

# Extractive Sector Transparency Measures Act - Annual Report

<b>Reporting Entity Name</b>	Modern Resources Inc.					
<b>Reporting Year</b>	<b>From</b>	1/1/2018	<b>To:</b>	12/31/2018	<b>Date submitted</b>	5/15/2019
<b>Reporting Entity ESTMA Identification Number</b>	E833137	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				

**Other Subsidiaries Included**  
(optional field)

**Not Consolidated**

**Not Substituted**

**Attestation by Reporting Entity**

*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.*

<b>Full Name of Director or Officer of Reporting Entity</b>	Derek Mendham	<b>Date</b>	5/15/2019
<b>Position Title</b>	CFO		

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<b>Reporting Year</b>	<b>From:</b>	1/1/2018	<b>To:</b>	12/31/2018	<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>34</sup>
Canada	Government of Alberta	Alberta Department of Energy Alberta Boilers Safety Association Alberta Energy Regulator Alberta Petroleum Commission Alberta Sustainable Resource Development Workers Compensation Board of Alberta	\$0	\$3,740,000	\$770,000	\$0	\$210,000	\$0	\$0	\$4,720,000	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		\$880,000	\$0	\$320,000	\$0	\$0	\$0	\$0	\$1,200,000	Payments made for property taxes, drilling/facility licence fees
Canada	<b>Total</b>		\$880,000	\$3,740,000	\$1,090,000	\$0	\$210,000	\$0	\$0	\$5,920,000	

**Additional Notes:**

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<b>Reporting Entity Name</b>	Modern Resources Inc.		<b>Currency of the Report</b> CAD
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<b>Subsidiary Reporting Entities (if necessary)</b>			

### 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	Kakwa CGU, Alberta	\$580,000	\$1,030,000	\$680,000	\$0	\$0	\$0	\$0	\$2,290,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price
Canada	Wapiti CGU, Alberta	\$290,000	\$2,820,000	\$370,000	\$0	\$0	\$0	\$0	\$3,480,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price
Canada	Other, Alberta	\$0	\$0	\$0	\$0	\$210,000	\$0	\$0	\$210,000	Oil crown royalties taken-in-kind valued using the volumes taken-in-kind multiplied by Modern's realized sales price
Canada	Total	\$870,000	\$3,850,000	\$1,050,000	\$0	\$210,000	\$0	\$0	\$5,980,000	

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