Gelum Capital Ltd. (formerly Jagercor Energy Corp.)
Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
For the six months ended October 31, 2018 and 2017

NOTICE OF NO AUDITOR REVIEW

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Gelum Capital Ltd. (formerly Jagercor Energy Corp.) (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

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

13 March 2019

Gelum Capital Ltd. (formerly Jagercor Energy Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at 31 October 2018	As at 30 April 2018 (Audited)
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	5	124,245	1,438
Prepaid expenses		-	-
Amounts receivable	6	858	756
Total current assets		125,103	2,194
Consideration receivable	11	-	25,000
Total assets		125,103	27,194
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		41,981	48,671
Total current liabilities		41,981	48,671
Non-Current liabilities			
Due to Related Parties	14	422,299	417,466
Convertible Note	7, 14	135,509	127,313
Total non-current liabilities		557,808	544,779
Total liabilities		599,789	593,450
Equity			
Common shares	8	7,245,232	7,245,232
Shares to be issued	14	29,200	29,200
Reserves	8	5,588,580	5,588,580
Accumulated other comprehensive income		-	-
Equity portion of convertible note	7	75,459	75,459
Deficit		(13,413,157)	(13,504,727)
Non-controlling interest		-	-
Total equity		(474,686)	(566,256)
Total equity and liabilities		125,103	27,194

Corporate Information and Going Concern (Note 1)

APPROVED BY THE BOARD:

"Robert Kopple"	"Hendrik Van Alphen"
Director	Director

Gelum Capital Ltd. (formerly Jagercor Energy Corp.)
Condensed Interim Consolidated Statements of Net and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three months ended 31 October		Six months ended 31 October	
		2018	**2017**	**2018**	**2017**
Revenue					
Oil Sales		**-**	54,713	**-**	54,713
Operating Services		**-**	495,502	**-**	495,502
Oil Royalties		**-**	(15,208)	**-**	(15,208)
Total Revenue		**-**	535,008	**-**	535,008
Operating Expenses					
General & administrative		**(13,751)**	(260,819)	**(23,280)**	(442,980)
Operating costs		**-**	(634,737)	**-**	(652,936)
Business development		**-**	(5,984)	**(2,069)**	(18,086)
Share-based payments	9	**-**	-	**-**	(70,430)
Impairment		**-**	-	**-**	-
Total operating expenses		**(11,598)**	(901,541)	**(25,349)**	(1,184,434)
Gain (loss) on foreign exchange		**480**	(6,219)	**(889)**	(47,784)
Interest (expense) income		**-**	233	**-**	359
Accretion expense		**(4,236)**	-	**(8,196)**	-
Recovery of loan receivable		**-**	-	**126,004**	-
Net income (loss) for the period		**(17,507)**	(372,519)	**91,570**	(696,851)
Other comprehensive income					
Cumulative translation adjustment		**-**	227,515	**-**	219,889
Comprehensive income (loss) for the period		**(17,507)**	(145,004)	**91,570**	(476,961)
Net income (loss) attributable to:					
Shareholders of parent company		**(17,507)**	(239,913)	**91,570**	(461,074)
Non-controlling interest		**-**	(147,519)	**-**	(235,777)
Other comprehensive income attributable to:					
Shareholders of parent company		**-**	131,140	**-**	(190,860)
Non-controlling interest		**-**	96,376	**-**	410,749
Loss per share – basic and diluted	10	**(0.00)**	(0.08)	**0.02**	(0.15)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Gelum Capital Ltd. (formerly Jagercor Energy Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Six months ended 31 October	
		2018	**2017**
		$	$
OPERATING ACTIVITIES			
Net income (loss) for the period		91,570	(696,851)
Adjustments to reconcile loss to cash provided (used in) operating activities:			
Share-based payments	9	-	70,430
Shares to be issued		-	14,062
Recovery of loan receivable		(126,004)	
Accretion expense		8,196	-
Gain on disposal of subsidiary		-	-
Write-off of loan receivable		-	
Write-off prepaid taxes		-	-
Investment impairment		-	-
Changes in non-cash working capital:			
Due to related parties		4,833	-
Amounts receivable		(102)	(178,807)
Prepaid expenses		-	(553)
Trade and other payables		(6,690)	477,651
Cash used in operating activities		**(28,197)**	(314,068)
FINANCING ACTIVITIES			
Recovery of loan to subsidiary		**151,004**	-
Cash provided by financing activities		**151,004**	-
Effect of exchange rate on cash and cash equivalents		**-**	219,155
(Decrease) increase in cash and cash equivalents		**122,807**	(94,913)
Cash and cash equivalents, beginning of year		**1,438**	482,229
Cash and cash equivalents, end of year		**124,245**	387,316

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Gelum Capital Ltd. (formerly Jagercor Energy Corp.)
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Common shares	Shares to be issued	Share issuance cost	Reserves		Equity portion of convertible note	Accumulated other comprehensive income attributable to parent	Deficit attributable to parent	Non-controlling interest	Total
					Option reserve	Warrant reserve					
		$	$	$	$	$	$	$	$	$	$
Balances, 30 April 2017	4,727,425	7,602,883	29,200	(357,651)	3,743,323	1,774,827	-	791,283	(13,042,995)	(91,550)	449,319
Shares issued for debt	-	-	14,062	-	-	-	-	-	-	-	14,062
Translation adjustment	-	-	-	-	-	-	-	(190,860)	-	410,749	219,889
Net loss for the period	-	-	-	-	-	-	-	-	(461,074)	(235,777)	(696,851)
Share-based payments	-	-	-	-	70,430	-	-	-	-	-	70,430
		$	$	$	$	$	$	$	$	$	$
Balances, 31 October 2017	4,727,425	7,602,883	43,262	(357,651)	3,813,753	1,774,827	-	600,423	(13,504,069)	83,422	56,849
Balances, 30 April 2018	4,727,425	7,602,883	29,200	(357,651)	3,813,753	1,774,827	75,459	-	(13,504,727)	-	(566,256)
Net income for the period	-	-	-	-	-	-	-	-	91,570	-	91,570
Balances, 31 October 2018	**4,727,425**	**7,602,883**	**29,200**	**(357,651)**	**3,813,753**	**1,774,827**	**75,459**	**-**	**(13,413,157)**	**-**	**(474,686)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. CORPORATE INFORMATION AND GOING CONCERN

Gelum Capital Ltd. (formerly Jagercor Energy Corp.) (the "Company") was incorporated under the laws of the province of British Columbia on 8 June 1987. The principal address and registered and records office is located at Suite, 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company trades under the symbol "JEM" on the Canadian Securities Exchange ("CSE")

The Company is focused on joint commercial opportunities related to acquiring and developing oil and gas properties.

Effective 30 July 2018, the Company's name was changed from Jagercor Energy Corp. to Gelum Capital Ltd. and the Company consolidated its common shares on a 20:1 basis. All references to the number of common shares and per share amounts have been retroactively restated to reflect this common share consolidation.

On 22 August 2017, the Company initiated the process of the acquisition of Energia Compañía Petrolera Sociedad Anónima ('ECP'), an upstream oil and gas Argentinean Operator in Neuquén Basin; through its subsidiary in Argentina, Jager Energia Argentina SA and acquired a 95% interest in ECP. On April 27, 2018, the Company divested its shares of Jager Energia Argentina SA and terminated the acquisition transaction of ECP.

These financial statements present the consolidated operations of the Company and its former Argentinean controlled subsidiary. These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's condensed interim consolidated financial statements for the six month period ended October 31, 2018 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has comprehensive income of $91,570 for the six month period ended October 31, 2018 and has working capital of $83,122 at October 31, 2018.

The Company had cash and cash equivalents of $124,245 as at October 31, 2018. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

On April 27, 2018, the Company sold its interest in Jager Energía Argentina S.A ("JEA"). Due to the sale of JEA, the comparative statement of financial position and comparative statement of loss and comprehensive loss reflects the consolidated operations of the Company and JEA for the three and six month periods ended October 31, 2017, while the statement of financial position and statement of loss and comprehensive loss for the three and six month periods ended October 31, 2018 reflects the balances of the Company only.

Non-controlling interest

Non-controlling interest in the Company's less than wholly owned subsidiary is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 13, and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements do not include all the information required of a full annual financial report and should be read in conjunction with the annual financial statements of the Company for the year ended April 30, 2018. The Board of Directors approved these condensed interim consolidated financial statements on March 13, 2019.

2. BASIS OF PREPARATION (cont'd)

2.4 Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after January 1, 2018. The following standard has been adopted by the Company and has not had an impact on the Company's condensed interim consolidated financial statements:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2019. The following standard has not yet been adopted by the Company and is being evaluated to determine its impact.

- IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Company's critical judgments in applying accounting policies include judgments regarding the going concern of the Company, which have been discussed in Note 1.

Critical accounting estimates and assumptions developed and applied by management are as follows:

- Share based payments – the inputs used in accounting for share based payments in the statements of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. As at October 31, 2018, and April 30, 2018, the Company had no cash equivalents.

3.3 Principles of consolidation

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consist of the non-controlling interest's portion of net assets and profit or loss.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

3.4 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related property and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the production of hydrocarbon resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to producing property and development assets within property, plant and equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Exploration and evaluation properties (continued)

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.5 Foreign currencies

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The Company determined that its functional currency is the Canadian dollar for its parent, and it is the US dollar for its Argentinean subsidiary commencing October 2014, prior to which it was the Canadian dollar. The functional currency of the Company's Argentinean subsidiary was changed to US dollars as a result of the Company's investment made and returns received during the year being denominated in US dollars.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

The financial results and position of foreign operations whose functional currency is different from the reporting currency are translated as follows:

i) assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
ii) income and expenses are translated at average exchange rates for the period.

Exchange gains and losses arising on translation are recognized in accumulated other comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed or capitalized, as appropriate. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.7 Income Taxes

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are measured, recognized and disclosed for the full financial year in the audited financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as FVTPL and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as FVTPL. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable and are included in this category of financial assets.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade and other payables, due to related parties and convertible note are included in this category of financial liabilities.

3.10 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment of financial assets (continued)

Available-for-sale
If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.11 Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.12 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other exploration and evaluation assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

For the years presented, the Company does not have any restoration or environmental obligations.

3.14 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. See Note 14 for further disclosures.

3.15 Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments by recognizing the dilutive effect on loss per share on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Basic loss per share was calculated using the weighted-average number of shares outstanding during the period.

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings. Gains and losses that would otherwise be recorded within profit or loss are presented in other comprehensive income (loss) until it is considered appropriate to recognize into net earnings. The Company's translation of its subsidiary to Canadian dollars is the only item currently affecting other comprehensive income (loss) for the periods presented.

3.17 Convertible note

The Company classified the convertible note into debt and equity components based on the residual method. The liability component was calculated as the present value of the principal and interest, discounted at a rate approximating the interest rate that was estimated would have been applicable to non-convertible debenture at the time the debenture was issued. This portion of the convertible debenture is accreted over its term to the full face value using the effective interest rate method. The equity element of the convertible debenture comprises the value of the conversion option, being the difference between the face value of the convertible debt and the liability component. Upon maturity, the equity component is reclassified to reserves.

4. SEGMENTED INFORMATION

The Company operates in one business segment, being the investment in oil and gas properties. Geographical information is as follows:

	Canada	**Argentina**	**Total**
	$	$	$
Current assets			
As at 31 October 2018	**125,103**	**-**	**125,103**
As at 30 April 2018	2,194	-	2,194
Long-term assets			
As at 31 October 2018	**-**	**-**	**-**
As at 30 April 2018	25,000	-	25,000
Net income (loss)			
As at 31 October 2018	**91,570**	**-**	**91,570**
As at 31 October 2017	(140,247)	(556,603)	(696,851)

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

	As at 31 October 2018	As at 30 April 2018
	$	$
Denominated in Canadian dollars	**124,245**	1,438
Total cash and cash equivalents	**124,245**	1,438

6. AMOUNTS RECEIVABLE

The Company's amounts receivable arise from Goods and Services Tax ("GST") receivable due from the government taxation authorities in Canada as follows:

	As at 31 October 2018	As at 30 April 2018
	$	$
GST receivable	**858**	756
Total	**858**	756

7. CONVERTIBLE NOTE

On 14 October 2017, the Company issued a convertible note with a principal face value of $200,000 to two directors of the Company. The convertible note bears interest at the rate of 10% per annum, payable annually and has a maturity date of five years from the date of issuance. The lenders may convert at any time, all or a portion of the principal amount into units of the Company at a price of $1.00 per unit. Each unit consists of one common share and one share purchase warrant (a "Warrant"). Each Warrant will be exercisable into a common share on payment of the exercise price of $1.20 per common share

The Company´s convertible note is broken down as follows:

	$
Proceeds received, net of transaction costs	**195,045**
Allocated to equity portion	**(75,459)**
Allocated to liability portion	**119,586**
Liability portion as at April 30, 2018	**127,313**
Accretion expense for the period	**8,196**
Liability portion as at October 31, 2018	**135,509**

(Expressed in Canadian dollars)

8. SHARE CAPITAL

8.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

At 31 October 2018, the Company had 4,727,433 common shares outstanding (30 April 2018– 4,727,433).

8.2 Shares issuances

During the six month period ended October 31, 2018 and the year ended April 30, 2018, the Company did not issue any common shares.

8.3 Stock options

On December 19, 2016, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

The following is a summary of the changes in the Company's stock options for the six month period ended October 31, 2018 and for the year ended April 30, 2018:

	31 October 2018		30 April 2018	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Outstanding, beginning of period and year	267,500	1.03	17,500	1.40
Granted	-	-	250,000	1.00
Expired	(17,500)	1.40	-	-
Outstanding, end of period and year	**250,000**	**1.00**	267,500	1.03

On 9 June 2017, the Company granted incentive stock options to directors and officers for the right to purchase up to an aggregate of 250,000 common shares.

The Company uses the Black-Scholes Option Pricing Model to estimate the value of the options granted.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (cont'd)

8.3 Stock options (cont'd)

The following table summarizes information regarding stock options outstanding and exercisable as at 31 October 2018:

Grant date	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price $	Remaining contractual life (years)
09 June 2017	09 June 2022	250,000	250,000	1.00	3.86
Total Options		**250,000**	**250,000**		

8.4 Warrants

There were no warrants issued during the six months ended October 31, 2018 and the year ended 30 April 2018.

9. SHARE-BASED PAYMENTS

Share-based payments for the options granted by the Company are amortized over their vesting period, of which $Nil was recognized in the six month period ended October 31, 2018 (31 October 2017 - $70,430).

Grant date	**Fair value**	**Amount vested in 2019**	Amount vested in 2018
	$	**$**	$
09 June 2017	**70,430**	**-**	70,430
Total	**70,430**	**-**	70,430

The fair value of the stock options granted was determined using the Black-Scholes model with the following inputs: i) exercise price: $1.00; ii) share price: $0.30; iii) term: 5 years; iv) volatility: 202%; v) discount rate: 0.98%.

(Expressed in Canadian dollars)

10. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended October		**Six months ended October**	
	2018	**2017**	**2018**	2017
Net income (loss) for the period	**$ (17,507)**	**$ (372,519)**	**$ 91,570**	**$(696,851)**
Weighted average number of shares – basic	**4,727,433**	**4,727,433**	**4,727,433**	**4,727,433**
Weighted average number of shares – diluted	**4,727,433**	**4,727,433**	**4,977,433**	**4,727,433**
Income (Loss) per share, basic	**$ (0.00)**	**$ (0.08)**	**$ 0.02**	**$ (0.15)**
Income (Loss) per share, diluted	**$ (0.00)**	**$ (0.08)**	**$ 0.02**	**$ (0.15)**

11. SALE OF SUBSIDIARY

On April 27, 2018, the Company sold its interest in its 57.64% owned subsidiary, Jagercor Energia Argentia SA (JEA) for proceeds of 415,000 argentine pesos ($25,000 CAD). JEA was sold to a director of the Company and the consideration payable to the Company is to be paid as follows:

- 207,500 pesos on December 21, 2018 (paid)
- 207,500 pesos on June 28, 2019 (paid)

The subsidiaries' assets and liabilities as of disposal date were as follows:

	$
Cash	**5,196**
Prepaid expenses	**2,525**
Accounts payable and accrued liabilities	**(102,502)**
Net liabilities	**(94,781)**

The gain on disposal of JEA was calculated as follows:

	$
Consideration	**25,000**
Net liabilities derecognized on disposition	**94,781**
Elimination of AOCI	**1,094,442**
Elimination of NCI	**(318,718)**
Gain on sale of subsidiary	**895,505**

Net comprehensive loss for the three and six month periods ended October 31, 2018, includes $Nil relating to JEA.

(Expressed in Canadian dollars)

12. CAPITAL RISK MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital and (ii) obtain the best available net return.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition. To maintain or adjust the capital structure, the Company may attempt to issue new shares or issue new debt.

The Company is listed on the CSE. The Company is not subject to externally imposed capital requirements. Management plans to continue to evaluate and explore commercial opportunities, with an emphasis on acquiring and developing oil and gas properties with particular focus in the near term, over energy concessions.

13. FINANCIAL INSTRUMENTS

	31 October 2018	**30 April 2018**
	$	$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	**124,245**	1,438
Amounts receivable	**858**	756
Total financial assets	**125,103**	2,194
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade and other payables	**41,981**	48,671
Due to Related Parties	**422,299**	417,466
Convertible Note	**135,509**	127,313
Total financial liabilities	**599,789**	593,450

13.1 Fair Value

The fair value of the Company's amounts receivable, and trade and other payables, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The fair value of the Company's investment, carried at amortized cannot be determined as there is no fixed terms of repayment. The Company's other financial instruments, cash and cash equivalents, and short-term investment, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

13. FINANCIAL INSTRUMENTS (cont'd)

13.1 Fair Value (cont'd)

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 July 2018, the Company does not have any Level 3 financial instruments.

13.2 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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 and arises primarily from the Company's cash and cash equivalents. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. As a result, credit risk is considered insignificant. Credit risk is also attributable to amounts accrued in amounts receivable due from the operator of the investment. Credit risk is considered low as the amounts were collected in full after the end of period.

Liquidity risk

The Company is reliant primarily upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents and short-term investments to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents and short-term investments to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 October 2018, the Company had working capital of $83,122.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or price risk arising from these financial instruments.

The Company was exposed to foreign currency risk on fluctuations related to cash and cash equivalents, short-term investments, amounts receivable, and trade and other payables that are denominated in US dollars and Argentinean Pesos. As at October 31, 2018, foreign currency risk is minimal due to the sale of the subsidiary.

14. RELATED PARTY TRANSACTIONS

14.1 Shares to be issued

The liabilities of the Company include the following amounts due to related parties:

	31 October 2018	30 April 2018
	$	$
CEO (shares to be issued)	**29,200**	29,200
Total amount (shares to be issued)	**29,200**	29,200

As at 31 October 2018, related parties include an incentive bonus payable to compensate the Chief Executive Officer payable in 36,500 common shares at a price of $0.80 per share. Issuance pending since 2016.

On October 14, 2017, convertible notes were issued to two directors (See Note 7).

On April 27, 2018, the Argentinian subsidiary was sold to a director of the Company (See Note 11) for $25,000.

As at October 31, 2018, there was $422,299 (April 30, 2018 - $417,466) due to related parties. The amounts due to related parties are non-interest bearing, unsecured and due on demand.

14.2 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	Three month period ended October 31		**Six month period ended October 31**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Short-term benefits – Management fees	**-**	82,224	**-**	190,685
Total key management personnel compensation	**-**	82,224	**-**	190,685