



ADVANTAGEWON OIL CORP.

CSE: AOC | OTCQB: ANTGF

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Financial Statements
(Expressed In Canadian Dollars)
(Unaudited – Prepared By Management)

For The Three Months Ended March 31, 2018

Q1 2018

BUILDING CONSISTENT CASH FLOW FROM LOW COST, LOW RISK OIL WELLS IN TEXAS

WWW.AOC-OIL.COM

Notice of Disclosure of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2018 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) accounting principles as issued by the IASB and are the responsibility of the Company’s management.

The Company’s independent auditors, UHY McGovern Hurley LLP, have not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(All amounts stated in Canadian Dollars)

As at

	Note	March 31 2018	December 31 2017
ASSETS			
			(Note 4)
Current assets			
Cash		\$ 347,455	\$ 780,989
Marketable securities	5	914,700	–
Trade and other receivables	6	125,152	149,604
Prepaid expenses		68,077	81,484
Inventory		66,906	65,095
Total current assets		<u>1,522,290</u>	<u>1,077,172</u>
Non-current assets			
Prepaid bond deposits		322,028	320,122
Oil and gas properties and equipment	4, 7	<u>13,908,964</u>	<u>13,267,232</u>
Total non-current assets		<u>14,230,992</u>	<u>13,587,354</u>
Total assets		<u>\$ 15,753,282</u>	<u>\$ 14,664,526</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 451,358	\$ 720,479
Loans payable	8	<u>690,537</u>	<u>718,432</u>
Total current liabilities		1,141,895	1,438,911
Non-current liabilities			
Decommissioning liability	9	<u>1,933,152</u>	<u>1,874,901</u>
Total liabilities		<u>3,075,047</u>	<u>3,313,812</u>
Shareholders' equity			
Common shares	10	15,572,852	13,888,909
Shares to be issued		47,525	47,525
Warrant reserve		4,002,041	4,002,041
Share-based payments reserve	10	1,032,482	887,582
Accumulated other comprehensive income		721,828	478,347
Deficit		<u>(8,698,493)</u>	<u>(7,953,690)</u>
Total shareholders' equity		<u>12,678,235</u>	<u>11,350,714</u>
Total liabilities and shareholders' equity		<u>\$ 15,753,282</u>	<u>\$ 14,664,526</u>

Nature and Continuation of Operations (Note 1)
Commitments and Subsequent Events (Note 14)

Approved on behalf of the Board:

Signed "Frank Kordy" Director

Signed "Jason Ewart", Director

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

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)

(Unaudited)

(All amounts stated in Canadian Dollars)

For the three months ended March 31

	Note	2018	2017
Revenues			
Oil revenue	12	\$ 188,050	\$ 133,872
Royalties		<u>(49,683)</u>	<u>(30,218)</u>
		<u>138,367</u>	<u>103,654</u>
Expenses			
Production		77,013	114,031
General and administrative		452,764	234,334
Exploration		–	28,997
Depletion and depreciation	7	30,217	61,052
Accretion of decommissioning liability	9	10,429	6,582
Share-based payments	10	<u>258,980</u>	<u>201,512</u>
		<u>829,403</u>	<u>646,508</u>
Loss before other income (expenses)		(691,036)	(542,854)
Other income (expenses)			
Interest	8, 13	(33,552)	(71,667)
Loss on settlement of accounts payable	10	<u>(20,215)</u>	<u>–</u>
Loss for the period		(744,803)	(614,521)
Other comprehensive loss			
Exchange differences on translation of foreign subsidiaries		<u>243,481</u>	<u>(59,420)</u>
Loss and comprehensive loss		\$ (501,322)	\$ (673,941)
Loss per share	11	(0.00)	(0.00)

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

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited)

(All amounts stated in Canadian Dollars)

For the three months ended March 31

	Note	2018	2017
Common shares	10(a)		
Balance, January 1		\$ 13,888,909	\$ 7,518,634
Private placement of common shares		929,700	–
Private placement of units, net of \$682,000 allocated to warrants		–	1,054,610
Shares issued for exercise of stock options		576,580	–
Shares issued for settlement of accounts payable		177,663	–
Shares issued for property acquisition		–	1,830,600
Share issue costs		–	(700)
Balance, March 31		15,572,852	10,403,144
Shares to be issued			
Balance, January 1 and March 31		47,525	13,500
Warrant reserve			
Balance, January 1		4,002,041	583,000
Private placement of units, warrant value		–	682,000
Issuance of warrants		–	709,000
Balance, March 31		4,002,041	1,974,000
Share-based payments reserve	10(d)		
Balance, January 1		887,582	493,498
Issuance of stock options		258,980	201,512
Exercise of stock options		(114,080)	–
Balance, March 31		1,032,482	695,010
Convertible debentures conversion option			
Balance, January 1 and March 31		–	278,183
Accumulated other comprehensive income			
Balance, January 1		478,347	955,872
Exchange differences on translation of foreign subsidiaries		243,481	(59,420)
Balance, March 31		721,828	896,452
Deficit			
Balance, January 1		(7,953,690)	(5,221,724)
Loss for the period		(744,803)	(614,521)
Balance, March 31		(8,698,493)	(5,836,245)
Total shareholders' equity		\$ 12,678,235	\$ 8,424,044

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

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(All amounts stated in Canadian Dollars)
For the three months ended March 31

	Note	2018	2017
Cash flows (used in) provided by operating activities			
Loss for the period		\$ (744,803)	\$ (614,521)
Add back (deduct) items not affecting cash:			
Share-based payments	10	258,980	201,512
Depletion and depreciation	7	30,217	72,248
Accretion of decommissioning liability	9	10,429	6,582
Interest	8	7,607	–
Foreign exchange		(5,961)	7,708
Change in non-cash working capital:			
Trade and other receivables		24,452	(5,740)
Prepaid expenses		13,407	4,832
Inventory		(1,811)	(10,715)
Accounts payable and accrued liabilities		<u>(91,458)</u>	<u>(209,706)</u>
Net cash flows used in operating activities		<u>(498,941)</u>	<u>(547,800)</u>
Cash flows (used in) provided by financing activities			
Private placement of common shares, net of issue costs	10	477,500	–
Private placement of units, net of issue costs		–	1,390,910
Repayment of loans payable	8	(42,540)	(145,000)
Repayment of convertible debentures		<u>–</u>	<u>(100,000)</u>
Net cash flows provided by financing activities		<u>434,960</u>	<u>1,145,910</u>
Cash flows (used in) provided by investing activities			
Acquisition of oil and gas properties		–	(364,415)
Expenditures on oil and gas properties and equipment	7	<u>(378,151)</u>	<u>(115,363)</u>
Net cash flows (used in) provided by investing activities		<u>(378,151)</u>	<u>(479,778)</u>
Change in cash		(442,132)	118,332
Effect of exchange rates on cash held in foreign currencies		8,598	4,433
Cash, beginning of period		<u>780,989</u>	<u>606,693</u>
Cash, end of period		<u>\$ 347,455</u>	<u>\$ 729,458</u>

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018
(Unaudited)
(All amounts stated in Canadian Dollars)

1. Nature and Continuance of Operations

Advantagewon Oil Corporation (the "Company") was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America. The address of its registered office is 47 Colborne Street, Suite 307, Toronto, ON M5E 1P8.

The Company's common shares trade on the Canadian Securities Exchange under the trading symbol "AOC" and on the OTCQB under the trading symbol "ANTGF".

The business of exploring for oil and gas reserves involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The recoverability of the carrying value of the properties and the Company's continued existence is dependent upon the preservation of its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing registration or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, restriction and political uncertainty.

There is no guarantee that existing leases will be renewed, extended or reacquired prior to expiry or that leases on new areas will be acquired. Title to oil and gas lease properties involve certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the ambiguous conveying history that is characteristic of many oil and gas properties. The Company believes it has sufficiently investigated title to its properties, and, to the best of its knowledge these titles are properly registered and in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to its detriment and such investigations do not guarantee or certify that an unforeseen defect in the chain of title will not arise. If at any time title cannot be determined, it may have a financial impact on the value of that lease and the carrying value of the oil and gas properties.

The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses and a working capital deficit, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from reported in these unaudited condensed interim consolidated financial statements. Such adjustments could be material.

2. Basis of Presentation

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with IFRS issued by the International Accounting Standard Board and interpretations from the International Financial Reporting Interpretations Committee in effect at January 1, 2018, including International Accounting Standard 34 – Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented (see Note 3 for impact of new accounting standards). These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2017.

These consolidated financial statements include the accounts of the Company, together with its wholly owned subsidiaries, Advantagewon Oil US Corporation (USA) ("AOC US"), Ainslie Oil Corporation (Canada) ("Ainslie"), Albaro Oil Corp. (Canada) ("Albaro") and Plutus US Oil Corporation (USA) ("Plutus").

Functional currency is the currency of the primary economic environment in which a company operates. The functional currency of the Company, Ainslie and Albaro is Canadian dollars ("CAD"). The functional currency of AOC US and Plutus is the United States dollar ("USD").

These unaudited condensed interim consolidated financial statements are presented in CAD.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018
(Unaudited)
(All amounts stated in Canadian Dollars)

These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on May 30, 2018.

3. New Accounting Standards

On January 1, 2018, the Company retrospectively adopted *IFRS 9 Financial Instruments* ("IFRS 9") which includes new requirements for the classification and measurement of financial assets, a new credit loss impairment model and new model to be used for hedge accounting for risk management contracts. The Company does not currently have any risk management contracts. The adoption of IFRS 9 did not have a material impact on the Company's financial statements and management applied the provision matrix practical expedient as part of the adoption of the standard. The additional disclosures required by IFRS 9 are detailed in Note 6.

On January 1, 2018, the Company adopted *IFRS 15 Revenue from Contracts with Customers* ("IFRS 15") using the retrospective method of adoption. The adoption of IFRS 15 did not have a material impact on the Company's unaudited condensed interim consolidated financial statements and as a result, the Company did not apply any practical expedients as part of the adoption of IFRS 15. The additional disclosures required by IFRS 15 are detailed in Note 12.

4. Reclassification – December 31, 2017 Consolidated Statement of Financial Position

The Company has reclassified assets previously reported as exploration and evaluation properties in the December 31, 2017 audited consolidated financial statements to oil and gas properties (Note 7). The reclassification is presentation change within long-term assets and has no impact on total assets or on the Company's reported loss for the interim periods or year ended December 31, 2017.

5. Marketable Securities

The Company has a marketable securities investment in 91,470 Class A preferred shares of Gunpowder Capital Corp. ("Gunpowder") (Note 10(a)(ii) and (iii)), a company related through common officers and directors. As at March 31, 2018, the carrying amount of the short-term investment was \$914,700 based on the quoted market price of Gunpowder Class A preferred shares.

6. Trade and Other Receivables

The Company's trade and other receivables are exposed to the risk of financial loss if the counterparty fails to meet its contractual obligations. The Company's trade and other receivables include amounts due from the sale of oil and natural gas. The Company's maximum exposure to credit risk at March 31, 2018 is in respect of \$125,152 (December 31, 2017 – \$149,604) of trade and other receivables.

The Company's trade and other receivables consist of:

	March 31 2018	December 31 2017
Trade receivables	\$ 102,032	\$ 42,324
Harmonized Sales Tax receivable	23,120	107,280
	<u>\$ 125,152</u>	<u>\$ 149,604</u>

At March 31, 2018 and December 31, 2017, all of the Company's trade receivables are due from one customer to which the Company sells its oil (Note 12). All oil sales occur in the United States. The Company monitors the credit risk of its customer on a regular basis. Management believes the risk of loss associated with these assets is remote.

All of the Company's trade and other receivables are less than 90 days old. The Company has not experienced any collection issues with respect to its trade and other receivables and has not provided for credit losses in 2018 or 2017.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
 For the three months ended March 31, 2018
 (Unaudited)
 (All amounts stated in Canadian Dollars)

7. Oil and Gas Properties and Equipment

The Company holds a 100% working interest in the Saratoga Property located in Texas to which the Company is entitled to between 77.5% and 80% of the revenues earned from the wells currently under production. The Company also holds a 100% working interest in several properties in the La Vernia area of Texas with net revenue interests ranging from 72.5% to 87%, some of which have overriding royalty burdens ranging from 1.5% to 5%.

	Oil and Gas Properties		Total	Equipment	TOTAL
	Saratoga	La Vernia			
Cost	\$	\$	\$	\$	\$
Balance, December 31, 2017	5,483,931	7,928,177	13,412,108	262,965	13,675,073
Additions	348	377,803	378,151	–	378,151
Decommissioning revisions	(316)	(4,139)	(4,455)	–	(4,455)
Foreign exchange	152,562	150,313	302,875	7,315	310,190
Balance, March 31, 2018	5,636,525	8,452,154	14,088,679	270,280	14,358,959
Accumulated depletion and depreciation					
Balance, December 31, 2017	(298,683)	(41,274)	(339,957)	(67,884)	(407,841)
Depletion and depreciation	(19,858)	(9,612)	(29,470)	(747)	(30,217)
Foreign exchange	(8,697)	(1,336)	(10,033)	(1,904)	(11,937)
Balance, March 31, 2018	(327,238)	(52,222)	(379,460)	(70,535)	(449,995)
Net carrying amount					
December 31, 2017	5,185,248	7,886,903	13,072,151	195,081	13,267,232
March 31, 2018	5,309,287	8,399,932	13,709,219	199,745	13,908,964

The March 31, 2018 depletion expense calculation included \$27.1 million (December 31, 2017 – \$27.1 million) for estimated future development costs associated with the Company's proved and probable reserves.

8. Loans Payable

The following table presents the continuity of the Company's loans payable:

Balance, December 31, 2017	\$ 718,432
Accrued interest	7,607
Repayments	(42,540)
Foreign exchange	7,038
Balance, March 31, 2018	\$ 690,537

(a) Gunpowder Capital Corp. loans

As at December 31, 2017 and March 31, 2018, the Company had a \$90,000 loan due to Gunpowder. The loan bears interest at 24% per year and was to mature on January 31, 2018. As at March 31, 2018, the outstanding balance on this loan is \$90,000 (December 31, 2017 – \$90,000). Interest on the loan for three months ended March 31, 2018 was \$5,400 (three months ended March 31, 2017 – \$5,400), all of which was paid in the period.

As at December 31, 2017 and March 31, 2018, the Company had a USD 200,500 loan due to Gunpowder. The loan is secured by the assets of the Company and bears interest at 1% per month with no fixed terms of repayment. As at March 31, 2018, the outstanding balance on this loan is USD 200,500 (\$258,525) (December 31, 2017 – USD 200,500 plus USD 3,900 of accrued interest (\$256,420)). Interest on the loan for three months ended March 31, 2018 was \$7,607 (three months ended March 31, 2017 – \$nil), all of which was paid in the period.

Subsequent to March 31, 2018, the \$90,000 loan and the USD 200,500 loan were amended and combined into a single loan for \$350,000 (Note 14(c)).

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018
(Unaudited)
(All amounts stated in Canadian Dollars)

(b) Fountain Asset Corp. loan

As at March 31, 2018, the Company had a \$342,012 (December 31, 2017 – \$372,012) loan due to Fountain Asset Corp. (“Fountain”), a company related through a director of the Company who is an officer of Fountain. The loan bears interest at 24% per year, matures on April 30, 2018 and is secured by a general security agreement covering the assets of the Company. Monthly loan principal repayments are calculated as the greater of (i) \$15,000 and (ii) 15% of gross oil revenue received in the prior month. Fountain has the option to convert all or a portion of the loan into common shares of the Company at \$0.12 per share which is the price per share ascribed to the shares of the Company pursuant to its going-public transaction. Interest on the loan for three months ended March 31, 2018 was \$20,545 (three months ended March 31, 2017 – \$30,901), all of which is included in accounts payable and accrued liabilities as at March 31, 2018 (December 31, 2017 – \$4,781).

Subsequent to March 31, 2018, the Fountain Asset Corp. loan was amended to extend the maturity date of the loan and revise the repayment amount (Note 14(d)).

9. Decommissioning Liability

The Company’s decommissioning liability as at March 31, 2018 is based on the following estimates and assumptions:

- Total undiscounted future remediation costs of USD 1,529,804 (\$1,972,529)
- Annual inflation rate of 2.40% annual rate
- Settlement of the liability occurring in approximately ten years
- Risk free discount rate of 2.71%

Balance, December 31, 2017	\$	1,874,901
Accretion		10,429
Revisions		(4,455)
Foreign exchange		<u>52,277</u>
Balance, March 31, 2018	\$	<u>1,933,152</u>

10. Equity

a) Common Shares

	Number	Amount
Balance, December 31, 2017	191,625,531	\$ 13,888,909
Exercise of stock options (i)	4,625,000	576,580
Private placement (ii)	4,943,999	741,600
Private placement (iii)	1,253,999	188,100
Debt settlements (iv) (v)	<u>1,504,073</u>	<u>177,663</u>
Balance, March 31, 2018	<u>203,952,602</u>	\$ <u>15,572,852</u>

- (i) On March 5, 2018, the Company issued 4,625,000 common shares on the exercise of the 4,625,000 stock options (Note 10(d)) for cash proceeds of \$462,500 plus \$114,080 for the estimated fair value of the related stock options.
- (ii) On March 5, 2018, the Company closed a non-brokered private placement for the issuance of 4,943,999 common shares at \$0.15 per share for \$741,600 of proceeds. An officer of the Company subscribed for 100,000 common shares for \$15,000 of cash proceeds. Gunpowder subscribed for 4,843,999 common shares of the Company in exchange for 72,660 Class A preferred shares of Gunpowder (Note 5).
- (iii) On March 26, 2017, the Company closed a non-brokered private placement for the issuance of 1,253,999 common shares at \$0.15 per share for \$188,100 of proceeds. Gunpowder subscribed for the entire private placement in exchange for 18,810 Class A preferred shares of Gunpowder (Note 5).
- (iv) On March 5, 2018, the Company issued 938,823 common shares to for the payment of USD 79,800 (\$100,923) of fees pursuant to an investor relations agreement (Note 14(a)). The value of the common shares was \$112,659 based on the quoted market price of the Company’s shares on the date of issuance.
- (v) On March 26, 2018, the Company entered into a shares for debt settlement agreements pursuant to which the Company issued 565,250 common shares to settle \$56,525 of debt owed to two offices and directors of the Company. The value of the common shares was \$65,004 based on the quoted market price of the Company’s shares on the date of issuance.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
 For the three months ended March 31, 2018
 (Unaudited)
 (All amounts stated in Canadian Dollars)

b) Warrants

As at March 31, 2018 and December 31, 2017, the Company had 65,092,399 warrants outstanding as detailed in the following table:

Expiry date	Number of Warrants	Exercise Price
July 21, 2019	2,000,000	\$ 0.25
August 8, 2019	1,160,000	0.25
September 2, 2019	666,667	0.25
October 10, 2019	3,786,667	0.25
November 21, 2019	833,333	0.25
December 16, 2019	1,390,000	0.25
February 9, 2020	14,500,000	0.25
March 31, 2020	11,601,395	0.25
May 31, 2020	18,895,000	0.25
July 18, 2020	1,862,670	0.25
July 25, 2020	1,283,333	0.25
November 17, 2020	2,866,667	0.25
December 22, 2020	4,246,667	0.25
	65,092,399	

c) Performance Warrants

As at March 31, 2018 and December 31, 2018, the Company had 4,000,000 performance warrants outstanding. Performance warrants are exercisable at \$0.15 per share until December 1, 2022 and become exercisable based on the following: 25% when the Company's share price reaches \$0.25 for a 10-day volume weighted average price ("VWAP"); 25% when the Company's share price reaches \$0.35 for a 10-day VWAP; 25% when the Company's share price reaches \$0.45 for a 10-day VWAP; and 25% when the Company's share price reaches \$0.55 for a 10-day VWAP.

d) Stock Options

A continuity of the Company's stock options outstanding is as follows:

	Number	Weighted Average Exercise Price
Balance, December 31, 2017	9,875,000	\$ 0.17
Granted	10,500,000	0.10
Exercised (Note 10(a)(i))	(4,625,000)	(0.10)
Forfeited	(2,775,000)	(0.10)
Balance, March 31, 2018	12,975,000	\$ 0.13

On January 18, 2018, the Company has granted stock options to purchase up to 10,500,000 common shares of the Company at a price of \$0.10 per share. The options vested immediately and expire on April 17, 2018. The fair value of the options was estimated at \$258,980 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 1.8%; expected volatility of 126%; expected dividend yield of 0% and expected life of 3 months.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
 For the three months ended March 31, 2018
 (Unaudited)
 (All amounts stated in Canadian Dollars)

The table below summarizes information about the stock options outstanding as at March 31, 2018:

Expiry date	Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price
April 15, 2018	5,875,000	5,875,000	\$ 0.10
April 30, 2019	2,000,000	2,000,000	0.10
July 9, 2019	450,000	450,000	0.25
December 1, 2019	1,250,000	937,500	0.25
January 24, 2022	1,400,000	1,400,000	0.15
December 1, 2022	2,000,000	2,000,000	0.15
	12,975,000	12,662,500	

11. Per Share Amounts

For the three months ended March 31	2018	2017
Loss for the period	\$ (744,803)	\$ (614,521)
Number of common shares, January 1	191,625,531	125,121,130
Effect of common shares issued	7,998,742	18,199,880
Basis weighted average number of common shares	199,624,273	143,321,010
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)

All warrants, performance warrants and stock options were excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

12. Revenue

The Company sells its production pursuant to variable price contracts based on NYMEX WTI with varying length terms up to 1 year. Under the contracts, the Company is required to deliver a variable volume of light-medium oil to the contract counterparty. The transaction price is based on the commodity price for NYMEX WTI, adjusted for quality, location or other factors.

Volumes delivered to the contract counterparty are limited to the Company's ability to produce the volumes. Production revenue is recognized at a point in time the purchaser obtains legal title to the product, which is when volumes are physically transferred to the contract counterparty. The amount of revenue recognized is based on the transaction price. Transaction price variability, discussed above, is recognized in the same period as the Company is not constrained in meeting its performance obligations.

All of the Company's revenue is from the sale of oil, all of which is produced and sold in Texas, United States. Oil sales were to a single purchaser during the three months ended March 31, 2018 and 2017 representing 100% of revenue for the three months ended March 31, 2018 and 2017 and \$102,454 million of accounts receivable at March 31, 2018 (December 31, 2017 – \$42,735).

13. Related Party Transactions

- During the three months ended March 31, 2018, the Company reported \$33,552 (three months ended March 31, 2017 – \$38,416) of interest expense on loans payable to related parties of which \$20,545 is included in accounts payable and accrued liabilities as at March 31, 2018 (December 31, 2017 – \$4,781) (Note 8).
- During the three months ended March 31, 2018, the Company issued 100,000 common shares to an officer of the Company for gross cash proceeds of \$15,000 (Note 10(a)(ii)).
- During the three months ended March 31, 2018, the Company issued a total of 6,097,998 common shares to Gunpowder (Note 10(a)(ii) and (iii)) in exchange for 91,470 Class A preferred shares of Gunpowder (Note 5).
- During the three months ended March 31, 2018, the Company issued 565,250 common shares to two officers and directors of the Company (Note 10(a)(v)).

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018
(Unaudited)
(All amounts stated in Canadian Dollars)

14. Commitments and Subsequent Events

- a) On November 1, 2017, the Company entered into a one-year investor relations agreement for aggregate fees of USD 460,800, of which USD 322,000 (\$415,187) of the commitment was remaining at March 31, 2018. In May 2018, the Company terminated the agreement and remaining USD 310,200 (\$399,972) fee commitment in May 2018 at a cost of USD 70,000 (\$90,258).
- b) The Company issued 40,000 common shares to a consultant on April 15, 2018 pursuant to an investor relations agreement.
- c) Subsequent to March 31, 2018, the Gunpowder Capital Corp. loans (Note 8(a)) were amended and combined into a single loan for \$350,000 bearing interest at 14% per annum and repayable in monthly instalments of principal and interest in the amount of \$10,000 until the debt is repaid in March 2022. In connection with the amended loan agreement, the Company will issue Gunpowder 1,000,000 warrants exercisable at \$0.10 per share for a term of 4 years with an acceleration clause whereby in the event the Company's shares trade above \$0.20 per share for 10 consecutive days, the Company can force the exercise of warrants.
- d) Subsequent to March 31, 2018, the Fountain Asset Corp. loan (Note 8(b)) was amended to extend the maturity date of the loan to July 31, 2018 and revise the repayment amount to the greater of (i) \$25,000 and (ii) 15% of gross oil revenue received in the prior month. The Company paid a \$10,000 fee in connection with the loan amendment.



ADVANTAGEWON
OIL CORP.