

# Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	Modern Resources Inc.					
Reporting Year	From	1/1/2017	To:	12/31/2017	Date submitted	5/30/2018
Reporting Entity ESTMA Identification Number	E833137	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				
Other Subsidiaries Included (optional field)	n/a					
Not Consolidated						
Not Substituted						
Attestation by Reporting Entity	<p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p>					
Full Name of Director or Officer of Reporting Entity	Derek Mendham			Date	5/30/2018	
Position Title	CFO					

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<b>Reporting Year</b>	<b>From:</b> 1/1/2017	<b>To:</b> 12/31/2017	<b>Currency of the Report</b> CAD
<b>Reporting Entity Name</b>	Modern Resources Inc.		
<b>Reporting Entity ESTMA Identification Number</b>	E833137		
<b>Subsidiary Reporting Entities (if necessary)</b>			

### Payments by Payee

Country	Payee Name <sup>1</sup>	Departments, Agency, etc... within Payee that Received Payments <sup>2</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes <sup>3,4</sup>
Canada	Government of Alberta	Alberta Department of Energy Alberta Boilers Safety Association Alberta Energy Regulator Alberta Petroleum Commission Alberta Sustainable Resources Development	\$0	\$4,090,000	\$670,000	\$0	\$400,000	\$0	\$0	\$5,160,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price  Payments made for lease rentals, inspection fees, admin fees/orphan well fund levies, natural gas & NGL royalties
Canada	Municipal District of Greenview No. 16		\$740,000	\$0	\$210,000	\$0	\$0	\$0	\$0	\$950,000	Payments made for property taxes, drilling/facility licence fees
Canada	<b>Total</b>		<b>\$740,000</b>	<b>\$4,090,000</b>	<b>\$880,000</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,110,000</b>	

**Additional Notes:**

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### Payments by Project

Country	Project Name <sup>1</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes <sup>23</sup>
Canada	Elmworth CGU, Alberta	\$20,000	\$30,000	\$20,000	\$0	\$0	\$0	\$0	\$70,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price
Canada	Kakwa CGU, Alberta	\$450,000	\$1,550,000	\$620,000	\$0	\$400,000	\$0	\$0	\$3,020,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price
Canada	Wapiti CGU, Alberta	\$270,000	\$2,510,000	\$220,000	\$0	\$0	\$0	\$0	\$3,000,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price
Canada	<b>Total</b>	<b>\$740,000</b>	<b>\$4,090,000</b>	<b>\$860,000</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,090,000</b>	

**Additional Notes<sup>3</sup>:**