



*Consolidated Financial Statements*

**June 30, 2018**

( Expressed in Canadian Dollars )

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Stamper Oil & Gas Corp.

We have audited the accompanying consolidated financial statements of Stamper Oil & Gas Corp., which comprise the consolidated statements of financial position as at June 30, 2018 and 2017, and the consolidated statements of operations, cash flows and changes in shareholders' equity (deficiency) for the years 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 auditors' 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Stamper Oil & Gas Corp. as at June 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



*Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Stamper Oil & Gas Corp.'s ability to continue as a going concern.

**‘DAVIDSON & COMPANY LLP’**

Vancouver, Canada

Chartered Professional Accountants

October 29, 2018

**STAMPER OIL & GAS CORP.**  
**Consolidated Statement of Financial Position**  
**(Expressed in Canadian dollars)**

	June 30, 2018	June 30, 2017
<b>ASSETS</b>		
CURRENT		
Cash	\$ 18,678	\$ 9,603
Prepaid expense	12,626	-
Receivables	60,293	9,541
	<b>91,597</b>	19,144
EXPLORATION & EVALUATION ASSETS (Note 4)	-	787,264
	<b>\$ 91,597</b>	<b>\$ 806,408</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable	\$ 456,732	\$ 145,354
Accrued liabilities	38,400	23,820
Loans payable (Note 5)	378,650	349,024
	<b>873,782</b>	<b>518,198</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 7)	50,361,313	47,032,496
Subscriptions received in advance	-	40,000
Additional paid-in capital (Note 7)	4,859,665	4,505,897
Deficit	(56,003,163)	(51,290,183)
	<b>(782,185)</b>	288,210
	<b>\$ 91,597</b>	<b>\$ 806,408</b>

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)  
SUBSEQUENT EVENTS (Note 13)

APPROVED ON BEHALF OF THE BOARD on October 29, 2018:

*(signed) David Greenway*  
David Greenway, Director

*(signed) Alexander Polevoy*  
Alexander Polevoy, Director

The accompanying notes are an integral part of the consolidated financial statements.

**STAMPER OIL & GAS CORP.**  
**Consolidated Statement of Operations**  
(Expressed in Canadian dollars)

	Year ended June 30,	
	2018	2017
<b>GENERAL &amp; ADMINISTRATIVE</b>		
Auditing and legal	\$ 31,330	\$ 21,818
Consulting fees (Note 9)	529,500	92,000
Promotional activities (Note 4)	2,226,579	21,695
Regulatory costs	56,127	37,991
Rent	39,431	96,575
Communications	4,806	5,560
Salaries and wages	64,195	62,666
Travel	15,024	563
Office and other	13,200	8,339
Stock-based compensation (Note 7)	504,020	699,970
Translation loss	1,474	5,721
<b>Loss before other items</b>	<b>\$ 3,485,686</b>	<b>\$ 1,052,898</b>
<b>OTHER ITEMS</b>		
New project investigations	\$ 411,728	\$ 1,200
Property care and maintenance	16,317	24,907
Write-off of property (Note 4)	787,263	-
Gain on settlement of accounts payable (net)	-	(2,866)
Interest on loans payable and other interest	11,986	315,937
<b>LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>4,712,980</b>	<b>\$ 1,392,076</b>
<b>LOSS PER SHARE</b>		
Basic	\$ 0.16	\$ 0.10
Fully diluted	\$ 0.14	\$ 0.10
Weighted average number of consolidated common shares used to calculate loss per share		
basic	29,775,631	13,836,978
fully diluted	33,380,924	13,969,923

The accompanying notes are an integral part of the consolidated financial statements.

**STAMPER OIL & GAS CORP.****Consolidated Statement of Changes in Shareholders' Equity (Deficiency)**

(Expressed in Canadian dollars)

	Number of Shares	Share Capital Amount	Subscriptions Received in Advance	Additional Paid-in Capital	Deficit	Total Shareholders' Equity (Deficiency)
Balance June 30, 2016	4,945,613	\$ 41,527,072	\$ -	\$ 3,829,616	\$ (49,898,107)	\$ (4,541,419)
Debt conversion	19,272,727	5,300,000	-	-	-	5,300,000
Private placement	1,818,182	200,000	-	-	-	200,000
Share issue costs	-	(67,766)	-	-	-	(67,766)
Subscriptions						-
received in advance	-	-	40,000	-	-	40,000
Stock-based compensation	-	-	-	699,970	-	699,970
Stock options exercised	75,000	73,190	-	(23,689)	-	49,501
Loss for the year	-	-	-	-	(1,392,076)	(1,392,076)
Balance June 30, 2017	26,111,522	\$ 47,032,496	\$ 40,000	\$ 4,505,897	\$ (51,290,183)	\$ 288,210
Private placement	4,587,500	1,835,000	(40,000)	-	-	1,795,000
Share issue costs	-	(177,134)	-	84,699	-	(92,435)
Shares issued for services	2,000,000	820,000	-	-	-	820,000
Stock-based compensation	-	-	-	504,020	-	504,020
Stock options exercised	1,900,000	850,951	-	(234,951)	-	616,000
Loss for the year	-	-	-	-	(4,712,980)	(4,712,980)
Balance June 30, 2018	34,599,022	\$ 50,361,313	\$ -	\$ 4,859,665	\$ (56,003,163)	\$ (782,185)

The accompanying notes are an integral part of the consolidated financial statements.

**STAMPER OIL & GAS CORP.**  
**Consolidated Statement of Cash Flows**  
(Expressed in Canadian dollars)

	Years ended June 30,	
	2018	2017
<b>OPERATING ACTIVITIES</b>		
Loss for the year	<b>\$ (4,712,980)</b>	\$ (1,392,076)
Add non-cash items		
Foreign exchange loss	-	5,247
Interest added to debt principal	<b>5,796</b>	312,409
Stock-based compensation	<b>504,020</b>	699,970
Shares issued for services	<b>820,000</b>	-
Gain on settlement of accounts payable	-	(2,866)
Loss on disposal of property	<b>787,263</b>	-
Net change in non-cash working capital (Note 8)	<b>262,581</b>	43,374
	<b>(2,333,320)</b>	<b>(333,942)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of share capital	<b>1,772,000</b>	249,500
Subscriptions received in advance	<b>(40,000)</b>	40,000
Options exercised	<b>616,000</b>	-
Share issue costs	<b>(92,435)</b>	(67,765)
Loan proceeds	<b>789,000</b>	243,275
Loan repayments	<b>(702,171)</b>	(143,209)
	<b>2,342,394</b>	<b>321,801</b>
NET CASH (OUTFLOW) INFLOW	<b>9,074</b>	(12,141)
CASH, BEGINNING OF YEAR	<b>9,603</b>	21,744
CASH, END OF YEAR	<b>\$ 18,677</b>	\$ 9,603

Supplemental disclosure with respect to cash flow (Note 8).

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
**Years ended June 30, 2018 and 2017**  
**(Expressed in Canadian Dollars)**

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Stamper Oil & Gas Corp., (the “Company”) (formerly Panorama Petroleum Inc.) is an exploration stage company incorporated under the laws of British Columbia on September 18, 1984. The Company is in the process of acquiring and exploring natural resource properties and has not yet determined whether the properties contain ore or gas reserves that are economically recoverable.

The Company’s head office, principal address and registered and records office is 310 – 221 West Esplanade, North Vancouver, British Columbia, Canada, V7M 3J3.

These consolidated 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 operations rather than through a process of forced liquidation. The Company has incurred operating losses over the past several years and does not have a current source of revenue or sufficient financial resources to sustain operations in the long term.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The Company’s ability to continue as a going concern is dependent upon the ability to secure additional debt or equity financing and the continued support of its current creditors, all of which are uncertain.

While the Company has been successful in obtaining its required financing in the past, mainly through non-arms-length demand loans, there is no assurance that such financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt on the ability of the Company to continue as a going concern. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

**2. STATEMENT OF COMPLIANCE**

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company’s presentation currency is Canadian dollars. Reference herein of \$ is to Canadian dollars. Reference herein to US\$ is to United States dollars.

**3. SIGNIFICANT ACCOUNTING POLICIES**

***Consolidation***

These consolidated financial statements include the financial statements of the Company and its 100%-owned subsidiary, Maverick Mining (Pvt) Ltd., a Pakistan-incorporated company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions have been eliminated.

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
**Years ended June 30, 2018 and 2017**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

*Use of estimates*

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, 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:

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

The determination of deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

**Exploration and evaluation assets**

Costs directly related to the exploration and evaluation of mineral properties are capitalized to exploration and evaluation assets once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined that there is an impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. After all costs relating to a property have been recovered, further payments received are recorded as a gain on option or disposition of exploration and evaluation assets.

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
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**Impairment**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Provision for environmental rehabilitation**

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

**Foreign exchange**

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

**Loss per share**

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated based on the weighted average number of common shares outstanding during the year, plus the effects of dilutive common share equivalents. Common

**STAMPER OIL & GAS CORP.**  
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**Loss per share** *(continued)*

share equivalents include stock options and warrants. For this purpose, the “treasury stock method” is used with respect to stock options and warrants.

**Income taxes**

Deferred taxes relate to the expected future tax consequences of differences between the carrying amount of statement of financial position items and their corresponding tax values. Deferred tax assets, including those arising from unused loss carry-forwards and other deductions, are recognized only to the extent that, in the opinion of management, it is more likely than not that the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment.

**Financial instruments**

*Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. The Company’s cash is classified as FVTPL. Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company’s receivables are classified as loans and receivables. At June 30, 2018, the Company has not classified any financial assets as held to maturity. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At June 30, 2018, the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

*Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable, accrued liabilities and loans payable are classified as other financial liabilities.

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

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**Financial instruments** *(continued)*

*Financial instrument disclosures*

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

See Note 11 for relevant disclosures.

**New standards not yet adopted**

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended June 30, 2018:

- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets (effective for annual periods beginning on or after January 1, 2018). The adoption of this standard is not expected to have a significant impact on the consolidated financial statements.
- IFRS 16 New Leasing standard replacing IAS 17 for the classification and measurement of leases (effective for annual periods beginning on or after January 1, 2019). The Company is evaluating the impact of this standard on the consolidated financial statements.

**4. EXPLORATION AND EVALUATION ASSETS**

***Block 25, Sudan***

The Company entered into a Memorandum of Understanding with State Oil Corporation ("State"), a company controlled by a former director of the Company, on August 18, 2017 (the "State MOU"). Under the terms of the MOU the Company has the rights to acquire 100% of the issued and outstanding shares of State for 25,000,000 shares of the Company subject to regulatory approval. State entered into a Memorandum of Understanding for Cooperation with Sudapet Company Ltd. ("Sudapet") on July 27, 2017 (the "Sudan MOU"). The term of this Sudan MOU was extended to April 30, 2018. At this point, the Company determined the Sudan MOU would not be successful as originally contemplated and the Company abandoned the State MOU. The funds required to meet the terms and conditions of the Sudan MOU was approximately \$140 million. Prior to determining the deal would not be completed, in the Company's efforts to raise the requisite funds, the Company spent \$2,226,579 (2017 - \$21,655) on promotional activities. These amounts include share issuances valued at \$820,000 (Note 7) and cash payments for the remaining \$1,406,579.

***Barit-Hunkui Copper/Gold Project, Pakistan***

The Company held one exploration and evaluation asset since 2013, the Barit-Hunkui Concession located in Pakistan. During the year ended June 30, 2018 the Company determined that it would not proceed with this project, and previously capitalized expenditures were written off.

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

**5. LOANS PAYABLE**

The loans are secured, due on demand, and with parties who transact with the Company on a non-arm's-length basis. Transactions between the related parties are approved by the Board of Directors. The following table summarizes the Company's outstanding debt obligations.

	<b>June 30, 2018</b>	June 30, 2017
Loan payable to a company controlled by an officer or director, bearing interest at 9% per annum, payable in Canadian dollars, including accrued interest of \$5,379 (June 30, 2017 - \$59,143).	\$ -	\$ 202,643
Loan payable to a company controlled by an officer or director, bearing interest at 4.75% per annum, payable in Canadian dollars, including accrued interest of \$418 (June 30, 2017 - \$13,393).	-	30,731
Loan payable to a company controlled by an officer or director, non-interest bearing	<b>355,000</b>	-
Other non-interest bearing short-term loans	<b>23,650</b>	250
	<b>\$ 378,650</b>	<b>\$ 233,624</b>

During the year ended June 30, 2017, upon approval of the TSX Venture Exchange, the Company executed a Shares-for-Debt Agreement with a company controlled by a director for settlement of \$5,300,000 of debt through the issuance of 19,272,727 common shares at \$0.275 per share (Note 7b).

Subsequent to the year-end, the Company entered into shares-for-debt agreements with several lenders and service providers, representing elimination of a total debt of \$452,000 in exchange for 9,040,000 common shares of the Company. The Company is currently awaiting approval from the TSX-Venture Exchange.

**6. DEFERRED TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2018	2017
Loss before income taxes	\$ 4,689,980	\$ 1,365,276
Combined Canadian federal and provincial statutory rate	27.0%	26.0%
Expected income tax recovery at statutory rates	(1,266,000)	(362,000)
Change in statutory, foreign tax, foreign exchange rates and other	(229,000)	15,000
Permanent difference	124,000	182,000
Change in recognized deductible temporary differences	1,371,000	165,000
Total deferred tax(expense) recovery	\$ -	\$ -

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statement of financial position are as follows:

	2018	Expiry dates	2017	Expiry dates
Share issue costs	\$ 115,000	2038 - 2041	\$ 83,000	2038 - 2041
Non-capital losses	11,144,000	2029-2038	7,638,000	2029 - 2037
Property and equipment	241,000	No expiry	241,000	No expiry
Allowable capital losses	15,174,000	No expiry	15,174,000	No expiry
Exploration and evaluation assets	528,000	No expiry	(259,000)	No expiry

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
**Years ended June 30, 2018 and 2017**  
**(Expressed in Canadian Dollars)**

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**7. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL**

**(a) Authorized**

Unlimited number of common shares without par value.

**(b) Private Placements and Share Issuances**

During the previous fiscal year, the Company issued 19,272,727 common shares at \$0.275 per share to settle \$5,300,000 of debt. Costs related to the debt settlement were \$47,522. The Company also closed a private placement for 1,818,182 common shares at \$0.11 per share for gross proceeds of \$200,000. Share issuance costs were \$20,243.

During the current fiscal year, the Company closed two private placements for a total of 4,587,500 units at a price of \$0.40 per unit for gross proceeds of \$1,835,000. Each unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one common share of the Company: 1,587,500 at a price of \$0.75 per share and 3,000,000 at a price of \$0.50 per share. In addition, 183,000 warrants were issued as Finders' Fees, having an exercise price of \$0.40 per share and varying expiry dates, with a fair value of \$84,699 (a weighted average of \$0.46 per share). All warrants have a vesting period of four months, with varying expiry dates as laid out in the table below. The fair value of all warrants issued is included in additional paid-in capital. Other share issue costs were \$96,277.

The Company also issued 2,000,000 common shares as compensation for promotional activities undertaken on behalf of the Company, at \$0.41 per share for a total value of \$820,000.

**(c) Warrants**

The following table summarizes the warrant activity for the current fiscal year. The Company had no warrant activity in the previous fiscal year.

	Weighted Average Exercise Price	Expiry Date	Number of warrants
Outstanding June 30, 2016 and 2017			-
Issued	\$ 0.75	July 11, 2019	625,000
Issued	\$ 0.75	Nov. 19, 2019	962,500
Issued	\$ 0.50	Dec. 4, 2020	3,000,000
Issued	\$ 0.40	Jan. 9, 2019	45,000
Issued	\$ 0.40	May 9, 2019	77,000
Issued	\$ 0.40	June 4, 2019	61,000
<b>Outstanding and exercisable June 30, 2018</b>			<b>4,770,500</b>

**STAMPER OIL & GAS CORP.**  
**Notes to Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

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**7. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL**

**(d) Stock Options**

The following table summarizes stock option activity for the year ended June 30, 2018. There was no stock option activity in the prior two years.

	Number of options	Expiry Date	Weighted average exercise price
Outstanding, June 30, 2016	-		\$ -
Granted	1,686,364	April 9, 2018	0.660
Granted	600,000	April 9, 2018	0.825
Exercised	(75,000)		0.660
Outstanding, June 30, 2017	2,211,364		\$ 0.705
Exercised	(200,000)		0.660
Expired	(2,011,364)		0.709
Granted	2,450,000	April 9, 2019	0.550
Granted	500,000	April 10, 2019	0.500
Exercised	(300,000)		0.500
Granted	500,000	April 26, 2019	0.290
Exercised	(500,000)		0.290
Granted	600,000	May 1, 2019	0.210
Granted	300,000	May 14, 2019	0.210
Exercised	(900,000)		0.210
Outstanding and Exercisable, June 30, 2018	2,650,000		\$ 0.480

**8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW**

*Net change in non-cash operating capital items:*

	Years ended June 30,	
	2018	2017
Accounts receivable	\$ (50,767)	\$ (2,083)
Prepaid expenses	(12,627)	-
Accounts payable	311,379	45,587
Accrued liabilities	14,596	(130)
	\$ 262,581	\$ 43,374

*Other supplementary cash flow information*

During fiscal 2018 interest in the amount of \$5,953 (2017 - \$315,937) was accrued relating to the Company's outstanding loans payable and accounts payable.

*Non-cash transactions*

During the current fiscal year the Company issued 2,000,000 common shares of the Company, valued at \$820,000, in exchange for services (Note 7).

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**9. RELATED PARTY TRANSACTIONS**

During fiscal 2018, significant related party transactions and balances not disclosed elsewhere are as follows:

- (a) Consulting fees of \$430,000 (2017 - \$92,000) were paid or accrued to key management personnel (directors and officers of the Company as well as other management personnel having a significant role in the decision making process).
- (b) Stock based compensation of \$136,799 (2017 - \$130,290) made to key management personnel.
- (c) Included in accounts payable at June 30, 2018 is \$331,036 (2017 - \$36,000) due to companies with a common director and/or key management personnel.
- (d) The Company accrued interest expense on loans payable to a director and an officer (Note 5) in the amount of \$5,796 (2017 - \$315,937).

**10. SEGMENTED INFORMATION**

The Company operates in one industry segment, that being the acquisition, exploration and development of potential oil and gas properties.

**11. FINANCIAL RISK FACTORS**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables, accounts payable, loans payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Cash is carried at fair value using a level 1 fair value measurement.

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

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Company had a cash balance of \$18,678 (2017 - \$9,603) to settle current liabilities of \$873,782 (2017 - \$518,198). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The risk to the going concern assumption is presented in Note 1.

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**11. FINANCIAL RISK FACTORS** *(continued)*

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2018, the Company did not have any investments in investment-grade short-term deposit certificates.

The Company currently has no financial liabilities exposed to interest rate risk (Note 5). The Company does not use derivative instruments to reduce its exposure to interest rate risk.

b) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies; however, the Company currently has virtually no foreign currency denominated liabilities or assets.

Fluctuations in the foreign currencies will, consequently, have little impact upon the Company's profitability and the value of the Company's liabilities. As at June 30, 2018, the impact of a 10% change in rate of exchange on the US Dollar compared to the Canadian dollar would result in virtually no change on the Company's loss for the year. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**12. CAPITAL MANAGEMENT**

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its oil and gas interests. Capital is comprised of the Company's shareholders' equity (deficiency). As at June 30, 2018, the Company's shareholders' equity (deficiency) was (\$782,185) (2017 – \$288,210). 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 and is not subject to externally imposed capital requirements. There were no changes to the way the Company manages its capital in the current year.

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**13. SUBSEQUENT EVENTS**

Subsequent to June 30, 2018,

- i) On July 28, 2018, the Company terminated its MOU with State Oil Corporation.
- ii) The Company has entered into shares-for-debt agreements with several lenders and service providers, representing elimination of a total debt of \$452,000 in exchange for 9,040,000 common shares of the Company. The Company is currently awaiting approval from the TSX-Venture Exchange.