

Interim condensed consolidated financial statements of

WILTON RESOURCES INC.

As at and for the three and nine-month periods ended September 30, 2018 and
2017
(unaudited)

WILTON RESOURCES INC.
Interim Condensed Consolidated Statements of Financial Position
(unaudited)

(Canadian Dollars)

As At	Note	September 30, 2018	December 31, 2017
Assets			
Current Assets			
Cash		\$ 190,578	\$ 185,583
Accounts receivable		209,331	585,195
Prepaid expenses		13,703	-
Total Assets		\$ 413,612	\$ 770,778
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 858,907	\$ 1,074,174
Decommissioning obligation	6	45,289	44,785
Total Liabilities		904,196	1,118,959
Shareholders' Deficit			
Share capital	7	13,068,772	11,624,278
Warrants	7	1,448,001	2,334,493
Contributed surplus		4,973,086	4,059,677
Deficit		(19,980,443)	(18,366,629)
Total Shareholders' Deficit		(490,584)	(348,181)
Going concern	2		
Total Liabilities and Shareholders' Deficit		\$ 413,612	\$ 770,778

See accompanying notes to the interim condensed consolidated financial statements.

WILTON RESOURCES INC.
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
For the three and nine-month periods September 30,
(unaudited)

(Canadian Dollars)

	Note	For the three months ended September 30		For the nine months ended September 30	
		2018	2017	2018	2017
Expenses					
General and administrative	10	\$ 456,916	\$ 395,503	\$ 1,233,328	\$ 4,955,452
Share-based Compensation		348,172	-	379,982	1,269
Accretion of decommissioning obligation	6	168	165	504	495
Net loss and comprehensive loss		\$ 805,256	\$ 395,668	\$ 1,613,814	\$ 4,957,216
Loss per share – basic and diluted	13	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.11)

See accompanying notes to the interim condensed consolidated financial statements.

WILTON RESOURCES INC.

Interim Condensed Consolidated Statements of Cash Flows For the three and nine-month periods ended September 30, (unaudited)

(Canadian Dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2018	2017	2018	2017
Cash provided by (used in):				
Cash flows used in operating activities				
Net loss for the period	\$ (805,256)	\$ (395,668)	\$ (1,613,814)	\$ (4,957,216)
Items not affecting cash:				
Share-based compensation	348,172	-	379,982	1,269
Accretion	168	165	504	495
Change in non-cash working capital	160,960	(3,584,159)	(221,506)	131,197
Net cash used in operating activities	(295,956)	(3,979,662)	(1,454,834)	(4,824,255)
Cash flows from financing activities				
Exercise of warrants	-	2,100	1,091,429	1,233,619
Proceeds on issuance of Common Shares	-	3,731,611	-	3,731,611
Change in non-cash working capital	-	-	368,400	-
Net cash provided by financing activities	-	3,733,711	1,459,829	4,965,230
Cash flows from investing activities				
Related party advance	-	-	-	(377,000)
Net cash used in investing activities	-	-	-	(377,000)
Change in cash position	(295,956)	(245,951)	4,995	(236,025)
Cash, beginning of period	486,534	326,296	185,583	316,370
Cash, end of period	\$ 190,578	\$ 80,345	\$ 190,578	\$ 80,345

See accompanying notes to the interim condensed consolidated financial statements.

WILTON RESOURCES INC.

Interim Condensed Consolidated Statements of Changes in Shareholders' Deficit For the nine-month period ended September 30, (unaudited)

(Canadian Dollars)

	Share Capital	Contributed Surplus	Warrants / agents' options	Deficit	Total
Balance at January 1, 2018	\$ 11,624,278	\$ 4,059,677	\$ 2,334,493	\$ (18,366,629)	\$ (348,181)
Warrants exercised	1,444,494	-	(353,065)	-	1,091,429
Value attributed to expired warrants (note 9)	-	533,427	(533,427)	-	-
Share-based compensation (note 8)	-	379,982	-	-	379,982
Net loss	-	-	-	(1,613,814)	(1,613,814)
Balance at September 30, 2018	\$ 13,068,772	\$ 4,973,086	\$ 1,448,001	\$ (19,980,443)	\$ (490,584)
Balance at January 1, 2017	\$ 7,033,043	\$ 2,870,008	\$ 2,022,477	\$ (12,540,861)	\$ (615,333)
Issue of common shares, net	2,282,687	-	-	-	2,282,687
Warrants issued on financings	-	-	1,448,924	-	1,448,924
Warrants exercised	1,717,327	-	(483,708)	-	1,233,619
Value attributed to warrants expiration extension (note 9)	-	-	18,000	(18,000)	-
Value attributed to expired warrants (note 9)	-	625,434	(625,434)	-	-
Share-based compensation (note 8)	-	61,269	-	-	61,269
Net loss	-	-	-	(4,957,216)	(4,957,216)
Balance at September 30, 2017	\$ 11,033,057	\$ 3,556,711	\$ 2,380,259	\$ (17,516,077)	\$ (546,050)

See accompanying notes to the interim condensed consolidated financial statements.

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2018 and 2017

1. General business description

Hackamore Capital Corp. was incorporated under the laws of the Province of Alberta on August 15, 2007 and changed its name to Wilton Resources Inc. on October 27, 2008. On July 24, 2009, the Company completed its initial public offering ("IPO") by way of a capital pool company prospectus. The Company was listed as a capital pool company ("Capital Pool Company") as defined in Policy 2.4 of the TSX Venture Exchange ("TSXV") on August 5, 2009. On October 28, 2011, Wilton completed its qualifying transaction ("Qualifying Transaction") by the acquisition of a 75% non-operated working interest in an oil and natural gas well located in Monitor, Alberta.

The interim condensed consolidated financial statements of the Company comprise accounts of the Company and its subsidiaries (collectively, the "Company" or "Wilton"). Wilton is an oil and gas exploration and development company. The Company is pursuing oil and gas properties in various international locations including the Middle East and Africa.

The common shares of the Company ("Common Shares") are listed for trading on the TSXV with the trading symbol WIL.

The address of the Company is 1900, 520- 3rd Ave SW, Calgary, Alberta, T2P 0R3.

2. Going Concern

As at September 30, 2018, the Company had working capital deficit of \$445,295 (December 31, 2017 – \$303,396) and has no production revenue from its Canadian oil and gas property as its only well has been shut-in since October 2013 due to uneconomical natural gas prices and the Company has cash used in operations of \$1,454,834 for the nine months ended September 30, 2018. In order to settle its existing liabilities and continue operations, including its ongoing oil and natural gas acquisition, exploration and development activities, Wilton will require additional financing. The amount of capital required cannot be quantified until additional transactions are identified and completed. Failure to obtain such financing on a timely basis could cause Wilton to forfeit its interest in its property, to miss certain acquisition opportunities and/or to reduce or terminate its operations. There can be no assurance that debt or equity financing, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Wilton. Moreover, future activities may require Wilton to alter its capitalization significantly. The inability of Wilton to access sufficient capital for its operations could have a material adverse effect on Wilton's financial condition, results of operations or prospects. These conditions create a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern.

The Company's access to capital will impact its ability to complete exploration and development activities, acquire international concessions and to ultimately achieve profitable operations. These interim condensed consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liabilities in other than the normal course of business and potentially at amounts significantly different from those recorded in these interim condensed consolidated financial statements.

3. Basis of Presentation

These interim condensed consolidated financial statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These interim condensed consolidated financial statements are

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-month periods ended September 30, 2018 and 2017

presented in Canadian dollars which is the Company's functional currency. In preparing these interim condensed consolidated financial statements, methods of computation and significant judgements made by management in

applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended December 31, 2017 except as noted in Note 4.

The disclosures herein are incremental to those included with the audited annual consolidated financial statements as at and for the year ended December 31, 2017 and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2017. These interim condensed consolidated financial statements were authorized for issue by the board of directors on November 9, 2018.

4. Significant Accounting Policies

These interim condensed consolidated financial statements follow the same accounting principles and methods of application as those disclosed in note 4 of the Company's annual Consolidated Financial Statements as at and for the year ended December 31, 2017, with the exception of 'Financial Instruments' and 'Revenue Recognition' policies which are amended below.

IFRS 9 – Financial Instruments.

The Company adopted IFRS 9 with a date of initial application as of January 1, 2018, this is the date in which all IFRS 9 classification and measurement is required to be implemented. The Company retrospectively adopted the standard and elected not to restate comparative information. There were no material changes in the measurement and carrying values of the Company's financial instruments as a result of the adoption. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). IFRS 9 eliminates the previous IAS 39 categories of 'held to maturity investments, loans and receivables and other financial liabilities' and 'available for sale financial assets'. The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and the nature of its contractual cash flow characteristics. Embedded derivatives are not separated if the host contract is a financial asset within the scope of IFRS 9; the entire hybrid contract is assessed for classification and measurement.

IFRS 9 replaces the 'incurred credit loss model' in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortized cost, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. Under IFRS 9, credit losses are recognized earlier than under IAS 39; it is no longer necessary for a credit event to have occurred before credit losses are recognised. See Note 6 of the Company's annual Consolidated Financial Statements as at and for the year ended December 31, 2017 for additional disclosure on the Company's credit risk.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at January 1, 2018 for each class of the Company's financial assets and financial liabilities. The Company has no contract assets or financial instruments measured at FVOCI.

Financial Instrument	Measurement Category	
	IAS 39	IFRS 9
Cash	Loans and Receivables	Amortized Cost
Accounts receivable	Loans and Receivables	Amortized Cost
Accounts payable	Other Financial Liabilities	Amortized Cost

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-month periods ended September 30, 2018 and 2017

Financial Instruments Policy

The Company recognizes financial assets and financial liabilities, including derivatives, on the consolidated statements of financial position when the Company becomes a party to the contract. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or when the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are removed from the consolidated financial statements when the liability is extinguished either through settlement of or release from the obligation of the underlying liability.

Financial assets, financial liabilities and derivatives are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instrument's classification, as described below.

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 the cash flows; and all contractual cash flows represent only principal and interest on that principal. All financial liabilities are measured at amortized cost using the effective interest method except for liabilities incurred for the purposes of selling or repurchasing in the short-term liabilities, if they are held-for trading and those that meet the definition of a derivative.

Fair value through other comprehensive income ("FVTOCI")

A financial asset shall be measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest ("SPPI") on the principal amount outstanding.

Fair value through profit or loss ("FVTPL")

All financial assets that do not meet the definition of being measured at amortized cost or FVTOCI are measured at FVTPL, this includes all derivative financial assets. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. For financial assets and liabilities, the Company may make an irrevocable election to designate an asset at FVTPL. If the election is made it is irrevocable, meaning that asset, liability, or group of financial instruments must be recorded at FVTPL until that asset, liability or group of financial instruments are derecognized.

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

IFRS 15 – Revenue from Contracts with Customers

The Company adopted IFRS 15 on January 1, 2018. The Company currently has no contracts with customers or revenue in the current or comparative periods. IFRS 15 has had no impact on the financial statements.

5. Standards Issued But Not Yet Effective

IFRS 16 – Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor') and replaces the previous leases standard, IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company is evaluating the impact of IFRS 16 on its consolidated financial statements and the extent of the impact has not yet been determined.

WILTON RESOURCES INC.**Notes to the Interim Condensed Consolidated Financial Statements****(unaudited)****For the three and nine-month periods ended September 30, 2018 and 2017**

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

6. Decommissioning obligation

Balance, January 1, 2018	\$	44,785
Accretion expense		504
Balance, September 30, 2018	\$	45,289

7. Share Capital**(a) Preferred Shares**

The Company is authorized to issue an unlimited number of preferred shares, issuable in series, none of which are issued and outstanding as of the date hereof.

(b) Common Shares

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value.

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Company and, upon dissolution, to share equally in such assets of the Company as are distributable to the holders of Common Shares.

	Number of Shares
Balance at December 31, 2017	49,474,846
Warrants exercised	1,874,272
Balance at September 30, 2018	51,349,118

The following warrants were exercised during the period for 1,874,272 common shares:

Grant date	Exercise Date	Exercise Price	Fair value of Warrants	Cash Proceeds	Shares Issued/Warrants Exercised
March 23, 2016	March 22, 2018	\$ 0.60	\$ 0.17	\$ 604,200	1,007,000
March 23, 2016	March 19, 2018	0.40	0.32	28,112	70,279
April 1, 2016	March 28, 2018	0.60	0.18	420,960	701,600
April 1, 2016	March 20, 2018	0.40	0.33	38,157	95,393
				\$ 1,091,429	1,874,272

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-month periods ended September 30, 2018 and 2017

8. Stock Options

	Number of Options
Outstanding at January 1, 2018	4,840,000
Options Granted	530,000
Options Expired	(650,000)
Outstanding at September 30, 2018	4,720,000

At September 30, 2018, the Company had 4,720,000 issued and outstanding stock options. The options are held by officers, directors and consultants of the Company.

On June 6, 2018, the Board of Directors of the Company granted 130,000 stock options to a consultant. The options are unvested as of the option date issuance and the optionee's right to exercise such share option is conditional upon certain performance factors. The stock options have an exercise price of \$0.98 per share and are exercisable for a period of five years from the date of grant. The fair value of the options was \$0.79. The fair value of the share-based compensation for the three and nine-month periods ended September 30, 2018 was \$25,847 and 32,590.

The fair value of the options granted was estimated using the Black-Scholes option pricing model based on the date of grant using the following assumptions:

Annualized volatility	113%
Dividend yield	0%
Risk-free interest rate	2.16%
Expected option life	5 years

On July 23, 2018, 400,000 stock options to purchase Common Shares of the Company held by a consultant of the Company expired unexercised.

On July 24, 2018, the Board of Directors of the Company granted 400,000 stock options to a consultant. The options vested as of the option date issuance. The stock options have an exercise price of \$1.00 per share and are exercisable for a period of five years from the date of grant. The fair value of the options was \$0.81. The fair value of the share-based compensation for the three and nine-month periods ended September 30, 2018 was \$322,325.

The fair value of the options granted was estimated using the Black-Scholes option pricing model based on the date of grant using the following assumptions:

Annualized volatility	113%
Dividend yield	0%
Risk-free interest rate	2.13%
Expected option life	5 years

On August 16, 2018, 200,000 stock options to purchase Common Shares of the Company held by an officer of the Company expired unexercised.

On September 13, 2018, 50,000 stock options to purchase Common Shares of the Company held by a consultant of the Company expired unexercised.

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

For the three and nine-month periods ended September 30, 2018 and 2017

As of September 30, 2018, the Company had the following stock options outstanding:

Exercise Price	Number Outstanding	Number Exercisable	Issue Date	Expiration Date
\$0.80	100,000	100,000	December 18, 2013	December 18, 2018
\$0.65	400,000	400,000	July 10, 2014	July 10, 2019
\$0.30	375,000	375,000	December 29, 2014	December 29, 2019
\$0.18	685,000	685,000	February 17, 2016	February 17, 2021
\$0.59	1,740,000	1,740,000	October 31, 2016	October 31, 2021
\$0.63	150,000	150,000	December 2, 2016	December 2, 2021
\$0.80	180,000	180,000	June 22, 2017	June 22, 2022
\$0.85	560,000	560,000	October 13, 2017	October 13, 2022
\$0.98	130,000	-	June 6, 2018	June 6, 2023
\$1.00	400,000	400,000	July 24, 2018	July 24, 2023
	4,720,000	4,590,000		

9. Warrants

	Number of warrants
Balance at January 1, 2018	10,199,172
Warrants exercised (note 7)	(1,874,272)
Expiry of warrants	(3,024,900)
Balance at September 30, 2018	5,300,000

As at September 30, 2018, the Company had purchase and finders warrants outstanding as follows:

Exercise price		Number outstanding	Expiration date	Conversion price
\$1.20	(1)	5,000,000	August 8, 2019	-
\$0.80	(2)	300,000	August 8, 2019	-
		5,300,000		

Note (1): If at any time prior to the expiry of the purchase warrants the trading price of the common shares exceeds the conversion price for a certain period of time, the Company may provide notice to the holder of the purchase warrants that the warrants will be subject to early expiry.

Note (2): These warrants were issued to agents as finder's warrants. Other than the right of the holders of the warrants to receive the number of common shares that they are entitled to under the terms of the finder's warrants, the holders do not retain any right(s) of conversion or right(s) of acceleration on the 300,000 finders warrants expiring August 2019.

10. General and administrative

For the three and nine-month periods ended September 30, 2018, the Company incurred general and administrative expenses of \$456,916 and \$1,233,328, respectively (2017 – \$395,503 and \$4,955,452 respectively). The costs were related to travel and meal costs and office and administrative costs supporting the activity for acquiring an international oil and natural gas property during the periods ended September 30, 2018. General and administrative costs decreased for the nine-month period ended September 30, 2018 primarily due to payments made to consultants

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-month periods ended September 30, 2018 and 2017

of the Company in connection with acquiring an international oil and natural gas property and which were included in the Company's consulting costs for the prior period.

11. Related Party Transactions

In 2014, the Company entered into an agreement with Rick Anderson, Chief Executive Officer and a Director, whereby the Company pays Mr. Anderson for office and equipment rental. During the three and nine-month period ended September 30, 2018, the Company recorded \$12,000 and \$36,000, respectively as an expense for office and equipment rental (2017 - \$12,000 and \$36,000 respectively). At September 30, 2018, Mr. Anderson owed the Company \$191,680 (December 31, 2017 - \$204,461). The September 30, 2018 amount represents an advance on operating expenses that will be drawn down as incurred on behalf of Wilton in addition to expenses reimbursed by the Company.

12. Officers and Directors Compensation

	For the three months ended September 30		For the nine months ended September 30	
	2018	2017	2018	2017
Short-term Compensation	\$ 72,500	\$ 62,500	\$ 197,500	\$ 187,500
Stock-based Compensation	-	-	-	-
Total	\$ 72,500	\$ 62,500	\$ 197,500	\$ 187,500

No officers or directors received any stock-based compensation for the period ended September 30, 2018.

13. Loss per Share

The weighted average number of shares outstanding for the three and nine-month periods ended September 30, 2018 was 51,349,118 and 50,785,932, respectively (September 30, 2017 – 46,317,451 and 43,631,184, respectively). For the three and nine-month periods ended September 30, 2018 and 2017, the outstanding options and warrants were excluded from the diluted loss per share calculation as the instruments were anti-dilutive.

14. Subsequent Events

On November 1, 2018, the Board of Directors of the Company granted 250,000 stock options to certain consultant's of the Company. The options vested as of the option date issuance. The stock options have an exercise price of \$1.10 per share and are exercisable for a period of five years from the date of grant.