



STAMPER OIL & GAS CORP.

Consolidated Financial Statements

June 30, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Stamper Oil & Gas Corp.

Opinion

We have audited the accompanying consolidated financial statements of Stamper Oil & Gas Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2019 and 2018, and the consolidated statements of operations, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred operating losses over the past several years and continues to be dependent upon its ability to finance its operations, and exploration programs through financing activities. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

October 29, 2019

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

	June 30, 2019	June 30, 2018
	\$	\$
ASSETS		
CURRENT		
Cash	559	18,678
Prepaid expense	-	12,626
Receivables	3,320	60,293
	3,879	91,597
LIABILITIES		
CURRENT		
Accounts payable	397,372	456,732
Accrued liabilities	30,827	38,400
Loans payable (Note 5)	338,650	378,650
	766,849	873,782
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital	50,361,313	50,361,313
Additional paid-in capital	4,859,665	4,859,665
Deficit	(55,983,948)	(56,003,163)
	(762,970)	(782,185)
	3,879	91,597

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

APPROVED ON BEHALF OF THE BOARD on October 28, 2019:

(signed) Bryson Goodwin
 Bryson Goodwin, Director

(signed) Philip Kwong
 Philip Kwong, 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,	
	2019	2018
GENERAL & ADMINISTRATIVE		
Auditing and legal	\$ 19,578	\$ 31,330
Management & consulting fees	240,000	529,500
Promotional activities (Note 4)	41,491	2,226,579
Regulatory costs	1,379	56,127
Rent	34,000	39,431
Communications	1,170	4,806
Salaries and wages	18,573	64,195
Travel	6,951	15,024
Office and other	5,637	13,200
Stock-based compensation (Note 7)	-	504,020
Translation (gain) loss	(13)	1,474
Loss before other items	\$ (368,766)	\$ (3,485,686)
OTHER ITEMS		
New project investigations	\$ (5,376)	\$ (411,728)
Property care & maintenance	-	(16,317)
Write-off of property (Note 4)	-	(787,263)
Gain on settlement of debt (Note 9)	400,000	-
Loss on write-off of receivables	(6,643)	-
Interest on loans payable	-	(11,986)
INCOME (LOSS) FOR THE YEAR	\$ 19,215	\$ (4,712,980)
EARNINGS (LOSS) PER SHARE		
Basic	\$ 0.00	\$ (0.16)
Fully diluted	\$ 0.00	\$ (0.14)
Weighted average number of common shares used to calculate loss per share		
Basic	34,599,022	29,775,631
Fully diluted	34,599,022	33,380,924

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)**

	Shares	Share Capital Amount	Subscriptions Received in Advance	Additional Paid-in Capital	Deficit	Total Shareholders' Equity (Deficiency)
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
Shares issued for service	2,000,000	820,000	-	-	-	820,000
Share issue costs	-	(177,134)	-	84,699	-	(92,435)
Stock options exercised	1,900,000	850,951	-	(234,951)	-	616,000
Stock-based compensation	-	-	-	504,020	-	504,020
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)
Income for the year	-	-	-	-	19,215	19,215
Balance June 30, 2019	34,599,022	\$ 50,361,313	\$ -	\$ 4,859,665	\$ (55,983,948)	\$ (762,970)

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)

	Year ended June 30,	
	2019	2018
OPERATING ACTIVITIES		
Income (Loss) for the year	\$ 19,215	\$ (4,712,980)
Add non-cash items		
Loss on write-off of receivables	6,643	-
Gain on settlement of debt	(400,000)	-
Interest added to debt principle	-	5,796
Stock-based compensation	-	504,020
Shares issued for services	-	820,000
Loss on disposal of property	-	787,263
Net change in non-cash working capital (Note 8)	356,023	262,582
NET CASH USED IN OPERATING ACTIVITIES	(18,119)	(2,333,319)
FINANCING ACTIVITIES		
Issuance of share capital	-	1,772,000
Subscriptions rec'd in advance	-	(40,000)
Options Exercised	-	616,000
Share issue costs	-	(92,435)
Loan proceeds	-	789,000
Loan repayments	-	(702,171)
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	2,342,394
NET CASH (OUTFLOW) INFLOW	(18,119)	9,075
CASH, BEGINNING OF YEAR	18,678	9,603
CASH, END OF YEAR	\$ 559	\$ 18,678

Supplemental disclosure with respect to cash flow (Note 8)

STAMPER OIL & GAS CORP.
Notes to Consolidated Financial Statements
Year ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Stamper Oil & Gas Inc., (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 existence and economic recovery of reserves, the ability to raise financing to complete the development of future properties, and upon future profitable production or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis, 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
Year ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)

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 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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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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Notes to Consolidated Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income (Loss) per share

Basic income (loss) per share is computed by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted income (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 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

The Company has adopted new accounting standard IFR 9 – Financial Instruments, effective July 1, 2018. The new standard sets out requirements for classifying, recognizing and measuring financial assets and financial liabilities. This standard replaces IAS 39 – Financial Instruments: Recognition and Measurement.

IFRS 9 allows for an exemption from restating prior periods in respect of the standard’s classification and measurement requirements. The Company has chosen to apply this exemption upon initial adoption, although it was determined that the adoption of IFRS 9 had no impact on the comparative period’s financial statements.

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) and amortized cost. The basis for classification depends on the entity’s business model and the contractual cash flow characteristics of the instrument. For financial liabilities, the new standard retains most of the requirements of IAS 39, except that fair value changes due to changes in an entity’s own credit risk are recorded in other comprehensive income rather than in net earnings.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial assets is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading 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 FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL

STAMPER OIL & GAS CORP.
Notes to Consolidated Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Equity investments at FVOCI. These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash	FVTPL	Fair value
Accounts Payable	Other liabilities	Amortized cost
Accrued Liabilities	Other liabilities	Amortized cost
Loans Payable	Other liabilities	Amortized costs

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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

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

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

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, 2019:

- 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 had 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. During the year ended June 30, 2018, 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 \$Nil in 2019 (2018 - \$2,226,579) on promotional activities. These amounts included share issuances valued at \$820,000 (Note 7) and cash payments of \$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.

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Year ended June 30, 2019 and 2018
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5. LOANS PAYABLE

The following table summarized the Company's outstanding debt obligations. The loans are unsecured, 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.

	June 30, 2019	June 30, 2018
Related party loan (non-interest bearing)	\$ -	\$ -
Other short-term loans (non-interest bearing)	338,650	378,650
	\$ 338,650	\$ 378,650

6. DEFERRED TAXES

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

	2019	2018
Loss for the year	\$ 19,215	\$ (4,689,980)
Expected income tax (recovery)	\$ 5,000	\$ (1,266,000)
Change in statutory, foreign tax, foreign exchange rates and other	2,000	(229,000)
Permanent differences	-	124,000
Adjustment to prior years provision versus statutory tax returns	(751,000)	-
Change in unrecognized deductible temporary differences	744,000	1,371,000
Total income 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:

	2019	Expiry Date Range	2018	Expiry Date Range
Exploration and evaluation assets	\$ 378,000	No expiry date	\$ 528,000	No expiry date
Property and equipment	258,000	No expiry date	241,000	No expiry date
Share issue costs	83,000	2039 to 2042	115,000	2038 to 2041
Allowable capital losses	18,082,000	No expiry date	15,174,000	No expiry date
Non-capital losses available for future periods	11,146,000	2029 to 2039	11,144,000	2029 to 2038

7. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

STAMPER OIL & GAS CORP.
Notes to Consolidated Financial Statements
Year ended June 30, 2019 and 2018
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7. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL *(continued)*

(b) Private Placements and Share issuance

During the previous 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 had 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.

Also during the previous fiscal year, the Company 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 (Note 4).

(c) Warrants

The following table summarizes the warrant activity for the current and previous fiscal year.

	Weighted Average Exercise Price	Expiry Date	Number of warrants
Outstanding June 30, 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
Outstanding and exercisable on June 30, 2018	\$ 0.58		4,770,500
Expired	0.40	Jan. 9, 2019	(45,000)
Expired	0.40	May 9, 2019	(77,000)
Expired	0.40	June 4, 2019	(61,000)
Outstanding and exercisable on June 30, 2019	\$ 0.59		4,587,500

*Expired unexercised subsequent to year end

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7. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL *(continued)*

(d) Stock options

The following table summarizes the stock option activity for the current and prior fiscal years:

	Number of options	Expiry Date	Weighted average exercise price
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
Expired	(2,650,000)		\$ 0.480
Outstanding and Exercisable, June 30, 2019	-		\$ -

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

Net change in non-cash operating working capital items

	2019	2018
Accounts receivable	\$ 50,330	\$ (50,767)
Prepaid expenses	12,626	(12,627)
Accounts payable	300,640	311,379
Accrued liabilities	(7,573)	14,596
	\$ 356,023	\$ 262,581

Other supplementary cash flow information

During the year ended June 30, 2019 interest in the amount of \$Nil (2018 - \$5,953) was accrued.

Non-cash transactions

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

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9. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2019, significant related party transactions and balances not disclosed elsewhere are as follows:

- (a) The following payments were made to key management personnel (directors, officers and former directors and officers of the Company as well as other management personnel having a significant role in the decision making process): \$180,000 (2018 - \$430,000) for consulting fees included in operating costs.
- (b) Stock based compensation of \$Nil (2018 - \$136,799)
- (c) Included in accounts payable at June 30, 2019 is \$67,437 (2018 - \$331,036) due to companies with a common director and/or key management personnel.
- (d) The Company accrued no interest expense on loans payable to a director and an officer (Note 5) (2018 - \$5,796).
- (e) During the year ended June 30, 2019, certain former directors and officers forgave \$400,000 in amounts owed to them by the Company.

10. SEGMENTED INFORMATION

The Company currently operates in one industry segment, that being the acquisition, exploration, development and operation of oil and gas assets.

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.

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11. FINANCIAL RISK FACTORS *(continued)*

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, 2019, the Company had a cash balance of \$559 (2018 - \$18,678) to settle current liabilities of \$766,849 (2017 - \$873,782). 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.

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, 2019, 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, 2019, 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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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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, 2019, the Company's shareholders' deficiency was \$762,970 (2018 - \$782,185). 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.