

**Shoal Point Energy Ltd.**

Suite 203 – 700 West Pender Street  
Vancouver, B.C. V6C 1G8

**Interim Management Discussion and Analysis**

**For The Three Months Ended**

**April 30, 2017**

The following Management Discussion and Analysis of Shoal Point Energy Ltd. (“Shoal Point” or the “Company”) was prepared as of June 26, 2017 and should be read in conjunction with the interim condensed unaudited financial statements for the three months ended April 30, 2017 and the annual audited financial statements for the year ended January 31, 2017. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company’s website at [www.shoalpointenergy.com](http://www.shoalpointenergy.com)

### ***Caution Regarding Forward Looking Statements***

*Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company’s properties; the future price of oil and natural gas; success of exploration activities; cost and timing of future exploration and development; the estimation of oil and natural reserves and resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.*

*Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.*

*Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.*

*Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:*

- The Company’s goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic resources;*
- Management’s assessment of future plans for the Green Point oil-in-shale, Newfoundland, Canada.*
- Management’s economic outlook regarding future trends;*
- The Company’s ability to meet its working capital needs at the current level in the short term;*
- Expectations with respect to raising capital;*
- Sensitivity analysis on financial instruments may vary from amounts disclosed; and*
- Governmental regulation and environmental liability.*

*Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

## **Company Profile**

Shoal Point Energy Ltd. (the "Company") was incorporated on December 22, 2006 under the Business Corporations Act (Alberta). The Company was incorporated for the purpose of acquisition, exploration and development of oil and natural gas properties in Canada. The Company's administrative office is located at suite 203 – 700 West Pender Street, Vancouver, B.C. V6E 3V7. On October 26, 2010, the Company filed articles of continuance in Ontario under the name of Shoal Point Energy Inc.

On October 14, 2010, Allied Northern Capital Corporation ("Allied") a non-operating public enterprise, agreed on a share exchange transaction with Shoal Point Energy Inc. ("SPE"), a non-public operating enterprise, which was completed on November 9, 2010. The transaction has been accounted for as a reverse takeover acquisition, whereby SPE became a wholly owned subsidiary of Allied. On November 23, 2010, the Canadian National Stock Exchange ("CNSX") authorized the completion of the reverse takeover or qualifying transaction and the name change from Allied to Shoal Point Energy Ltd. ("Shoal Point", "SPE" or the "Company"). On November 23, 2010, the Company began trading on the CNSX under the symbol SHP. In January 2014, the Canadian National Stock Exchange changed its name to the Canadian Securities Exchange ("CSE").

On November 9, 2010, SPE amalgamated with a newly incorporated wholly-owned subsidiary of Allied, 2257054 Ontario Inc. and continued on under the name of Shoal Point Energy Inc.

On October 10, 2012 the Company filed Articles of Amalgamation under the Business Corporations Act (Ontario), whereby the Company was amalgamated with Shoal Point Energy Inc. to form an amalgamated corporation operating under the name of "Shoal Point Energy Ltd." ("Shoal Point", "SPE" or the "Company"). All amounts herein reflect the financial effects of the amalgamation. Comparative figures also reflect the effects of amalgamation.

## **Exploration Activities and Outlook**

On June 12, 2014, the Company issued an updated NI 51-101 compliant resource estimate, with an effective date of March 31, 2014, and is available on the Company web site at [www.shoalpointenergy.com](http://www.shoalpointenergy.com). The report will also be available on SEDAR at [www.sedar.com](http://www.sedar.com).

The following table contains estimates of Total Undiscovered Petroleum Initially in Place (PIIP) and estimates of Prospective (Recoverable) Resources contained in the Humber Arm Allochthon formation within the Exploration License that Shoal Point Energy has rights to in western Newfoundland:

				Gross			Working Interest		
Resource Class				Low MMstb	Best MMstb	High MMstb	Low MMstb	Best MMstb	High MMstb
			Cumulative Production	0	0	0	0	0	0
			Remaining reserves	0	0	0	0	0	0
			Surface loss/shrinkage	0	0	0	0	0	0
			Total Commercial	0	0	0	0	0	0
			Contingent resources	0	0	0	0	0	0
			Unrecoverable	0	0	0	0	0	0
			Total sub-commercial	0	0	0	0	0	0
			Total discovered PIIP	0	0	0	0	0	0
			Prospective resources	177.3	428.4	908.6	177.3	428.4	908.6
			Unrecoverable	2,874.5	6,119.7	10,889.7	2,874.5	6,119.7	10,889.7
			Total undiscovered PIIP	3,051.8	6,548.1	11,798.3	3,051.8	6,548.1	11,798.3
			Total PIIP	3,051.8	6,548.1	11,798.3	3,051.8	6,548.1	11,798.3

Prospective resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market, facility, corporate commitment or political risks). The chance of commerciality is the product of these two risk components. The Province of Newfoundland and Labrador currently has a moratorium on hydraulic fracturing in place. The prospective resource estimates referred to herein have not been risked for either the chance of discovery or the chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The Low Estimate represents the P<sub>90</sub> values from the probabilistic analysis (i.e. the value is greater than or equal to the P<sub>90</sub> value 90% of the time), while the Best Estimate represents the P<sub>50</sub> values and the High Estimate represents the P<sub>10</sub>. Actual resources may be greater or less than those calculated.

In November of 2013, the Minister of Natural Resources announced that applications for hydraulically fracturing wells would be not be accepted which effectively imposed a moratorium. Our property may require hydraulic fracturing to achieve commercial production. In October 2014, the Government of Newfoundland appointed five members to the Newfoundland and Labrador Hydraulic Fracturing Review Panel ("NLFRP") to study the socio-economic and environmental impacts of hydraulic fracturing in western Newfoundland. The report was made public on May 31, 2016. The Company is disappointed in the report, which recommends, among other things, significant further study before hydraulic fracturing could be considered.

The Company is planning to submit a planning document to the regulators in Newfoundland and Labrador that does not involve hydraulic fracturing to achieve production. The planning document will be the first step of a process of applying for an operations authorization to drill and test a well in Exploration Licence 1070 (‘EL 1070’).

Management of Shoal Point Energy continues to believe EL 1070 in Western Newfoundland represents a tremendous economic opportunity for the shareholders of the Company. The Humber Arm Allochthon also represents an opportunity for the people of Western Newfoundland to develop a significant oil industry that will create jobs and generate revenues for the government from both royalties and taxes.

### **Operations Update**

Shoal Point Energy holds tenure in EL 1070 by virtue of its “diligent pursuit” of well 3K-39. The Canada Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB), in a letter to then partner Black Spruce Exploration Corp. dated April 12, 2013, extended the target date for recommencing operations on EL 1070 until a reasonable time period following the completion of the regulatory approval process. On July 23, 2014 the Company delivered the end of well report for the 3K-39Z to the C-NLOPB and delivered the end of well report for the 3K-39 on August 21, 2014. The Company continues to provide regular activity updates to the C-NLOPB.

### **Overall Performance**

As at April 30, 2017, the Company’s cash and cash equivalents position decreased to \$354,082 from \$472,273 as a direct result from funding operations and oil and natural gas expenditures. The Company will continue to focus on the maintenance of its interest in EL 1070.

The Company relies on equity financings to fund its operations, for the three months ended April 30, 2017 there were no share issuances. At April 30, 2017, the Company’s working capital was \$359,129.

### **Selected Annual Information in \$CDN**

	Jan 31 2017	Jan 31 2016	Jan 31 2015
Total Revenues	0	0	0
Loss and comprehensive loss	\$ (428,430)	\$ (464,396)	\$ (969,090)
Loss per share	(0.00)	(0.00)	(0.00)
Total Assets	8,106,619	8,540,088	8,716,979
Total Liabilities	20,363	63,019	243,219
Oil and Natural Gas Properties written off in year	-	-	-

### **Results of Operations**

During the three months ended April 30, 2017, the Company recorded a net loss and comprehensive loss of \$94,066 (\$0.00 per common share) compared to a net loss of \$119,966 (\$0.00 per common share) for the three months ended April 30, 2016. During the three months ended April 30, 2017 and 2016, the Company had no revenues from operations but received \$457 from interest and other income (April 30, 2016 - \$1,145).

Overall, excluding stock-based compensation and depreciation, the loss from operations for the three months ended April 30, 2017 was \$94,199 compared to the loss of \$103,316 for the three months ended April 30, 2016.

#### *Management salaries*

Management salaries of \$50,400 for the three months ended April 30, 2017 were the same for the three months ending April 30, 2016.

#### *Office, general and administrative*

Office, general and administration decreased by \$8,859 to \$42,145 for the three months ended April 30, 2017 in comparison to \$51,004 for the three months ending April 30, 2016.

#### *Professional fees*

Professional fees decreased by \$258 to \$1,654 for the three months ended April 30, 2017 in comparison to \$1,912 for the three months ending April 30, 2016.

#### *Stock-based compensation*

Stock-based compensation expense decreased by \$17,358 to \$Nil for the three months ended April 30, 2017 in comparison to \$17,358 for the three months ending April 30, 2016.

### **Summary of Quarterly Results**

#### **Quarterly Financial Information (unaudited)**

For the three months ended	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Net Income (loss) (in thousands)	\$ (94)	\$ (71)	\$ (110)	\$ (127)
Net Income (loss) per share (Basic & Fully Diluted)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Total Assets (in thousands)	\$ 8,004	\$ 8,107	\$ 8,254	\$ 8,367
Shareholders' equity (in thousands)	\$ 7,992	\$ 8,086	\$ 8,158	\$ 8,264

For the three months ended	April 30, 2016	January 31, 2016	October 31, 2015	July 31, 2015
Net Income (loss) (in thousands)	\$ (120)	\$ (131)	\$ (138)	\$ (76)
Net Income (loss) per share (Basic & Fully Diluted)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Total Assets (in thousands)	\$ 8,426	\$ 8,540	\$ 8,647	\$ 8,494
Shareholders' equity (in thousands)	\$ 8,373	\$ 8,477	\$ 8,591	\$ 8,438

### **Liquidity**

As of April 30, 2017, the Company had cash and cash equivalents of \$354,082, current assets of \$370,584, current liabilities of \$11,455 and positive working capital of \$359,129.

## Capital Resources

The Company relies primarily on equity financing to fund its working capital needs. The Company does not have sufficient working capital for the next twelve months for administration expenses and will need to raise funds through private placements.

As at April 30, 2017, the Company's share capital was \$59,444,279 (January 31, 2017 - \$59,444,279) representing 544,158,743 (January 31, 2017 - 544,158,743) issued and outstanding common shares without par value. As at April 30, 2017, the Company had 69,016,000 (January 31, 2017 - 69,016,000) warrants outstanding exercisable at varying prices (see note 7 of the interim condensed financial statements).

The Company's deficit was \$67,732,300 as at April 30, 2017 (January 31, 2017 - \$67,638,234).

If there are changes to the Company's operations or exploration of its oil and natural gas properties that would exhaust the existing cash, the Company will need to sell additional securities in its capital stock. If this occurs, existing shareholders will experience a dilution of their equity interest in the Company.

## Off-Balance Sheet Transactions

The Company has no off balance sheet transactions.

## Commitments and Contingencies

The Company was named as a defendant in a \$3,414,000 lawsuit relating to seismic data which the litigant, Geophysical Services Inc. claims was disclosed by NWest Oil & Gas Inc. ("NWest") to the Company when the Company acquired certain acreage from NWest in a prior year. Management believes the claim to be frivolous towards the Company and without merit. The Company has filed a Summary Dismissal Application with the Alberta Court. A date for hearing of this Application has not been set. No loss provision has been recorded.

In February 2015, Irwin Lowy LLP filed a claim against the Company for \$66,469.25 for unpaid legal services (see note 8). The company is contesting this amount and filed a counter-claim along with a statement of defense which offsets this amount. No loss provision has been recorded as a result.

## Related party transactions

	Three Months Ended	
	April 30, 2017	April 30, 2016
Management salaries	\$ 50,400	\$ 50,400
Stock-based compensation	-	6,337
	\$ 50,400	\$ 56,737

## **Fourth Quarter**

N/A

## **Proposed Transactions**

N/A

## **Critical Accounting Estimates**

As at April 30, 2017, the Company's financial statements reflect "Oil and Natural Gas Properties and Equipment" with a balance of \$7,583,061. The recoverability of this amount is dependent upon the discovery of economically recoverable reserves, and the ability to attain future profitable production from those reserves, or from their successful disposition. The Company has not determined if its properties contain oil and gas reserves that are economically recoverable.

### *Income taxes*

Preparation of the consolidated financial statements involves determining an estimate of, or provision for, income taxes. The process also involves making an estimate of taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred taxes. Deferred taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the consolidated balance sheet as deferred tax assets and liabilities. An assessment must also be made to determine the likelihood that the Company's future taxable income will be sufficient to permit the recovery of deferred tax assets. To the extent that such recovery is not probable, recognized deferred tax assets must be reduced to the recoverable amount. Judgement is required in determining the provision for income taxes and recognition of deferred tax assets and liabilities. Management must also exercise judgement in its assessment of continually changing tax interpretations, regulations and legislation, to ensure deferred tax assets and liabilities are complete and fairly presented. The effects of differing assessments and applications could be material.

## **Changes in Accounting Policies**

### **Accounting Standards Issued but Not Yet Effective**

New standard IFRS 9 "Financial Instruments" is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 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. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact this new standard will have on its consolidated financial statements.

IFRS 16 "Leases" replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a



service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The Company has not yet assessed the future impact of this new standard on its financial statements.

#### *Other*

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### **Financial Instruments**

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

#### *Market Risk*

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures, of which there are none outstanding as at year end. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

#### *Liquidity Risk*

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are cash funds derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations, and are all due within one year.

As at April 30, 2017 the Company held cash and cash equivalents of \$354,082 to settle current liabilities of \$11,455. The Company's working capital at April 30, 2017 was \$359,129.

### *Interest Rate Risk*

Interest rate risk is the risk that the cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash in term deposits at fixed rates of interest.

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, accounts receivable and loans receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

### *Fair Value*

The carrying value of the Company's financial instruments are considered to be representative of their fair value due to their short-term nature.

### **Capital Management**

The Company identifies capital as share capital, cash and receivables that are expected to be realized in cash. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors.

The Company's primary objectives when managing capital is to safeguard and maintain the Company's financial resources for continued operations and to fund expenditure programs to further advance oil and natural gas property interests

The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources.

The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditure and the scope of operations during periods of commodity pricing decline and economic downturn.

There are no externally imposed capital restrictions and no changes in approach.

### **Risks and Uncertainties**

The Company's principal activity is oil and natural gas exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economical.

The Company has no significant source of operating cash flow and no revenue from operations. The Company has not determined whether its resource properties contain reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. The property interests that the Company has or has an option to earn an interest in are in the exploration stage only. Oil and natural gas exploration involves a high degree of risk and few properties, which are explored, are ultimately developed. Exploration of the Company's properties may not result in

any discoveries of commercial bodies of resources. If the Company's efforts do not result in any discovery of commercial resources, the Company will be forced to look for other exploration projects or cease operations.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks.

The Company is in the business of oil and natural gas exploration and as such, its prospects are largely dependent on movements in the price of oil and natural gas. Prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Company. The resource exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company does not enter into price hedging programs.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

### **Environmental Risks and Hazards**

All phases of the Company's exploration operations are subject to environmental regulations in the jurisdictions it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests, which are unknown to the Company at present and which may have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of oil and natural gas properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities which may cause operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in oil and natural gas operations may be required to compensate those suffering loss or damage by reason of the oil and natural gas activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of oil and natural gas companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures and production costs. They may also cause a reduction in levels of production at

producing properties or they may require abandonment or delays in development of new oil and natural gas properties.

### **Outstanding Share Data**

For additional detail, see Note 7 of the interim condensed financial statements.

	<b>Number Issued and Outstanding June 26, 2017</b>	<b>Number Issued and Outstanding April 30, 2017</b>
Common Shares issued and outstanding	544,158,743	544,158,743
Warrants to purchase Common shares	69,016,000	69,016,000
Options to purchase Common Shares	41,500,000	41,500,000
Fully Diluted	654,674,743	654,674,743

### **Officers Certification of Evaluation of Disclosure Controls**

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management Discussion and Analysis.

In contrast to the certificate under National Instrument (“NI”) 52-109 (Certification of Disclosure in an Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

The Company has been in the exploration stage and has not had common separation of duties and functions usually found in a larger or revenue generating company with comprehensive internal controls. While the Company’s smaller staff size has not allowed for full separation of duties, its senior management believes that its close involvement with day-to-day business activities and related financial reporting provides a reasonable measure of internal control in lieu of the separation of duties.

Signed

*“Brian Fiddler”*

Brian Fiddler  
Chief Financial Officer  
June 26, 2017