

Interim condensed consolidated financial statements of

WILTON RESOURCES INC.

As at and for the three and nine-months periods ended September 30, 2019 and
2018
(unaudited)

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

(Canadian Dollars)

As At	Note	September 30, 2019	December 31, 2018
Assets			
Current Assets			
Cash	12	\$ 379,918	\$ 130,672
Accounts receivable		284,022	266,612
Prepaid expenses		6,742	2,769
		670,682	400,053
Property and equipment	5	60,000	-
Total Assets		\$ 730,682	\$ 400,053
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 957,054	\$ 934,635
Deferred share capital issuance	7	525,000	-
		1,482,054	934,635
Decommissioning obligation	6	48,075	47,379
Total Liabilities		1,530,129	982,014
Shareholders' Equity (Deficit)			
Share capital	7	14,039,641	13,396,771
Warrants	9	1,715,498	1,382,500
Contributed surplus		5,648,021	5,238,948
Deficit		(22,202,607)	(20,600,180)
		(799,447)	(581,961)
Total Liabilities and Shareholders' Equity (Deficit)		\$ 730,682	\$ 400,053
Going concern	2		
Subsequent event	14		

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-months periods September 30,
(unaudited)

(Canadian Dollars)

	Note	For the three months ended September 30		For the nine months ended September 30	
		2019	2018	2019	2018
Revenue					
Petroleum and natural gas sales		\$ 687	\$ -	\$ 687	\$ -
Less:					
Royalty		33	-	33	-
		654	-	654	-
Expenses					
Production		326	-	326	-
General and administrative	11	368,359	456,916	1,117,176	1,233,328
Share-based Compensation		-	348,172	271,073	379,982
Accretion of decommissioning obligation	6	232	168	696	504
		368,917	805,256	1,389,271	1,613,814
Net loss and comprehensive loss		\$ (368,263)	\$ (805,256)	\$ (1,388,617)	\$ (1,613,814)
Loss per share – basic and diluted	10	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.03)

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-months periods ended September 30, (unaudited)

(Canadian Dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2019	2018	2019	2018
Cash flows used in operating activities				
Net loss	\$ (368,263)	\$ (805,256)	\$ (1,388,617)	\$ (1,613,814)
Items not affecting cash:				
Share-based compensation	-	348,172	271,073	379,982
Accretion	232	168	696	504
Change in non-cash working capital	(1,096)	160,960	1,036	(221,506)
Net cash from (used in) operating activities	(369,127)	(295,956)	(1,115,812)	(1,454,834)
Cash flows from financing activities				
Exercise of warrants	-	-	-	1,091,429
Deferred share capital issuance	525,000	-	525,000	-
Proceeds on issuance of units, net	-	-	900,058	-
Changes in non-cash working capital	-	-	-	368,400
Net cash provided by financing activities	525,000	-	1,425,058	1,459,829
Cash flows used in investing activities				
Property and equipment	-	-	(60,000)	-
Net cash used in investing activities	-	-	(60,000)	-
Change in cash position	155,873	(295,956)	249,246	4,995
Cash, beginning of period	224,045	486,534	130,672	185,583
Cash, end of period	\$ 379,918	\$ 190,578	\$ 379,918	\$ 190,578

See accompanying notes to the interim condensed consolidated financial statements.

WILTON RESOURCES INC.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit) For the nine-months periods ended September 30, (unaudited) (Canadian Dollars)

	Share Capital	Contributed Surplus	Warrants / agents' options	Deficit	Total
Balance at December 31, 2018	\$ 13,396,771	\$ 5,238,948	\$ 1,382,500	\$ (20,600,180)	\$ (581,961)
Issuance of common shares, net	642,870	-	-	-	642,870
Warrants issued (note 9)	-	-	257,188	-	257,188
Warrants expired (note 9)	-	138,000	(138,000)	-	-
Warrant extension (note 9)	-	-	213,810	(213,810)	-
Share-based compensation	-	271,073	-	-	271,073
Net loss	-	-	-	(1,388,617)	(1,388,617)
Balance at September 30, 2019	\$14,039,641	\$5,648,021	\$1,715,498	\$(22,202,607)	\$(799,447)
Balance at December 31, 2017	\$ 11,624,278	\$ 4,059,677	\$ 2,334,493	\$ (18,366,629)	\$ (348,181)
Warrants exercised	1,444,494	-	(353,065)	-	1,091,429
Share-based compensation	-	379,982	-	-	379,982
Value attributed to expired warrants	-	533,427	(533,427)	-	-
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)

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-months periods ended September 30, 2019 and 2018

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 certain oil and gas interests.

The interim condensed consolidated financial statements of the Company ("Financial Statements") 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, 2019, the Company has working capital deficit of \$811,372 (December 31, 2018 - \$534,582). 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 properties, 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 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 Financial Statements.

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-months periods ended September 30, 2019 and 2018

3. Basis of Presentation

These Financial Statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These Financial Statements are presented in Canadian dollars which is the Company's functional currency. In preparing these 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, 2018.

The disclosures herein are incremental to those included with the audited annual consolidated financial statements as at and for the year ended December 31, 2018 and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2018. These Financial Statements were authorized for issue by the board of directors on November 28, 2019.

4. Significant Accounting Policies

These 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, 2018, with the exception of 'Leases' policy which is amended below.

IFRS 16 – Leases

Effective January 1, 2019, the Company adopted IFRS 16 – Leases (IFRS 16) using the modified retrospective approach. IFRS 16 requires entities to recognize asset and lease obligation on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as operating leases. Lessors will continue with a dual lease classification model. Classification will determine how and when a lessor will recognize lease revenue and what assets would be recorded. The Company has no lease obligations that fall within the scope of this standard and as a result the adoption of this standard had no effect on the Company's Financial Statements.

5. Property and Equipment

Balance, December 31, 2018	\$ -
Additions	60,000
Balance, September 30, 2019	\$ 60,000

On April 30, 2019, the Company entered into a workover participation and earning agreement (the "Agreement") with an Alberta oil and gas company pursuant to which the Company has agreed to participate in a planned workover program with respect to a well near Highvale, Alberta (the "Workover"). Upon execution of the Agreement, the Company paid a \$10,000 signing fee. Pursuant to the Agreement, the Company also paid \$50,000 upon receiving a Workover notice as a fee for its participation in the Workover and earned 3.833% working interest in the well during the period.

6. Decommissioning obligation

Balance, December 31, 2018	\$ 47,379
Accretion expense	696
Balance, September 30, 2019	\$ 48,075

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-months periods ended September 30, 2019 and 2018

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, 2018	51,599,118
Common shares issued	2,335,714
Balance at September 30, 2019	53,934,832

On February 13, 2019, the Company closed a private placement for an aggregate of 835,714 units of the Company at a purchase price of \$0.56 per unit for gross proceeds of \$468,000. Transaction costs associated with the private placement were \$17,942. Each unit consisted of one Common Share and one Common Share purchase warrant. The fair value assigned to the purchase warrants pursuant to the unit offering was \$257,188. Each purchase warrant entitles the holder to purchase an additional Common Share for a period of twenty-four months from the date of issuance at an exercise price of \$0.70 per Common Share. The fair value of the purchase warrants granted in 2019 was estimated using the Black-Scholes option pricing model based on the date of grant using the following assumptions:

Annualized volatility	111%
Dividend yield	0%
Risk-free interest rate	1.67%
Expected option life	2 years

On June 10, 2019, the Company closed a private placement for an aggregate of 1,500,000 common shares of the Company at a purchase price of \$0.30 per common share for gross proceeds of \$450,000.

As of September 30, 2019, the Company received, an aggregate \$525,000 pursuant to financings which closed subsequent to period end which has been classified as deferred share capital issuance on the statements of financial position (note 14).

WILTON RESOURCES INC.**Notes to the Interim Condensed Consolidated Financial Statements****(unaudited)****For the three and nine-months periods ended September 30, 2019 and 2018****8. Stock Options**

	Number of options
Balance at December 31, 2018	4,870,000
Options issued	523,480
Options cancelled	(180,000)
Options reissued	180,000
Options expired	(400,000)
Balance at September 30, 2019	4,993,480

At September 30, 2019, the Company had 4,993,480 issued and outstanding stock options. The options are held by officers, directors and consultants of the Company.

As of September 30, 2019, the Company had the following stock options outstanding:

Exercise Price	Number Outstanding	Number Exercisable	Issue Date	Expiration Date
\$0.30	375,000	375,000	December 29, 2014	December 29, 2019
\$0.18	685,000	685,000	February 17, 2016	February 17, 2021
\$0.58	1,740,000	1,740,000	October 31, 2016	October 31, 2021
\$0.63	150,000	150,000	December 1, 2016	December 1, 2021
\$0.85	560,000	560,000	October 13, 2017	October 13, 2022
\$0.98	130,000	130,000	June 6, 2018	June 6, 2023
\$1.00	400,000	400,000	July 24, 2018	July 24, 2023
\$1.10	250,000	250,000	November 1, 2018	November 1, 2023
\$1.00	100,000	100,000	January 3, 2019	January 3, 2024
\$0.80	180,000	180,000	June 18, 2019	June 22, 2022
\$0.33	423,480	423,480	June 18, 2019	June 18, 2024
	4,993,480	4,993,480		

On January 3, 2019, the Board of Directors of the Company granted 100,000 stock options to an officer of the Company. The options fully vested on the date of 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 \$0.74.

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	1.76%
Expected option life	5 years

On June 18, 2019, the Board of Directors of the Company cancelled 180,000 fully vested options issued on June 22, 2017 with an exercise price of \$0.80 per share held by an officer of the Company. On June 18, 2019, the Company re-issued 180,000 fully vested options to purchase shares to such officer of the Company with an exercise price of \$0.80 exercisable by June 22, 2022. The cancellation and re-issuance of the options did not result in addition compensation expense.

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-months periods ended September 30, 2019 and 2018

On June 18, 2019, the Board of Directors of the Company granted 423,480 stock options to directors, officers and consultants of the Company. The options fully vested on the date of issuance. The stock options have an exercise price of \$0.33 per share and are exercisable for a period of five years from the date of grant. The fair value of the options was \$0.36.

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	111%
Dividend yield	0%
Risk-free interest rate	1.32%
Expected option life	5 years

On July 10, 2019, 400,000 stock options to purchase Common Shares of the Company held by Directors and Officers of the Company expired unexercised.

9. Warrants

	Number of warrants
Balance at December 31, 2018	5,050,000
Warrants issued	835,714
Warrants expired	(300,000)
Balance at September 30, 2019	5,585,714

As at September 30, 2019, the Company had total purchase warrants outstanding as follows:

Exercise price		Number outstanding	Expiration date
\$1.05	(1)	4,750,000	August 8, 2020
\$0.70	(1)	835,714	February 13, 2021
		5,585,714	

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.

On July 22, 2019, the Company made an application to the TSX Venture Exchange to amend the term of 4,750,000 common share purchase warrants issued to subscribers as part of the Company's private placement financing which closed on August 8, 2017. In accordance with the approval of the TSX Venture Exchange, the Company amended the terms of the warrants by extending their expiry date from August 8, 2019 to August 8, 2020. All other terms of the warrants remain the same.

WILTON RESOURCES INC.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited)

For the three and nine-months periods ended September 30, 2019 and 2018

10. Loss per share

The weighted average number of shares outstanding for the three and nine-months periods ended September 30, 2019 was 52,760,919 and 52,918,584, respectively (September 30, 2018 – 51,349,118 and 50,785,932, respectively). For the three and nine-month periods ended September 30, 2019 and 2018, the outstanding options and warrants were excluded from the diluted loss per share calculation as the instruments were anti-dilutive.

11. General and administrative

For the three and nine-months period ended September 30, 2019, the Company incurred general and administrative expenses of \$368,359 and \$1,117,176, respectively (2018 – \$456,916 and \$1,233,328 respectively).

12. Related party transactions

In 2014, the Company entered into an agreement with Richard Anderson, Chief Executive Officer and a Director, whereby the Company pays Mr. Anderson for office rental. During the three and nine-months periods ended September 30, 2019, the Company recorded \$12,000 and \$36,000, respectively as an expense for office and equipment rental (2018 - \$12,000 and \$36,000 respectively). Transactions are recorded at the exchange amount agreed to between the related parties.

At September 30, 2019, Mr. Anderson owed the Company \$270,351 (December 31, 2018 - \$248,626). The September 30, 2019 amount represents an advance on operating expenses that will be either drawn down as incurred on behalf of Wilton in addition to expenses reimbursed by the Company or repaid.

13. Officers and Directors Compensation

	For the three months ended September 30		For the nine months ended September 30	
	2019	2018	2019	2018
Short-term Compensation	\$ 113,571	\$ 72,500	\$ 321,667	\$ 197,500
Stock-based Compensation	-	-	171,539	-
Total	\$ 113,571	\$ 72,500	\$ 493,206	\$ 197,500

14. Subsequent Event

On October 23, 2019, the Company closed a private placement for an aggregate of 1,500,000 units of the Company at a purchase price of \$0.35 per unit for gross proceeds of \$525,000. Each unit consisted of one Common Share and one Common Share purchase warrant. Each whole warrant is exercisable into one Common Share of the Company at a price of \$0.40 per Common Share for a period of 24 month from the date of issuance.