meet its operational requirements for the next fiscal year. However, the Company’s continued operations are dependent upon its ability to identify, evaluate and successfully negotiate an agreement to acquire an interest in a sustainable/viable business operation. Any acquisition proposed by the Company will be subject to shareholder and regulatory approval. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation, and/or will be able to obtain the financing necessary to support a new business acquisition.

The Company is currently focused on seeking new business opportunities to either acquire or within which to participate.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. These financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

RIPPER OIL AND GAS INC.

Notes to the Condensed Interim Financial Statements
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(Unaudited – Prepared by Management)
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2. BASIS OF PRESENTATION

The condensed interim financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standard Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The condensed interim financial statements do not include all the information required for the full annual financial statements and should be read in conjunction with the most recent audited March 31, 2018 annual financial statements of the Company which are available on www.sedar.com.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company. The Company’s financial statements were authorized for issue by the Board of Directors on November 13, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company’s most recent audited annual March 31, 2018 financial statements of the Company which are available on www.sedar.com and reflect all the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

4. ADOPTION OF NEW ACCOUNTING STANDARDS

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended December 31, 2017, except for the adoption, on January 1, 2018, of **IFRS 9, *Financial Instruments: Classification and Measurement*** (“IFRS 9”), which has an initial application as at this date.

IFRS 9, *Financial Instruments* (new; to replace IAS 39)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

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4. ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

The Company will now classify its financial assets in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company’s financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company’s financial statements and no restating of prior periods will be required.

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5. RELATED PARTY TRANSACTIONS

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Summary of expenses incurred:

Type of Service	Nature of Relationship	For the three months ended September 30,		For the six months ended September 30,	
		2018	2017	2018	2017
Management fees	To a company that has a director in common with the Company	\$ 12,600	\$ 12,600	\$ 25,200	\$ 25,200
Rent	To a company that has a director in common with the Company	3,150	3,150	6,300	6,300
Total		\$ 15,750	\$ 15,750	\$ 31,500	\$ 31,500

6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE**(a) Authorized**

Unlimited common shares

Unlimited preferred shares, of which none have been issued

(b) Shares issued

	Number of Common shares
Balance as at March 31, 2017	16,895,651
Warrants exercised	10,000,000
Balance as at March 31, 2018 and September 30, 2018	26,895,651

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6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)**(c) Stock Options**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Subject to a minimum exercise price of \$0.05 per share, the exercise price of each option shall not be less than the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, March 31, 2017	487,500	\$ 0.41
Expired	(312,500)	\$ 0.50
Balance, March 31, 2018	175,000	\$ 0.25
Issued	1,070,000	\$ 0.25
Balance, September 30, 2018	1,245,000	\$ 0.25

At September 30, 2018, stock options outstanding and exercisable are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 15, 2015	87,500	\$ 0.25	June 15, 2020	1.96
June 26, 2015	87,500	\$ 0.25	June 26, 2020	1.99
July 23, 2018	1,070,000	\$ 0.25	July 23, 2023	4.81
Total	1,245,000	\$ 0.25		4.38

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions may have a material effect on the fair value of the Company's stock options. For the six months ended September 30, 2018, the Company recorded \$264,700 (September 30, 2017 - \$nil) in share-based payment reserve as a result of options vested during the period.

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6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

(d) Warrants

On October 3, 2016, as part of a non-brokered private placement, the Company issued 10,000,000 share purchase warrants, with each warrant entitling the holder to acquire one common share at a price of \$0.06 per share until October 2, 2017.

A summary of the Company's warrant activity is as follow:

	Number of warrants	Weighted Average Exercise price
Balance, as at March 31, 2017	10,000,000	\$ 0.06
Exercised	(10,000,000)	0.06
Balance, as at March 31, 2018 and September 30, 2018	-	\$ -

As at September 30, 2018, all outstanding share purchase warrants were exercised.

7. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, share-based payment reserve and deficit). The Company's objectives when managing capital are to support the identification and acquisition of a new business opportunity and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2018, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended September 30, 2018.

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8. FINANCIAL INSTRUMENTS

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of the instruments. The Company's other financial instrument, being cash, is classified as amortized cost.

(a) Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2018, the Company had a cash balance of \$730,658 to settle current liabilities of \$12,767. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2018, the Company has no sources of revenue to fund its operating expenditures or fund any identified business acquisition and as such will likely require additional financing to accomplish the Company's long term strategic objectives. Future funding may be obtained by means of issuing share capital, or debt financing. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern as disclosed in Note 1. Consequently, the Company is currently exposed to a moderate level of liquidity risk.

II. Credit risk

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, causing a financial loss. As at September 30, 2018, the Company had \$nil in receivable and as such the Company considers its credit risk to be low.

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8. FINANCIAL INSTRUMENTS (continued)

(a) Financial Risk Factors (continued)

III. Market Risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Interest rate risk

The Company considers it to have minimal exposure to interest rate risk as it has no interest-bearing investments or debt.

ii. Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash balances denominated in United States dollars (“US\$”). A 10% fluctuation in the US\$ against the Canadian dollar would not materially affect profit or loss.

iii. 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 earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. SUBSEQUENT EVENTS

On October 1, 2018, the Company entered into a letter of intent (the “LOI”) with Casino Gold Corp. (“Casino Gold”), pursuant to which the Company has agreed to acquire all of the issued and outstanding securities of a wholly-owned subsidiary (“Holdco”) of Casino Gold (the “Acquisition”).

Casino Gold is a privately owned Canadian mining company, which owns 100% of a vanadium project located in Nevada (the “Iron Point Vanadium Project”), through Holdco. Upon completion of the Acquisition, Ripper will own 100% of Holdco in consideration for the issuance to Casino Gold of 41,837,681 post-consolidation common shares of the Company.

Upon closing of the Acquisition, Casino Gold will retain a 1% NSR on the Iron Point Vanadium Project, with Ripper maintaining a right of first refusal on the repurchase of the NSR.

Prior to completion of the proposed Acquisition, Ripper intends to complete a non-brokered private placement financing (the “Financing”), to raise up to \$5,950,000 through the issuance of up to

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17,000,000 subscription receipts at \$0.35 per subscription receipt. The proceeds of the Financing will be held in escrow, pending the Company receiving all applicable regulatory approvals, completing the share consolidation described below and completing the Acquisition. Upon satisfaction of the escrow conditions, each subscription receipt will automatically convert into one post consolidated common share of the Company for no additional consideration. If the Acquisition is not completed on or before January 31, 2019, the Financing proceeds will be returned to the subscribers. Finder's fees may be payable to arm's length parties who introduce the Company to subscribers, in accordance with the policies of the Exchange.

The Company has agreed to issue additional shares to certain lenders who may advance up to \$1,000,000 directly to Holdco, for mutually agreed upon exploration work on the Iron Point Vanadium Project, prior to closing of the Acquisition. These loans will be settled through the issuance of up to 5,000,000 post-consolidated shares of the Company on completion of the Acquisition. Subject to the approval of the Exchange, the Company has also agreed to pay a finder's fee of up to 2,434,741 post consolidated common shares to certain finders in connection with the Acquisition, with such fee being payable on closing of the Acquisition.

The Acquisition will constitute a reverse takeover of the Company under the policies of the Exchange. Closing of the Acquisition is subject to a number of conditions including the entering into of definitive agreements, the consolidation of the Company's existing share capital on a one and one half (1.5) for one (1) basis (the "Consolidation"), the completion of the Financing, receipt of all required shareholder, regulatory and third-party consents, including Exchange approval, and satisfaction of other customary closing conditions. There can be no assurance that the Acquisition and Financing will be completed as proposed or at all.