CLEARVIEW RESOURCES LTD

Clearview Resources Ltd.

Financial Statements

March 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Clearview Resources Ltd.

We have audited the accompanying financial statements of Clearview Resources Ltd., which comprise the statements of financial position as at March 31, 2018 and March 31, 2017, the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 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, the financial statements present fairly, in all material respects, the financial position of Clearview Resources Ltd. as at March 31, 2018 and March 31, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants
June 28, 2018
Calgary, Canada

CLEARVIEW RESOURCES LTD.

Statements of Financial Position

(thousands of Canadian dollars)

	Notes	**March 31, 2018**	**March 31, 2017**
Assets			
Current assets			
Trade and other receivables	13	2,711	2,310
Prepaid expenses and deposits		324	228
Assets held for sale	4	4,636	-
Financial instruments - commodity contracts	13	-	36
Total current assets		7,671	2,574
Exploration and evaluation assets	5	284	-
Property, plant and equipment	6	64,759	68,582
Total assets		72,714	71,156
Liabilities			
Current liabilities			
Bank debt	7	16,250	14,250
Accounts payable and accrued liabilities		4,308	2,892
Liabilities associated with assets held for sale	4	1,267	-
Financial instruments - commodity contracts	13	1,131	-
		22,956	17,142
Decommissioning obligations	8	18,873	15,607
Total liabilities		41,829	32,749
Shareholders' equity			
Common shares	9	56,327	56,327
Contributed surplus	9	1,673	735
Deficit		(27,115)	(18,655)
		30,885	38,407
Total liabilities and shareholders' equity		72,714	71,156

Commitments – Note 15

Subsequent event – Notes 4 and 17

See accompanying notes to the financial statements

Approved by the Board of Directors:

"Lindsay Stollery"
Director

"Richard Carl"
Director

CLEARVIEW RESOURCES LTD.

Statements of Operations and Comprehensive Loss

(thousands of Canadian dollars except per share amounts)

Years ended March 31,	Notes	**2018**	**2017**
Revenues			
Oil and natural gas sales		20,286	7,112
Royalties		(2,289)	(818)
		17,997	6,294
Realized gain (loss) - commodity contracts	13	568	(274)
Unrealized gain (loss) - commodity contracts	13	(1,167)	83
Processing income		810	680
		18,208	6,783
Expenses			
Transportation		1,070	256
Operating		11,334	4,710
General and administrative		2,215	1,273
Stock based compensation	9	938	735
Depletion, depreciation and impairment	6	9,676	3,502
Gain on acquisition and disposition of assets	6	-	(2,070)
Transaction costs		96	436
		25,329	8,842
Finance costs	10	1,339	566
		26,668	9,408
Loss before income taxes		(8,460)	(2,625)
Income taxes			
Deferred income tax recovery	14	-	729
Loss and comprehensive loss		(8,460)	(1,896)
Loss per common share – basic and diluted	9	(1.00)	(0.48)

See accompanying notes to the financial statements

CLEARVIEW RESOURCES LTD.

Statements of Changes in Shareholders' Equity

(thousands of Canadian dollars)

	Common shares	Contributed Surplus	Deficit	Shareholders' Equity
Balance, March 31, 2016	30,502	-	(16,759)	13,743
Stock based compensation expense	-	735	-	735
Issue of voting common shares (Note 9)	26,140	-	-	26,140
Share issue costs (Note 9)	(315)	-	-	(315)
Net loss and comprehensive loss	-	-	(1,896)	(1,896)
Balance, March 31, 2017	56,327	735	(18,655)	38,407
Stock based compensation expense	-	938	-	938
Net loss and comprehensive loss	-	-	(8,460)	(8,460)
Balance, March 31, 2018	56,327	1,673	(27,115)	30,885

See accompanying notes to the financial statements

CLEARVIEW RESOURCES LTD.

Statements of Cash Flows

(thousands of Canadian dollars)

Years ended March 31,	Notes	**2018**	**2017**
Cash provided by (used in):			
Operating activities			
Net loss and comprehensive loss		(8,460)	(1,896)
Adjustments for:			
Unrealized (gain) loss - commodity contracts		1,167	(83)
Stock based compensation		938	735
Accretion of decommissioning obligations	8	358	133
Depletion, depreciation and impairment		9,676	3,502
Gain on acquisition and disposition of assets		-	(2,070)
Deferred income tax recovery		-	(729)
Decommissioning expenditures		(223)	-
Changes in non-cash working capital	11	881	(575)
		4,337	(983)
Investing activities			
Additions to property, plant and equipment	6	(2,998)	(934)
Additions to exploration and evaluation assets	5	(1)	-
Acquisition of property, plant and equipment	6	(3,093)	(29,782)
Acquisition of exploration and evaluation assets	5	(283)	-
Disposal of oil and natural gas assets	6	-	2,010
Changes in non-cash working capital	11	353	(75)
		(6,022)	(28,781)
Financing activities			
Issue of common shares – net of share issue costs	9	-	25,825
Borrowing of bank debt	7	2,000	3,575
Changes in non-cash working capital	11	(315)	364
		1,685	29,764
Change in cash		-	-
Cash and cash equivalents, beginning of year		-	-
Cash and cash equivalents, end of year		-	-
Supplemental information			
Interest paid on bank debt	10	828	256

See accompanying notes to the financial statements

1. Nature of operations

Clearview Resources Ltd. ("Clearview" or "the Company") is a privately owned, crude oil and natural gas company, engaged in the acquisition, exploration, development and production of crude oil and natural gas from properties located in the province of Alberta, Canada. The Company's corporate head office address is located at 2400, 635 – 8th Ave. SW, Calgary, AB T2P 3M3.

2. Basis of preparation

Statement of compliance and authorization

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Certain comparative figures have been reclassified to conform with the current year's presentation.

The financial statements were approved and authorized for issuance by the Board of Directors on June 28, 2018.

Reporting entity

The Company conducts many of its activities jointly with other parties. Consequently, these financial statements reflect only the Company's proportionate interest in such activities. The financial statements of the Company comprise the Company only as it has no subsidiaries or other interests to be consolidated.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which are measured at fair value.

Functional and presentation currency

The financial statements are presented in Canadian dollars, the Company's functional currency and rounded to the nearest thousand dollars (unless stated otherwise).

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of revision and in any future years affected.

Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Business combinations

The initial recognition of business combinations requires management judgment in making key assumptions and estimating fair values in determining the purchase price allocation to the identifiable assets, liabilities and contingent liabilities for each acquisition or combination.

Cash-generating units ("CGU")

The Company's assets are aggregated into CGUs for calculating impairment. Cash-generating units are determined based on the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Determination of CGUs is subject to management's judgment and is based on geology, geographical proximity, shared infrastructure, similar exposure to market risk and how management monitors its operations. The asset composition of the Company's CGUs could change due to new information and circumstances.

Impairment

Judgement is required to assess when indicators of impairment exist and testing for the recoverability of assets is necessary. Determining the recoverable amount of assets, in the absence of quoted market prices, is based on the estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates and other relevant factors. The key estimates used in the determination of cash flows from crude oil and natural gas assets are outlined below:

> Reserves – Assumptions that are valid at the time of the reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production levels or results of future drilling may change the economic status of reserves and may result in reserves being revised.
>
> Oil and natural gas prices – Forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, access to facilities and pipelines, inventory levels, exchange rates, weather and economic and geopolitical factors.
>
> Operating and capital costs – Future operating and capital costs are used in the cash flow model, based on an analysis of actual costs incurred in recent years and then escalated for assumed future inflation. Actual results in the future may vary considerably from these estimates.
>
> Discount rate – The discount rate used to calculate the net present value of cash flows is based on estimates of a discount rate specific to the risk of the CGU being assessed for impairment. Changes in the general economic environment could result in significant changes to this estimate.

Deferred tax assets

At the end of each reporting period, judgment is required by the Company in determining the likelihood of whether the deferred tax assets will be realized from future taxable earnings. Deterred taxes are based on estimates as to the timing over which temporary differences will reverse, substantially enacted income tax rates applicable to future years and the likelihood of assets being realized. The estimate of future capital activities can impact the timing of the reversal of any temporary differences.

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty.

Decommissioning obligations

Amounts recorded for decommissioning obligations require the use of estimates with respect to the amount and timing of decommissioning expenditures. Actual costs incurred can differ from estimates due to public expectations, changes in laws and regulations, market conditions, discovery and analysis of site conditions and changes in technology.

Financial instruments

The estimated fair values of derivative financial instruments resulting in financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Estimates of the mark-to-market value of the financial instruments at the end of each reporting period are subject to change based on changes in the forward prices.

Stock based compensation

The estimated fair value of stock options uses pricing models such as the Black-Scholes model which is based on assumptions such as the life of the option, dividend yields, interest rates, volatility and forfeiture rates. Judgement is required by management in determining these assumptions.

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

Jointly owned assets

The Company's oil and natural gas activities consist of jointly owned and operated assets, which are not conducted through separate vehicles. The financial statements include the Company's share of these jointly owned assets, liabilities, revenue and expenses.

Exploration and evaluation assets

Costs incurred before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed as incurred.

Exploration and evaluation assets consist of expenditures incurred in an area pending the determination of technical feasibility and commercial viability. Exploration and evaluation expenditures, including the costs of acquiring mineral rights, drilling exploratory wells and other directly attributable costs are capitalized and accumulated in cost centres.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved and probable reserves are determined to exist and are capable of production. A review of each cost centre is carried out, at each reporting period, to ascertain whether economic proved and probable reserves have been discovered. Upon determination of proved and probable reserves, exploration and evaluation assets attributable to those reserves are tested for impairment and then reclassified to property, plant and equipment. If an exploration and evaluation asset is determined to be unsuccessful, all associated costs are charged to the statement of operations. Assets classified as exploration and evaluation are not subject to depletion and depreciation until they are reclassified to property, plant and equipment.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depletion and depreciation and accumulated impairment losses. The cost of oil and natural gas assets includes: the cost of acquisitions; the costs to drill a well; the costs of the associated land upon determination of technical feasibility and commercial viability; the cost to complete and tie-in the wells; facility costs; the estimated cost of asset retirement; geological and geophysical costs and directly attributable internal costs.

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in earnings.

Subsequent costs

Expenditures related to renewals or betterments that improve the productive capacity or extend the life of an asset are capitalized. Maintenance and repairs are expensed as incurred.

Depletion and depreciation

The net carrying value of the oil and natural gas assets is depleted using the unit of production method based on estimated proved plus probable reserves, including estimated future development costs necessary to bring those reserves into production. Capitalized plant turnaround costs are depreciated on a straight-line basis over the estimated time until the next turnaround is completed.

Impairment

Exploration and evaluation assets are assessed for impairment when they are transferred to property, plant and equipment or if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment or impairment reversal. If any such indication exists, then the recoverable amount of each cash-generating unit (CGU) is estimated at the greater of its value in use (VIU) and its fair value less costs to sell (FVLCTS).

FVLCTS is estimated based on the discounted present value of the future cash flows generated by the CGU, including development prospects. The future cash flows are those estimated for proved plus probable reserves using forecast prices and costs as prepared by the Company's independent qualified reserves evaluator. The discount rate is the rate likely to be applied by an independent market participant. The Company may also consider an evaluation of comparable asset transactions. VIU is estimated based on the discounted present value of the future cash flows from proved and probable reserves using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized in earnings if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

An impairment recovery is recognized in earnings if there has been a subsequent increase in the estimate of the recoverable amount following the recognition of an impairment loss in prior periods. The reversal of prior impairment is recognized only to the extent of the increase in the estimated recoverable amount or the asset's carrying amount, net of depletion, that would have resulted had no impairment loss been recognized on the asset in prior periods.

Assets held for sale

Non-current assets are classified as held for sale if their carrying values will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable and the asset is available for immediate sale in its present condition. For the sale to be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The assets must be actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale should be expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the carrying value and fair value less costs to sell, with impairments recognized in earnings in the period measured. Non-current assets held for sale are presented in current assets and current liabilities within the statement of financial position. Assets held for sale are not depleted, depreciated or amortized.

Decommissioning obligations

Decommissioning obligations are recognized in the period in which a well or related asset is drilled, constructed or acquired, based on the discounted present value of estimated future costs to abandon and reclaim oil and natural gas properties. The future cash flows are discounted using a pre-tax risk-free rate and this amount is initially capitalized as part of the carrying amount of the related property, plant and equipment with a corresponding liability being recognized at the same time. The capitalized amount is depleted on the unit of production method on the same basis as the related asset while the liability is accreted to earnings until it is settled or sold. Changes in the estimated liability resulting from revisions to discount rates, expected timing of future asset retirement costs, are recognized as a change in the related asset and the asset retirement liability. Actual costs incurred upon settlement of the asset retirement obligations are charged against the provision.

Revenue

Revenue from the sale of oil and natural gas is based on volumes and prices and is recognized when the significant risks and rewards of ownership of the product are transferred to the buyer which is usually when legal title passes to the external party. This is generally at the time the product enters a third-party pipeline or when the delivery truck arrives at a customer's receiving location.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

Processing income is revenue received from third parties for utilizing facilities owned by the Company, a fee for service arrangement. Processing income is recognized once the third party's production volumes have been processed through the facilities. The Company does not take ownership of the third party production volumes while being processed.

Stock based compensation

The fair value of stock based compensation is determined at the grant date using the Black-Scholes option-pricing model and is recognized over the vesting period of the options as stock based compensation expense and contributed surplus. Upon the exercise of the stock option, consideration together with the amount previously recognized in contributed surplus, is credited to share capital. A forfeiture rate is estimated on the grant date and is subsequently adjusted to reflect the actual number of options that vest.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, bank debt, accounts payable and accrued liabilities. The fair value of bank debt approximates its carrying value as it bears a floating rate of interest and the margin charged by the lenders is indicative of current credit spreads. Non-derivative financial instruments are recognized initially at fair value, net of any direct attributable transaction costs. Subsequent to the initial recognition, non-derivative financial instruments are measured as described below.

Financial assets at fair value through earnings

Financial instruments are classified at fair value through earnings if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through earnings if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, related transaction costs are recognized in earnings when incurred. Financial instruments at fair value through earnings are measured at fair value with changes recognized in earnings.

Other

Other non-derivative financial instruments, such as trade and other receivables, bank debt, accounts payable and accrued liabilities are measured at amortized cost, using the effective interest rate method, less any impairment losses.

Commodity contracts

The Company may enter into certain financial derivative contracts to manage the exposure to market risks from fluctuations in commodity prices. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Company considers all commodities contracts to be economic hedges. As a result, all financial derivative contracts are classified as fair value through earnings and are recorded at fair value. Transaction costs are recognized in earnings when incurred.

Share capital

Common and preferred shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognized as a deduction from equity, net of any tax effects.

Flow-through shares

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. A liability is recognized for the premium on the flow-through shares and is subsequently reversed as the Company incurs qualifying expenditures. Any difference between the liability set up for the premium on the flow-through shares and the tax effect on the renounced expenditures is recognized in earnings.

Per share amounts

Basic per share information is calculated based on the weighted average number of common shares outstanding during the year. The diluted weighted average number of shares is adjusted for the dilutive effect of stock options. Diluted per share amounts are calculated using the treasury method. The treasury method assumes that the proceeds from the exercise of stock options are used to repurchase common shares at the average market price during the year. Anti-dilutive stock options are not included in the calculation.

Business combinations

Business combinations are accounted for using the acquisition method. The identifiable net assets acquired are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration transferred over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the fair value of the consideration transferred below the fair value of the net assets acquired is recorded as a gain on acquisition through earnings. Transaction costs associated with the acquisition are expensed when incurred.

Income taxes

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in earnings except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

New accounting standards:

No new or amended accounting standards or interpretations were adopted during the year ended March 31, 2018.

Accounting standards issued but not yet effective

IFRS 15, “Revenue from Contracts with Customers” is effective for annual periods beginning on or after January 1, 2018 and will be adopted by the Company for its fiscal year beginning April 1, 2018. IFRS 15 establishes a single revenue recognition and measurement framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of good and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded including requiring greater disaggregation of revenue streams. The Company is in the process of reviewing its revenue streams and underlying contracts with customers and does not expect that the adoption of IFRS 15 will have a material impact on earnings. The adoption of IFRS 15 will result in expanded disclosures in the Company's financial statements.

(thousands of Canadian dollars)

IFRS 9, "Financial Instruments" is effective for annual periods beginning on or after January 1, 2018 and will be adopted by the Company for its fiscal year beginning April 1, 2018. IFRS 9 replaces IAS 39, "Financial Instruments: Recognition and Measurement" and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements which align hedge accounting more closely with risk management. The Company currently does not intend to apply hedge accounting to any of its existing financial instrument contracts upon adoption of IFRS 9. Adoption of IFRS 9 is not expected to have a material impact on the measurement and carrying values of the Company's financial instruments.

IFRS 16, "Leases" will come into effect for fiscal years beginning on or after January 1, 2019, with earlier adoption permitted but only if the Company also applies IFRS "Revenue from Contracts with Customers". The Company currently does not intend to early adopt and accordingly the new standard will be effective for the fiscal year beginning in 2019. IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases and will require lessees to recognize most lease assets and lease obligations on the balance sheet, effectively classifying all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements. The Company does not expect to adopt the standard early and management is currently assessing the potential impact of the adoption of IFRS 16 on the Company's financial statements.

4. Assets held for sale

As at	March 31, 2018
Assets held for sale	
Property, plant and equipment (see Note 6)	4,636
Liabilities associated with assets held for sale	
Decommissioning obligations (see Note 8)	1,267

Effective March 8, 2018, the Company reclassified, to assets held for sale, the net recoverable amount of assets and liabilities associated with an oil property located in its Southern Oil CGU, after an impairment charge of $1,404, included in depletion, depreciation and impairment. On April 10, 2018, the Company closed the disposition of the oil property, to an entity connected to a director of the Company, for proceeds of $3,369 after closing adjustments. The proceeds from the disposition were immediately applied to reduce the Company's bank debt.

(thousands of Canadian dollars)

5. Exploration and evaluation assets

Exploration and evaluation assets ('E&E") consist of the Company's exploration projects which are pending the determination of proved plus probable reserves. On January 4, 2018, the Company acquired working interests in producing oil and natural gas assets located in Central Alberta and allocated $283 of the purchase price to E&E (see Note 6). The Company incurred $1 in capital expenditures, since the acquisition, related to the E&E assets.

6. Property, plant and equipment

(a) Oil and natural gas assets

As at March 31	2018	2017
Cost		
Balance, beginning of the year	94,283	60,166
Acquisitions	3,470	36,334
Asset retirement costs	4,021	5,401
Additions	2,998	934
Reclass to assets held for sale (see Note 4)	(11,387)	-
Disposals	-	(8,552)
Balance, end of the year	93,385	94,283
Accumulated depletion, depreciation and impairment		
Balance, beginning of the year	(25,701)	(27,703)
Depletion and depreciation	(8,272)	(2,764)
Net impairment	-	(738)
Reclass to assets held for sale (see Note 4)	5,347	-
Disposals	-	5,504
Balance, end of the year	(28,626)	(25,701)
Net book value, end of the year	64,759	68,582

(b) Acquisitions

On January 4, 2018, the Company acquired working interests in producing oil and natural gas assets located in Central Alberta. The purchase price paid by the Company was $3,370 after closing adjustments. The acquisition has been accounted for as a business combination using the purchase method of accounting. The allocation of the purchase price, based on the estimated fair value of the assets and liabilities acquired, is as follows:

Net assets and liabilities at estimated fair values:	January 4, 2018
Property, plant and equipment	3,464
Exploration and evaluation (see Note 5)	283
Decommissioning obligations (see Note 8)	(377)
	3,370
Cash consideration – net of closing adjustments	3,370

(thousands of Canadian dollars)

The decommissioning obligations of the acquisition were fair valued by estimating the future costs to abandon and reclaim the wells and facilities, discounted at 10%. Revenue and expenses are included in the statement of operations from the closing date of the acquisition. Revenue from the acquired assets since the closing date of the acquisition was $415 and the net operating income (revenue less royalties, production and transportation costs) generated from the acquired assets from the closing date of the acquisition was $112. Had the acquisitions occurred on April 1, 2017, the acquired assets would have contributed incremental revenue of $2,221 (unaudited) and incremental net operating income of $725 (unaudited).

On February 7, 2017 and March 27, 2017, the Company acquired working interests in two producing oil and natural gas assets located in Central Alberta. The purchase prices paid by the Company were $11,218 and $18,564, after closing adjustments, respectively.

The acquisitions have been accounted for as business combinations using the purchase method of accounting. The allocation of the purchase prices, based on the estimated fair value of the assets and liabilities acquired, were as follows:

Net assets and liabilities at estimated fair values:	February 7, 2017	March 27, 2017
Property, plant and equipment	13,112	23,222
Decommissioning obligations (see Note 8)	(1,894)	(1,958)
Gain on acquisition	-	(1,971)
Deferred income taxes	-	(729)
	11,218	18,564
Cash consideration – net of closing adjustments	11,218	18,564

The decommissioning obligations were fair valued by estimating the future costs to abandon and reclaim the wells and facilities, discounted at 10%. Revenue and expenses are included in the statement of operations from the closing date of the acquisition. Revenue from the acquired assets since the closing date of the acquisitions was $545 and the net operating income (revenue less royalties, production and transportation costs) generated from the acquired assets from the closing date of the acquisitions was $241. Had the acquisitions occurred on April 1, 2016, the acquired assets would have contributed incremental revenue of $11,905 (unaudited) and incremental net operating income of $3,852 (unaudited).

(c) Cash-generating units (CGUs)

Management reviewed its cash generating units following the acquisitions in the prior year in relation to the Company's current strategic and operating objectives. The review resulted in the combining of the two Southern Alberta CGUs as both prior CGUs are primarily oil producing assets, geographically proximate to one another and separate from the Company's core operating area in West Central Alberta. Both CGUs were adjusted for impairment at March 31, 2017 and therefore carried at their respective recoverable amounts at March 31, 2017. As of April 1, 2017, the carrying value of the combined CGU is $10,738, being the sum of the recoverable amounts as at March 31, 2017.

(thousands of Canadian dollars)

(d) Depletion, depreciation and impairment

The depletion cost base includes future development costs as appropriate. At March 31, 2018, the Company estimated its future development costs to be $92,888 (2017 - $77,957).

There were no indicators of impairment during the year ended March 31, 2018 and consequently an impairment test was not required. Impairment tests were necessary at March 31, 2017 which resulted in net impairment expense of $738 based on the information in the following table:

Year ended March 31, 2017				
Cash generating unit	Recoverable amount[1]	Net Impairment	Test methodology	Discount rates[2]
Central Alberta Gas CGU	49,464	(1,288)	VIU	10%-20%
Central Alberta Oil CGU	8,381	2,076	VIU	10%-20%
Southern Alberta Oil CGU 1	4,858	(1,530)	FVLCTS	10%-20%
Southern Alberta Oil CGU 2	2,588	1,480	FVLCTS	10%-20%
Total	65,291	738		

[1] Recoverable amount is net of asset retirement obligations.
[2] Discount rates vary between reserve categories based on risk and other factors.

The following table sets out forecast commodity prices used in the Company's CGU impairment test at March 31, 2017 prepared by the Company's independent reserve evaluator. The Company also considered financial assumptions for royalty rates, operating costs and future development capital that can significantly impact the recoverable amount.

March 31, 2017							
	WTI	Edmonton Light	Bow River Medium	Ethane	Butane	Pentane	AECO Spot
Year	US/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl	Cdn/bbl	Cdn/mmbtu
2017 Q2-Q4[1]	52.00	65.33	51.75	10.09	43.12	69.91	3.17
2018	56.00	68.39	53.68	9.55	47.87	72.49	3.01
2019	62.00	72.50	59.45	10.12	50.75	76.85	3.18
2020	65.00	73.94	61.37	10.70	51.76	78.38	3.35
2021	68.00	75.29	63.10	11.30	52.71	79.81	3.53
2022	71.00	78.82	66.68	11.95	55.18	83.55	3.72
2023	74.00	82.35	70.25	12.61	57.65	86.06	3.91
2024	77.00	85.88	73.77	13.29	60.12	89.75	4.11
2025	80.00	89.41	77.34	13.56	62.59	93.44	4.18
2026	83.66	92.80	81.66	13.85	64.96	96.98	4.27
2027+	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.	+2.0%/yr.

[1] Q2-Q4 means April 1 to December 31 for the respective year

(thousands of Canadian dollars)

(e) Dispositions

During the year ended March 31, 2017, the Company sold two non-core oil producing properties in Northern Alberta for combined net proceeds of $2,010. The two properties constituted the Northern Alberta CGU. The acquirers assumed the decommissioning obligations associated with the properties. This CGU had a $nil recoverable amount as at March 31, 2017 and therefore has not been included in the table above.

The Company recorded a gain on the disposition of the properties of $99 as calculated below:

	$
Cost	8,552
Accumulated depletion and impairment	(5,504)
Net book value	3,048
Decommissioning obligations assumed by the acquirer (see Note 8)	(1,137)
Net carrying value	1,911
Proceeds on the dispositions	(2,010)
Gain on disposition	(99)

7. Bank debt

At March 31, 2018, the Company had a demand, revolving operating facility with an Alberta based financial institution with a credit facility limit of $21,000 (March 31, 2017 - $26,000). The credit facility is secured by a general security agreement providing a security interest over all present and acquired property and a floating charge on all oil and natural gas assets. Borrowings under the credit facility are subject to an interest rate of lender prime plus 3.0% per annum (6.45% at March 31, 2018) and require monthly payments of interest only. The Company has the option of borrowing using the lender's guaranteed notes which are subject to a stamping fee of 4.0% per annum plus the guaranteed note rate for 30, 60, 90 or 180 day terms.

At March 31, 2018, the Company had drawn $16,250 on the revolving facility (March 31, 2017 - $14,250). The next review is scheduled to be completed by August 31, 2018. As the available lending limits are based on the lender's interpretation of the Company's reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review.

The credit facility agreement requires compliance with a working capital covenant whereby the Company must maintain a minimum working capital ratio of 1 to 1. For calculating compliance with this covenant, the amount drawn on the credit facility, classified as a current liability, and the fair value of financial instruments are excluded from working capital. Conversely, the amount of the undrawn portion of the revolving facility is added to current assets. At March 31, 2018, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.2:1.

(thousands of Canadian dollars)

8. Decommissioning obligations

The following table presents the continuity of the Company's decommissioning obligations.

As at March 31	2018	2017
Balance, beginning of the year	15,607	7,358
Disposition of obligations (see Note 6)	-	(1,137)
Obligations settled	(223)	-
New obligations from operations	-	21
Acquisition of obligations (see Note 6)	377	3,852
Changes in estimates	4,021	5,380
Reclass to liabilities of assets held for sale (see Note 4)	(1,267)	-
Accretion (see Note 10)	358	133
Balance, end of the year	18,873	15,607

Decommissioning obligations assumed as part of the 2018 acquisition were initially measured at fair value using a credit adjusted risk free rate of 10 per cent (2017 – 10 per cent). The reduction to a risk-free rate at the end of the year resulted in an increase in the obligation of $1,239 which is a component of the changes in estimates in the above table.

The future estimated cash outflows required to settle the obligation have been discounted using a risk-free rate of 2.19% at March 31, 2018 (2017 – 2.17%). An inflation rate of 2.0% (2017 – 1.5%) was used as an estimate to determine the future cash outflows required to settle the obligations. The total undiscounted amount of future cash outflows as estimated at March 31, 2018 was $32,800 (2017 - $22,700). Payments to settle decommissioning obligations occur over the operating lives of the underlying assets, estimated to be 2 to 55 years, with most of the expected expenditures to be incurred between 2023 and 2043.

9. Share capital

(a) Authorized shares

Unlimited voting common shares – without nominal or par value
Unlimited non-voting common shares – without nominal or par value
Unlimited preferred shares with multiple classes – par value of $1.00

(b) Issued voting common shares

	#	$
Balance, March 31, 2016	3,098,782	30,502
Issued – August 2016 - $4.50 per share	1,111,111	5,000
Issued – February and March 2017 - $5.00 per share	4,227,973	21,140
Share issue costs	-	(315)
Balance, March 31, 2018 and 2017	8,437,866	56,327

(thousands of Canadian dollars)

Of the voting common shares issued during the year ended March 31, 2017, 818,549 were issued to officers, management and directors.

(c) Contributed surplus

The following table presents the continuity of contributed surplus.

As at March 31	2018	2017
Balance, beginning of the year	735	-
Stock based compensation	938	735
Balance, end of the year	1,673	735

(d) Per share amounts

For the years ended March 31, 2018 and 2017, options for voting common shares were excluded from the computation of diluted earnings per share as the Company was in a loss position for each of those years. The loss per voting common share was determined as follows:

Years ended March 31	2018	2017
Loss and comprehensive loss	(8,460)	(1,896)
Weighted average shares outstanding – basic and diluted	8,437,866	3,986,087
Loss per voting common share – basic and diluted	(1.00)	(0.48)

(e) Options for voting common shares

The Company has provided for equity-settled, share based payments in the form of options to acquire voting common shares which the Board of Directors has granted to directors, officers, employees and consultants. The numbers of options, the exercise price and all other terms thereof were set by the Board of Directors at the time of grants.

In 2018, the Company granted options for 332,500 (2017 – 397,000) voting common shares with a weighted average exercise price of $5.00 (2017 - $4.50) per share under option. The options granted during the year ended March 31, 2018 vest 1/3 on each of the first, second and third anniversaries and expire 7 years from the date of grant. The fair value of the options at the date of measurement was determined based on a Black-Scholes calculation with the following inputs and outcomes:

(thousands of Canadian dollars)

Years ended March 31	2018	2017
	Inputs	Inputs
Exercise price	$5.00	$4.50
Volatility	73%	73%
Expected option life	7.0 years	7.0 years
Dividend	$nil	$nil
Risk-free interest rate	0.5%	0.5%

	Outcomes	Outcomes
Estimated cost per voting common share under option	$3.36	$3.05
Total estimated cost to be amortized over the vesting period	$1,091	$1,209

The following presents the continuity of the voting common shares under option.

	Number of shares under option	Weighted average exercise price
Balance, March 31, 2016	-	-
Granted	397,000	$4.50
Balance, March 31, 2017	397,000	$4.50
Cancelled	(7,167)	$4.78
Granted	332,500	$5.00
Balance, March 31, 2018	722,333	$4.74

The following table summarizes the options outstanding at March 31, 2018.

Outstanding			Exercisable		
Number of shares under option	Remaining contractual life (Years)	Weighted average exercise price	Number of shares under option	Remaining contractual life (Years)	Weighted average exercise price
393,833	5.24-5.65	$4.50	236,833	5.24-5.65	$4.50
328,500	6.13	$5.00	-	-	-
722,333	5.24-6.13	$4.74	236,833	5.24-5.65	$4.50

10. Finance expense

Years ended March 31	2018	2017
Accretion of decommissioning obligations (see Note 8)	358	133
Interest on bank debt	828	256
Credit facility fees and costs	153	177
Total	1,339	566

(thousands of Canadian dollars)

11. Supplemental cash flow information

Changes in non-cash working capital are comprised of:

Years ended March 31	2018	2017
Cash provided by (used in):		
Trade and other receivables	(401)	(1,906)
Deposits and prepaid expenses	(96)	10
Accounts payable and accrued liabilities	1,416	1,610
	919	(286)
Related to:		
Operating activities	881	(575)
Investing activities	353	(75)
Financing activities	(315)	364
Changes in non-cash working capital for the year	919	(286)

12. Related party transactions

The Company has an agreement with the former President and Chief Executive Officer of the Company granting a 1% gross over-riding royalty ("GORR") interest on all production or royalty revenue from those oil or natural gas properties owned by the Company as at June 28, 2016. This royalty interest is attached to the mineral rights and would transfer to the purchaser on the sale or other disposition of those mineral rights. Certain geological and office costs are shared with a corporation which has a director in common with the Company.

Years ended March 31	2018	2017
GORR payments	72	55
GORR payable at the end of the year	13	10
Office cost recoveries	39	31
Geological systems payments	19	19

13. Risk management and financial instruments

(a) Overview of risk management

The Company's activities expose it to a variety of financial risks that arise from its exploration, development, production, and financing activities. The risks include credit risk, liquidity risk and market risk. The Company employs risk management strategies and polices to ensure that any exposure to risk complies with the Company's business objectives and risk tolerance levels. While the Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

(thousands of Canadian dollars)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable are substantially due from oil and natural gas marketers and industry partners.

The Company's operations are conducted in Canada. The Company's exposure to credit risk is based on the credit worthiness of each customer. Changes in industry conditions that negatively impact its customers' ability to generate cash flow will increase the risk of not collecting receivables. Management believes the risk is mitigated by the size and reputation of the companies to which credit is extended.

The Company currently markets its production to two oil and natural gas marketers and monitors the credit rating of those marketers. Revenues from the sale of oil and natural gas are normally collected on the 25th day of the month following production.

The Company has an allowance for doubtful accounts as at March 31, 2018 of $56 (2017 - $nil). When determining whether past due accounts are collectible, the Company factors in the credit history of the counterparties. The Company considers amounts outstanding more than 90 days as past due. The maximum exposure to credit risk is the amount of trade and other receivables comprised of the following carrying amounts, of which $313 (2017 - $1) was greater than 90 days.

As at March 31	2018	2017
Oil and natural gas revenue	1,838	830
Industry partners	467	1,358
GST	48	116
Other	-	6
Total trade and other receivables	2,353	2,310

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Commodity price risk

The nature of the Company's operations result in exposure to fluctuations in commodity prices. Commodity prices for oil and natural gas are impacted by global economic and political events that dictate the levels of supply and demand. Management continuously monitors commodity prices and contracts to manage exposure to these risks when it deems appropriate. The Company does not utilize derivative financial instruments for speculative purposes.

The Company hedges a portion of oil and natural gas sales using derivative financial instruments or may use forward sales contracts or physical sales contracts when deemed appropriate. The Company does not apply hedge accounting for these contracts. The Company's production is usually sold using “spot” or near-term contracts, with prices fixed at the time of transfer of custody or based on a monthly average market price.

(thousands of Canadian dollars)

The following financial commodity price contracts were contracted with the same Alberta based financial institution with which the Company has its credit facility (see Note 7). The Company had the following commodity price contracts outstanding at March 31, 2018.

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
January 1, 2018	December 31, 2018	bbls/day	100	NYMEX WTI CDN	$65.00
January 1, 2018	December 31, 2018	bbls/day	100	NYMEX WTI CDN	$67.25
January 1, 2018	December 31, 2018	bbls/day	100	NYMEX WTI CDN	$70.00

The mark to market value of the instruments contracted and outstanding at March 31, 2018 was an unrealized loss of $1,131, classified as a current liability (2017 – unrealized gain of $36, classified as a current asset). The change in the mark to market value during the year ended March 31, 2018 resulted in an unrealized loss of $1,167 (2017 – unrealized gain of $83) which was recorded in the statement of operations. The realized gain for the year ended March 31, 2018 was $568 (2017 – realized loss of $274).

A $1.00 difference in oil prices for the year ended March 31, 2018 would have increased or decreased oil and natural gas revenue by $159 depending on the direction of the difference and a consequential impact on royalties. The net impact of a 1% difference on loss before income taxes is estimated to be $100.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate due to changes in market interest rates. The Company has a variable rate credit facility outstanding and consequently the Company is exposed to interest rate risk. Further changes in interest rates may affect the general economy. The Company had no interest rate swaps or financial contracts in place as at or during the years ended March 31, 2018 or 2017. A change in the interest rate of 1% during the year ended March 31, 2018 would have increased or decreased interest expense depending on the direction of the change. The impact of a 1% change on interest expense and loss before income taxes is estimated to be $147.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity by monitoring cash flows from operating activities, review of actual capital expenditures against budget, managing maturity profiles of financial assets and liabilities and managing its commodity price risk. These activities ensure sufficient funds are available to meet its financial obligations when due. The Company's following financial liabilities at March 31, 2018 mature within one year.

	Amount
Bank debt	16,250
Accounts payable and accrued liabilities	4,308
Financial instruments - commodity contracts	1,131
Total	21,689

(thousands of Canadian dollars)

Management prepares an operating and capital budget for presentation to the Board of Directors of the Company and its lender. Management presents quarterly updates of the operating (including hedge contracts) and capital budgets (including potential acquisitions and dispositions) to the Board of Directors of the Company and adjustments to planned activities are made depending on projected cash flows and capital resources.

The Company's credit facility is a demand loan and as such the lender could demand repayment at any time. Management is not aware of any indications the lender would demand repayment in the next 12 months. The Company is current with all interest and fee payments and is compliant with all covenants of the credit facility. The lender's next review is scheduled to be completed by August 31, 2018. Depending on the final credit facility limit approved by the lender, the Company may seek alternate financing arrangements, if necessary, to execute its planned capital program. Given that the credit facility is a demand loan and the uncertainty regarding the renewal amount and terms, there is liquidity risk for the Company.

(e) Capital management

The Company's objective is to maintain access to sources of capital, defined to be working capital, shareholders' equity, its credit facility and cash flow from operations, with which to finance its operations. The Company maintains a capital structure of equity and debt as appropriate. The Company manages its capital structure and revises the structure for changes in economic conditions, opportunities for accretive acquisitions and the risk characteristics of the underlying investments. The Company balances its overall capital structure through share issues and the use of debt as deemed appropriate in the circumstances. The Company is not subject to any externally imposed capital requirements other than the working capital covenant associated with its credit facility.

The Company's credit facility requires compliance with a covenant whereby the working capital ratio can be no less than 1:1 as outlined in Note 7. At March 31, 2018, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.2:1.

The Company monitors net debt in managing its capital. Net debt is defined as current assets less current liabilities, excluding the fair value of its commodity contracts. The components of the Company's net debt calculation are as follows:

As at March 31	2018	2017
Trade and other receivables	2,711	2,310
Prepaid expenses and deposits	324	228
Assets held for sale	4,636	-
Bank debt	(16,250)	(14,250)
Accounts payable and accrued liabilities	(4,308)	(2,892)
Liabilities associated with assets held for sale	(1,267)	-
Net debt	(14,154)	(14,604)

The Company has a target to achieve a net debt to cash flow ratio of 2.0:1. The Company's strategy is to monitor this ratio as the ratio can and will fluctuate based on the timing of property acquisitions, commodity prices and on the mix of exploration and development drilling. There have been no changes to the Company's capital management policies for the year ended March 31, 2018.

(thousands of Canadian dollars)

With the closing of the disposition of the property classified as assets held for sale for $3,369 and the cash and working capital surplus received by the Company from the acquisition of Bashaw Oil Corp. (see Note 17), the Company's financial position and flexibility have improved.

(f) Fair value

As of March 31, 2018, and 2017 the carrying value of trade and other receivables and accounts payable and accrued liabilities included in the statement of financial position approximate fair value due to the short-term nature of those instruments. The fair value of the bank debt approximates its carrying value as it bears a floating rate of interest and the margin charged by the lenders is indicative of current credit spreads. Fair value is measured on the following basis:

Level 1 fair value measurements are based on unadjusted quoted market prices.
Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.
Level 3 fair value measurements are based on unobservable information.

The fair value of financial instruments are measured using level 2 inputs.

14. Income taxes

(a) Income tax rate reconciliation

The provision for income taxes varies from the amounts that would be computed by applying the effective Canadian federal and provincial income tax rates to the income before income taxes as follows:

Years ended March 31,	2018	2017
Loss before income taxes	(8,460)	(2,625)
Expected future income tax rate	27%	27%
Expected income tax recovery	2,284	709
Differences resulting from:		
Permanent differences	(255)	332
Change in unrecognized deferred tax assets	(2,029)	(312)
Income tax recovery (expense)	-	729

(b) Temporary differences

Deferred tax assets and liabilities result from the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. As at March 31, 2018 deferred tax assets related to deductible temporary differences totaling $41,963 (2017 – $34,447) have not been recognized due to the uncertainty as to whether future taxable income will be available against which these differences can be applied.

(thousands of Canadian dollars)

(c) Movement in deferred tax balances during the year

The following table presents the movement in the deferred tax asset/liability for the years ended March 31, 2018 and 2017:

Years ended March 31, 2018	Opening balance		Earnings	Closing balance
Property, plant & equipment	(2,572)		(1,705)	(4,277)
Decommissioning obligations	-		1,224	1,224
Share issue costs	-		(17)	(17)
Non-capital losses	2,582		183	2,765
Other	(10)		315	305
Total	-		-	-

Years ended March 31, 2017	Opening balance	Acquisitions	Earnings	Closing balance
Property, plant & equipment	-	(1,258)	(1,314)	(2,572)
Asset retirement obligation	-	529	(529)	-
Share issue costs	-	-	-	-
Non-capital losses	-	-	2,582	2,582
Other	-	-	(10)	(10)
Total	-	(729)	729	-

The following table presents temporary differences for the years ended March 31, 2018 and 2017:

Temporary differences	2018	2017
Property, plant and equipment	(15,839)	(9,527)
Asset retirement obligations	20,139	15,607
Share issue costs	189	252
Non-capital loss carried forward	36,340	28,147
Other	1,134	(32)
Total	41,963	34,447

The Company also has a capital loss carried forward of $7,964 which can only be deducted if the Company realizes a capital gain in the future.

(d) Non-capital losses carried forward

The Company has non-capital losses of $36,340 expiring over the years 2026 to 2038.

(thousands of Canadian dollars)

15. Commitments

The Company is committed to future minimum payments for natural gas transmission and office space. In 2018, the Company entered a lease for new office space which expires June 29, 2020. The Company recovers a portion of the office costs from co-occupants. Payments required under these commitments for each of the next five years are as follows:

	2019	2020	2021	2022	2023	Total
Gas transportation	173	36	6	6	2	223
Office lease	165	178	44	-	-	387
Total	338	214	50	6	2	610

16. Supplemental information

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is comprised of the following:

Years ended March 31	2018	2017
Salaries, benefits and fees	1,116	710
Stock based compensation	820	591
Total	1,936	1,301

Stock based compensation, included in the table above, represents the amortization of stock based compensation costs associated with options for voting common shares granted to directors and key management personnel. The above amounts do not include the payment of gross over-riding royalties to the former President and Chief Executive Officer (see Note 12).

(b) Presentation - Statement of operations and comprehensive loss

In the Company's statement of operations and comprehensive loss, items are primarily disclosed by nature except for cash compensation to Company personnel, which were classified as follows:

Years ended March 31,	2018	2017
General and administrative	1,324	776
Operating	176	175
Transaction costs – geological analysis of acquisitions	-	42
Total	1,500	993

17. Subsequent event

On April 10, 2018, the Company closed the disposition of the oil property, to an entity related to a director of the Company, for proceeds of $3,369 after closing adjustments. The proceeds from the disposition were immediately applied to reduce the Company's bank debt.

On April 16, 2018, the Company acquired Bashaw Oil Corp. ("Bashaw"), a private oil and gas producer, based on a share exchange ratio of 25.379 common shares of Bashaw for one common share of Clearview. The Company issued 1,560,046 voting common shares to the shareholders of Bashaw. The acquisition increases the Company's working interest in the Windfall asset to 100%, operatorship of the asset, increases the Company's production of light oil and further reduces the Company's net debt due to Bashaw's cash position and working capital surplus.