Unaudited Interim Condensed Consolidated Financial Statements of

# HUNTER OIL CORP.

Three Months Ended March 31, 2017 and 2016

HUNTER OIL CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated condensed financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these unaudited interim consolidated condensed financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

August 15, 2017

# HUNTER OIL CORP.

Condensed Consolidated Balance Sheets (Unaudited)
(all amounts expressed in thousands of US dollars)

| | As of March 31, 2017 | As of December 31, 2016 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | $ 94 | $ 1,050 |
| Receivables | 101 | 166 |
| Subscription receivable | 453 | 453 |
| Pepaid expenses and other deposits | 607 | 522 |
| Total current assets | 1,255 | 2,191 |
| Non-current assets | | |
| Exploration and evaluation assets | 165 | 64 |
| Property and equipment, net | 39,200 | 38,947 |
| Restricted cash | 2,340 | 2,340 |
| Total non-current assets | 41,705 | 41,351 |
| Total Assets | $ 42,960 | $ 43,542 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 614 | $ 474 |
| Asset retirement obligations | 643 | 527 |
| Total current liabilities | 1,257 | 1,001 |
| Asset retirement obligations | 17,347 | 17,240 |
| Total liabilities | 18,604 | 18,241 |
| Shareholders' equity | | |
| Equity instruments | 126,628 | 126,628 |
| Contributed surplus | 9,256 | 9,256 |
| Accumulated deficit | (111,528) | (110,583) |
| Total shareholders' equity | 24,356 | 25,301 |
| Total Liabilities and Shareholders' Equity | $ 42,960 | $ 43,542 |

See accompanying notes to unaudited interim condensed consolidated financial statements.

Approved by the Board of Directors:

/s/ Al H. Denson
Al H. Denson
Director

/s/ Andrew Hromyk
Andrew Hromyk
Director

# HUNTER OIL CORP.

Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(all amounts expressed in thousands of US dollars)

| | Three Months Ended March 31, 2017 | Three Months Ended March 31, 2016 |
|---|---|---|
| Revenues | | |
| Oil and gas sales | $ 457 | $ 236 |
| Less: Royalties | (96) | (51) |
| Revenues, net of royalties | 361 | 185 |
| Expenses | | |
| Operating and production costs | 319 | 168 |
| Workover expenses | 41 | 21 |
| General and administrative | 600 | 685 |
| Loss on disposition of assets | 22 | - |
| Depreciation and depletion | 180 | 191 |
| Accretion | 111 | 96 |
| Other, net | 33 | 58 |
| Foreign currency translation gain | - | (1) |
| Total expenses | 1,306 | 1,218 |
| Net comprehensive loss for the period | $ (945) | $ (1,033) |
| Loss per share - basic and diluted | $ (0.12) | $ (0.65) |

See accompanying notes to unaudited interim condensed consolidated financial statements.

# HUNTER OIL CORP.

Condensed Consolidated Statements of Shareholders' Equity (Unaudited)
(all amounts, except common shares, expressed in thousands of US dollars)

| | Number of Common Shares March 31, | | March 31, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Total Shareholders' Equity, beginning balances** | | | $ 25,301 | $ 26,810 |
| **Equity Instruments (Common Shares)** | | | | |
| Balance, December 31 | 8,070,871 | 1,600,881 | 126,628 | 124,166 |
| Balance, March 31 | 8,070,871 | 1,600,881 | 126,628 | 124,166 |
| **Contributed Surplus** | | | | |
| Balance, December 31 | | | 9,256 | 9,256 |
| Balance, March 31 | | | 9,256 | 9,256 |
| **Accumulated Deficit** | | | | |
| Balance, December 31 | | | (110,583) | (106,612) |
| Net loss | | | (945) | (1,033) |
| Balance, March 31 | | | (111,528) | (107,645) |
| **Total Shareholders' Equity, ending balances** | | | $ 24,356 | $ 25,777 |

See accompanying notes to unaudited interim condensed consolidated financial statements.

# HUNTER OIL CORP.

Condensed Consolidated Statements of Cash Flows (Unaudited)
(all amounts expressed in thousands of US dollars)

| | Years Ended March 31, 2017 | Years Ended March 31, 2016 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activities | | |
| Net loss for the year | $ (945) | $ (1,033) |
| Add (deduct) non-cash items: | | |
| Depreciation and depletion | 180 | 191 |
| Accretion of asset retirement costs | 111 | 96 |
| Loss on disposition of assets | 22 | - |
| Foreign currency translation gain | - | (1) |
| Non-cash other expense | 36 | 8 |
| Total non-cash items | (596) | (739) |
| Asset retirement expenditures | (8) | (8) |
| Changes in working capital | 120 | (142) |
| Cash used in operations | (484) | (889) |
| Investing activities | | |
| Exploration and evaluation expenditures | (101) | - |
| Property and equipment expenditures | (371) | (151) |
| Decreases in restricted cash, net | - | 1,248 |
| Cash provided by (used in) investing activities | (472) | 1,097 |
| Financing activities | | |
| Proceeds from private placement funding | - | 659 |
| Cash provided by (used in) financing activities | - | 659 |
| Change in cash and cash equivalents | (956) | 867 |
| Cash and cash equivalents, beginning of the period | 1,050 | 1,257 |
| Cash and cash equivalents, end of period | $ 94 | $ 2,124 |

See accompanying notes to unaudited interim condensed consolidated financial statements.

## 1. Reporting Entity and Description of Business

Hunter Oil Corp., formerly known as Enhanced Oil Resources Inc., was incorporated in British Columbia, Canada and is engaged, through its wholly-owned U.S. subsidiaries (collectively referred to as the "Company") in the acquisition, development, operation and exploitation of crude oil and natural gas properties in the Permian Basin in eastern New Mexico, United States.

Common shares of the Company are listed on the TSX Venture Exchange ("TSX-V") under the symbol "HOC" and quoted on the OTCQX ("Over the Counter" marketplace) under the symbol "HOILF". The address of the registered office of the Company is Suite 940, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1 Canada.

## 2. Liquidity and Going Concern

While these unaudited interim condensed financial statements are prepared on the basis that the Company will continue to operate as a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the twelve-month period following the date of these consolidated financial statements, certain conditions and events cast significant doubt on the validity of this assumption. For the three months ended March 31, 2017, the Company had negative cash flows from operations of approximately $0.5 million and, at March 31, 2017, an accumulated deficit of approximately $111.5 million. The Company also expects to incur further losses during the future development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate profitable production and to obtain additional funding from loans or equity financings or through other arrangements. Although the Company has been successful in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

These annual consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

## 3. Basis of Presentation and Summary of Significant Accounting Policies

### Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim condensed financial statements, including International Accounting Standard 34, "Interim Financial Reporting." The Company has consistently applied the same accounting policies as those set out in the audited consolidated financial statements for the year ended December 31, 2016, which are available on the Company's website at www.hunteroil.com. Certain disclosures included in the notes to the annual consolidated financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied in these unaudited interim consolidated financial statements are based on IFRS issued and outstanding as of August 15, 2017, the date the Company's Board of Directors approved the statements.

The accompanying unaudited interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. Accordingly, actual results may differ from these estimates.

**Basis of Presentation**

**Functional Currency** – These unaudited interim condensed consolidated financial statements are presented in United States dollars, unless otherwise indicated. All references to $ are to United States dollars and references to C$ are to Canadian dollars.

**Reclassifications –** Certain reclassifications have been made to the March 31, 2017, unaudited interim condensed consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or accumulated deficit.

**Basis of Measurement and Estimation Uncertainty** – The unaudited interim condensed consolidated financial statements are prepared on a historical cost basis except as detailed in the Company's accounting policies disclosed in this note. The timely preparation of the unaudited interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the unaudited interim condensed consolidated financial statements, and the amount of revenues and expenses. Accordingly, actual results may differ from these estimates.

**Principles of Consolidation and Presentation** – The unaudited interim condensed consolidated financial statements of the Company include the financial information of Hunter Oil Corp. (the "Parent Company") and its wholly-owned subsidiary, Hunter Oil Management Corp. ("HOMC") (formerly Ridgeway Petroleum (Florida), Inc.). HOMC includes the results of its wholly-owned subsidiaries, Hunter Oil Resources Corp. (formerly Enhanced Oil Resources USA Inc.), Milnesand Minerals Inc., Chaveroo Minerals Inc., and Hunter Oil Production Corp. ("HOPC") (formerly Arizona Resources Industries, Inc.). HOPC includes the results of its wholly-owned subsidiaries, Ridgeway Arizona Oil Corp. and EOR Operating Company. All intercompany amounts have been eliminated upon consolidation.

## 4. Restricted Cash

Restricted cash is comprised of cash escrowed amounts and certificates of deposit at banks which are pledged either to secure plugging and abandonment obligations for properties operated by the Company's subsidiaries or to secure a well site reclamation project in Canada.

(All amounts in thousands of US dollars unless otherwise indicated)

The following table summarizes restricted cash balances:

| | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Bank deposits pledged to secure asset retirement obligations | $ 2,340 | $ 2,340 |
| Short -term | $ - | $ - |
| Long-term | $ 2,340 | $ 2,340 |

**5. Receivables and Subscriptions Receivable**

The Company's receivables were comprised of amounts due from crude oil purchasers of $0.1 million at both March 31, 2017 and December 31, 2016, and other receivables of $0.1 million at December 31, 2016. The Company's subscriptions receivable was comprised of private placement proceeds held in escrow of $0.5 million at both March 31, 2017, and December 31, 2016. Management does not consider any of the receivable balances to be impaired.

**6. Prepaid Expenses and Other Deposits**

The Company's prepaid expenses were comprised of plugging bonds, insurance, and other short-term assets of $0.2 million and $0.2 million at March 31, 2017, and December 31, 2016, respectively. In addition, the Company reported $0.4 million and $0.3 million in deferred financing costs directly related to a proposed credit facility at March 31, 2017, and December 31, 2016, respectively. Upon retirement of the credit facility, the deferred financing costs will be recorded as a reduction of the related liability and amortized using the effective interest method.

**7. Exploration and Evaluation Assets**

Exploration and evaluation asset activity for the three months ended March 31, 2017, was as follows:

| | Oil and Gas Properties |
|---|---|
| **Balance, December 31, 2016** | **$ 64** |
| Additions | 101 |
| **Balance, March 31, 2017** | **$ 165** |

Exploration and evaluation assets include lands and assets that management has not fully evaluated for technical feasibility and commercial viability. Transfers to property and equipment are made when technical feasibility and commercial viability are determined to exist. During 2017, the Company acquired new acreage in Roosevelt County, New Mexico. The acquisition represents unproved properties with unevaluated potential for primary oil recovery projects and are excluded from the costs subject to depletion and depreciation until proved reserves are attributed to the property.

(All amounts in thousands of US dollars unless otherwise indicated)

## 8. Property and Equipment

Property and equipment activity for the period ended March 31, 2017 was as follows:

| | | Oil and Gas Properties | | Other [1] | | Total |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2016** | **$** | **42,623** | **$** | **342** | **$** | **42,965** |
| Additions | | 145 | | 345 | | 490 |
| Dispositions | | (155) | | (39) | | (194) |
| Change in discount rates of asset retirement obligations | | 120 | | - | | 120 |
| **Balance, March 31, 2017** | **$** | **42,733** | **$** | **648** | **$** | **43,381** |
| **Accumulated depreciation and depletion:** | | | | | | |
| **Balance, December 31, 2016** | **$** | **(3,826)** | **$** | **(192)** | **$** | **(4,018)** |
| Depreciation and depletion | | (169) | | (11) | | (180) |
| Dispositions | | - | | 17 | | 17 |
| **Balance, March 31, 2017** | **$** | **(3,995)** | **$** | **(186)** | **$** | **(4,181)** |
| **Net book value:** | | | | | | |
| December 31, 2016 | $ | 38,797 | $ | 150 | $ | 38,947 |
| March 31, 2017 | $ | 38,738 | $ | 462 | $ | 39,200 |

(1) The "Other" column aggregates long-term, depreciable assets (e.g., Property, Plant, and Equipment, Furnitures and Fixtures) not included in the aggregated amounts listed either in Note 7 - Exploration and Evaluation Assets or in the "Oil and Gas Properties" column listed above.

Future development costs of $236.2 million and $95.6 million for the periods ended March 31, 2017 and 2016, respectively, have been included in the computation of depletion expense. No general and administrative costs have been capitalized with regard to property and equipment.

## 9. Asset Retirement Obligations

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the estimated future obligations associated with the retirement of oil and gas properties:

| | | |
|---|---|---|
| **Balance, December 31, 2016** | **$** | **17,767** |
| Increase in provision due to change in discount rates | | 120 |
| Increase in provision due to passage of time (accretion) | | 111 |
| Asset retirement costs incurred | | (8) |
| **Balance, March 31, 2017** | **$** | **17,990** |

The total undiscounted amount of estimated future cash flows required to settle the obligations as of March 31, 2017, is $27.2 million, which has been discounted using risk free rates from 0.81% to 2.89% and an assumed inflation rate of 1.50%. These obligations are expected to be settled over the next twenty-four years and will be funded from general Company resources at the time of retirement.

(All amounts in thousands of US dollars unless otherwise indicated)

At March 31, 2017, the Company estimated asset retirement obligations of $2.0 million and $0.9 million for active leases administered by the Bureau of Land Management (BLM) and for active leases administered by the New Mexico Oil Conservation Division (OCD), respectively, in its Milnesand field. In addition, the Company estimated plugging obligations of $1.5 million and $8.5 million for active BLM leases and for active OCD leases, respectively, in its Chaveroo field. Total estimated asset retirement obligations for expired leases (all in the Chaveroo field) was $2.4 million. The following table summarizes the Company's total estimated asset retirement obligation by field at March 31, 2017 and 2016.

| | Active Leases | | Expired Leases | | | Total |
|---|---|---|---|---|---|---|
| | BLM | OCD | BLM | OCD | Facilities | Liability |
| Milnesand Field | 2,020 | 900 | - | - | 756 | 3,676 |
| Chaveroo Field | 1,534 | 8,713 | 1,173 | 1,022 | 1,872 | 14,314 |
| **Balance, March 31, 2017** | **$ 3,554** | **$ 9,613** | **$ 1,173** | **$ 1,022** | **$ 2,628** | **$ 17,990** |

| | Active Leases | | Expired Leases | | | Total |
|---|---|---|---|---|---|---|
| | BLM | OCD | BLM | OCD | Facilities | Liability |
| Milnesand Field | 2,115 | 942 | - | - | 761 | 3,818 |
| Chaveroo Field | 1,661 | 7,327 | 1,550 | 2,644 | 2,057 | 15,239 |
| **Balance, March 31, 2016** | **$ 3,776** | **$ 8,269** | **$ 1,550** | **$ 2,644** | **$ 2,818** | **$ 19,057** |

The $0.6 million recorded as current asset retirement obligations at March 31, 2017, represents the amount that the Company anticipates spending over the proceeding twelve calendar months on surface reclamation activities associated with recent asset retirement activities coupled with the estimated cost of asset retirement activities for the next ten wells in its BLM-compliant abandonment program.

## 10. Accounts Payable and Accrued Liabilities

The Company's trade payables at March 31, 2017, and December 31, 2016, were $0.5 million and $0.4 million respectively. The Company's accrued liabilities at both March 31, 2017, and December 31, 2016, were $1.0 million.

During 2016, the Company received $1.75 million in private placement funds discussed in Note 16 – Private Placement. Gross proceeds totaled $2.5 million. The Company also incurred offering costs of $0.036 related to the private placement. The funds are recorded in equity instruments on the unaudited interim condensed consolidated balance sheet (see Note 11 – Equity Instruments).

## 11. Equity Instruments

**Share Consolidation** – Effective January 21, 2015, the Company implemented a share consolidation on the basis of one new common share for every ten pre-consolidation shares. Effective September 9, 2016, the Company implemented a share consolidation on the basis of one new common share for every ten pre-consolidation shares as of September 9, 2016. Accordingly, all references to the outstanding common shares of the Company in these financial statements have been restated to give effect to the consolidations as if the number of shares were effective for all periods presented.

**Authorized Shares –** The Company is authorized to issue an unlimited number of common shares of no par value and up to 25 million preferred shares of no par value.

**Issued and Outstanding –** The Company had 8,070,871 common shares outstanding at March 31, 2017 and 1,600,881 common shares outstanding at March 31, 2016. The Company did not issue new shares during the first three months of 2017.

The Company had 1,000 preferred shares outstanding at March 31, 2017 and 2016, respectively.

**Stock option plan –** The Company has a stock option plan under which up to 10% of the number of outstanding common shares may be reserved for issuance as of any particular stock option grant date. The stock options were granted with a five-year expiry term. The exercise prices for all outstanding options are denominated in Canadian dollars, the trading currency of the Company's common shares.

As of March 31, 2017, the Company has nil stock options outstanding.

**Earnings per share –** The weighted average number of shares outstanding that was used for purposes of the computation of basic per share data was 8,070,871 at March 31, 2017 and 1,600,881 at March 31, 2016. Since the Company incurred a net loss for both periods, no common stock equivalents were included in the computation of diluted earnings per share as their inclusion would have been anti-dilutive.

**Stock-Based Compensation** – No stock-based compensation expense was recognized during the three months ended March 31, 2017 and 2016, as no options were granted and all options were fully vested at January 1, 2016. Stock-based compensation previously recorded by the Company relating to options that have not been exercised is included in contributed surplus.

At March 31, 2017, there were no stock options outstanding.

## 12. Related Party Transactions

The Company paid approximately $0.06 million in management fees to an entity controlled by the Company's Chief Executive Officer during the three months ended March 30, 2017 and 2016, respectively.

(All amounts in thousands of US dollars unless otherwise indicated)

**13. Commitments and Contractual Obligations**

The Company is committed to the following non-cancellable future minimum lease payments, related to two office leases, at March 31, 2017:

| | | |
|---|---|---|
| 2017 | $ | 47 |
| 2018 | | 42 |
| Total | $ | 89 |

**14. Fair Value Measurements**

Fair value estimates are made at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

The Company has determined that the carrying value of its short-term financial assets and liabilities (cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities) approximates fair value at the consolidated balance sheet dates due to the short-term maturity of these instruments.

**15. Risk Management**

**Risks Associated with Financial Assets and Liabilities** – The Company is exposed to financial risks arising from its financial assets and liabilities. Financial risks include market risks (such as commodity prices, foreign exchange and interest rates), credit risk and liquidity risk. The future cash flows of financial assets or liabilities may fluctuate due to movements in market prices and the exposure to credit and liquidity risks. Disclosures relating to exposure risk are provided in detail as follows:

**Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments exposed to concentrations of credit risk are primarily cash and cash equivalents, including restricted cash, and accounts receivable.

The Company limits its exposure to credit risk with respect to cash equivalents by investing available cash in short-term deposits with Canadian and US banks, principally in overnight money market funds investing in government treasury instruments. The Company's receivables mainly consist of amounts due from sales of its crude oil and natural gas production.

With respect to its crude oil and natural gas production receivables, the Company is the operator of all its property interests and owns the significant majority of the working interest in producing properties.

Receivables related to the sale of crude oil production are with two major reputable marketers and proceeds are collected within approximately 25 days following the month of delivery. The Company produces a limited amount of natural gas which is sold to a reputable purchaser and collections occur within approximately 55 days of the end of any monthly period.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As described in Note 2 of these consolidated financial statements, management of the Company has assessed that there may be significant doubt regarding the Company’s ability to continue as a going concern. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At March 31, 2017, the Company had cash of $0.1 million, excluding restricted cash of $2.3 million. The Company is still dependent on raising funds by borrowings, equity issues, or asset sales to finance its ongoing operations, capital expenditures and acquisitions. The contractual maturity of the majority of accounts payable is within three months or less. The Company has historically financed its expenditures and working capital requirements through the sale of common stock or, on occasion, through the issuance of short-term debt.

**Foreign Exchange Risk**

Substantially all of the Company’s assets and expenditures are either denominated in or made with US dollars. As a result, the Company has very limited exposure to foreign exchange risk in relation to existing commitments or assets denominated in a foreign currency. The Company has chosen not to enter into any foreign exchange contracts since its Canadian dollar working capital balances are not significant to the consolidated entity.

**Commodity Price Risk**

The Company is exposed to fluctuations in the world commodity prices for its products with a corresponding impact to cash flow. Reduced cash flow may result in lower levels of capital being available for field activity, thus compromising the Company’s capacity to grow production while at the same time replacing continuous production declines from existing properties. When the Company forecasts increased debt levels due to capital expenditures exceeding cash flow, it may enter into oil and natural gas hedging contracts in order to provide stability of future cash flow. The Company engages in derivative financial instruments solely to manage its commodity price risk exposure relative to its actual commodity production and not for speculative purposes. The Company has no derivative contracts in place at March 31, 2017.

(All amounts in thousands of US dollars unless otherwise indicated)

## 16. Private Placement

On May 13, 2016, the Company closed a private placement of US $2.5 million. On closing, a total of 6,470,000 common shares was issued at a price of C$0.50 per share. The intended use of proceeds is operating expenses and general working capital.

During 2016, the Company received $1.75 million in private placement subscription proceeds. Gross proceeds total $2.5 million. The private placement proceeds are recorded in equity instruments on the unaudited interim condensed consolidated balance sheet.

## 17. Supplemental Cash Flow Information

The (increase)/decrease in working capital is comprised of:

| | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Receivables and subscription receivable | $ 65 | $ (16) |
| Prepaid expenses and deposits | (85) | 5 |
| Other non current assets | - | 50 |
| Accounts payable and accrued liabilities | 140 | (181) |
| Total | $ 120 | $ (142) |
| Relating to: | | |
| Operating activities | $ 120 | $ (142) |