Kelt Reports Financial and Operating Results for the Three and Nine Months Ended September 30, 2019

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CALGARY, Nov. 08, 2019 - Kelt Exploration Ltd. (TSX:KEL) (“Kelt” or the “Company”) has released its financial and operating results for the three and nine months ended September 30, 2019. The Company’s financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended September 30			Nine months ended Septemb	
(CA$ thousands, except as otherwise indicated)	2019	2018	%	2019	2018
Petroleum and natural gas revenue, before royalties	93,274	100,219	-7	296,593	288,927
Cash provided by operating activities	14,640	29,881	-51	127,092	122,727
Adjusted funds from operations (1)	39,173	46,876	-16	136,069	139,699
Basic ($/ common share) (1)	0.21	0.25	-16	0.74	0.77
Diluted ($/ common share) (1)	0.21	0.25	-16	0.74	0.76
Profit (loss) and comprehensive income (loss)	(2,909)	3,632	-180	9,200	5,311
Basic ($/ common share)	(0.02)	0.02	-200	0.05	0.03
Diluted ($/ common share)	(0.02)	0.02	-200	0.05	0.03
Total capital expenditures, net of dispositions	52,657	68,427	-23	251,641	215,166
Total assets	1,602,566	1,378,114	16	1,602,566	1,378,114
Net bank debt (1)	320,507	176,046	82	320,507	176,046
Convertible debentures	81,630	77,350	6	81,630	77,350
Shareholders' equity	908,190	889,274	2	908,190	889,274
Weighted average shares outstanding (000s)					
Basic	184,266	183,919	-	184,146	182,262
Diluted	184,420	186,449	-1	184,717	184,319

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

Financial Statements

Kelt’s unaudited consolidated interim financial statements and related notes for the quarter ended September 30, 2019 will be available to the public on SEDAR at www.sedar.com and will also be posted on the Company’s website at www.keltexploration.com on November 8, 2019.

Kelt’s operating results for the third quarter ended September 30, 2019 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended September 30			Nine months ended Septe	
(CA$ thousands, except as otherwise indicated)	2019	2018	%	2019	2018
Average daily production					
Oil (bbls/d)	9,981	7,519	33	9,179	8,101
NGLs (bbls/d)	4,480	2,821	59	4,356	2,984
Gas (mcf/d)	100,136	95,186	5	95,921	92,078
Combined (BOE/d)	31,150	26,204	19	29,522	26,431
Production per million common shares (BOE/d) (1)	169	142	19	160	145

Average realized prices, before financial instruments (1)					
Oil ($/bbl)	65.41	80.62	-19	68.29	76.29
NGLs ($/bbl)	16.64	41.20	-60	20.47	36.39
Gas ($/mcf)	2.32	2.81	-17	3.38	2.86
Operating netbacks ($/BOE) (1)					
Petroleum and natural gas revenue	32.55	41.57	-22	36.81	40.04
Cost of purchases	(1.72)	(3.83)	-55	(1.59)	(2.61
Average realized price, before financial instruments (1)	30.83	37.74	-18	35.22	37.43
Realized gain (loss) on financial instruments	0.02	-	-	(0.08)	-
Average realized price, after financial instruments (1)	30.85	37.74	-18	35.14	37.43
Royalties	(1.60)	(3.75)	-57	(1.95)	(3.49
Production expense	(8.88)	(9.31)	-5	(9.21)	(9.30
Transportation expense	(4.69)	(3.75)	25	(5.00)	(3.66
Operating netback (1)	15.68	20.93	-25	18.98	20.98
Undeveloped land					
Gross acres	688,831	750,609	-8	688,831	750,609
Net acres	592,930	634,982	-7	592,930	634,982

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

Message to Shareholders

Average production for the three months ended September 30, 2019 was 31,150 BOE per day, an increase of 19% compared to average production of 26,204 BOE per day during the third quarter of 2018. Quarter-over-quarter, daily average production in the third quarter of 2019 was up 3% compared to average production of 30,314 BOE per day in the second quarter of 2019. The Company experienced significant downtime at La Glace where the operator of the Sexsmith Gas Plant has restricted gas processing access to Kelt production volumes due to an increase in throughput volumes from other owners of the plant. Prior to the interruptions at Valhalla/La Glace, the Company’s production in the area was approximately 2,500 BOE per day.

Kelt’s realized average oil price during the third quarter of 2019 was $65.41 per barrel, down 19% from $80.62 per barrel in the third quarter of 2018. The realized average NGLs price during the third quarter of 2019 was $16.64 per barrel, down 60% from $41.20 per barrel in the same quarter of 2018. Kelt’s realized average gas price for the third quarter of 2019 was $2.32 per Mcf, down 17% from $2.81 per Mcf in the corresponding quarter of the previous year. Lower commodity prices during the quarter negatively impacted revenue and adjusted funds from operations during the three months ended September 30, 2019.

For the three months ended September 30, 2019, revenue was $93.3 million and adjusted funds from operations was $39.2 million ($0.21 per share, diluted), compared to $100.2 million and $46.9 million ($0.25 per share, diluted) respectively, in the third quarter of 2018. Net capital expenditures incurred during the three months ended September 30, 2019 were $52.7 million. During the third quarter of 2019, the Company spent $25.2 million on drill and complete operations, $26.3 million on facilities, pipelines and equipment and $1.2 million on land and seismic.

To date in 2019, Kelt has incurred capital expenditures of $6.5 million relating to its share of costs for the 16-inch gas pipeline being constructed from the Company’s Inga 2-10 facility to the AltaGas Townsend Deep-Cut Gas Plant in British Columbia. The Company expects to be reimbursed for these expenditures and additional future expenditures relating to this project by AltaGas under a separate financing arrangement after the construction project has been completed.

Kelt’s syndicate of lenders has agreed to increase the Company’s credit facility to $350.0 million, up 11% from $315.0 million, after completing their interim borrowing base review in early November 2019. At September 30, 2019, bank debt, net of working capital was $320.5 million (includes $6.5 million of borrowings related to the AltaGas pipeline project mentioned above which is expected to be reimbursed to Kelt by AltaGas when the construction of the pipeline is completed).

2019 Forecast

Kelt has experienced delays commencing production from its wells at Wembley as the Tidewater Pipestone Sour Deep-Cut Gas Processing Plant works through its start-up issues. As a result of the delays in starting up its Wembley production (approximately 10,000 BOE per day) and curtailments at the Encana Sexsmith Gas Plant restricting the Company from producing at its La Glace field (approximately 2,500 BOE per day), Kelt has reduced its annual 2019 average production estimate to be within a range of 30,500 to 31,500 BOE per day (previously 33,500 to 34,500 BOE per day). The revised expected range for average production in 2019 would represent an increase of between 13% and 17% from average production of 27,006 BOE per day in 2018. Estimated production for 2019 is expected to be weighted approximately 48% oil and NGLs and 52% gas.

Kelt has also lowered its forecasted commodity price assumptions for 2019. WTI oil prices are expected to average US$56.00 per barrel (previous estimate was US$58.00 per barrel) and NYMEX natural gas prices are expected to average US$2.70 per MMBtu (previous estimate was US$2.80 per MMBtu).

As a result of changes to its production and commodity price estimates, Kelt now expects adjusted funds from operations in 2019 to be $190.0 million or $1.03 per diluted share (previous forecast was $220.0 million or $1.19 per diluted share). Net bank debt at December 31, 2019 is estimated to be $288.0 million or 1.5 times 2019 adjusted funds from operations (previously, estimated to be $258.0 million or 1.2 times 2019 adjusted funds from operations).

2020 Budget

The Company’s Board of Directors has approved an initial capital expenditure budget of $235.0 million for 2020. Kelt expects to drill 25 gross (25.0 net) wells in 2020 and expects to complete 31 gross (31.0 net) wells in 2020. The Company expects to have 11 gross (11.0 net) wells drilled but un-completed (“DUC”) in 2019 and 5 gross (5.0 net) DUC wells by the end of 2020. The 2020 capital expenditures are expected to be allocated as follows: $155.0 million for drilling and completing wells, $70.0 million for facilities, pipeline and equipment and $10.0 million for land and seismic.

Preparation of the 2020 budget includes the following forecasted commodity price assumptions (with estimated forecasted 2019 commodity prices shown for comparative purposes):

Commodity Price Index	2020 Budget	2019 Forecast	Change
WTI Crude Oil (USD/bbl)	52.00	56.00	− 7%
MSW Crude Oil (CAD/bbl)	62.09	67.93	− 9%
NYMEX Natural Gas (USD/MMBtu)	2.75	2.70	+ 2%
DAWN Gas Daily Index (USD/MMBtu)	2.70	2.60	+ 4%
CHICAGO City Gate Gas Daily Index (USD/MMBtu)	2.70	2.60	+ 4%
MALIN Gas Monthly Index (USD/MMBtu)	2.45	2.65	− 8%
SUMAS Gas Monthly Index (USD/MMBtu)	2.45	3.70	− 34%
AECO 5A Gas Daily Index (USD/MMBtu)	1.85	1.35	+ 37%
Station 2 Gas NGX Daily Index (USD/MMBtu)	0.85	0.90	− 6%
Exchange Rate (USD/CAD)	0.765	0.754	+ 1%
Exchange Rate (CAD/USD)	1.307	1.326	− 1%

Financial and operating highlights for 2020 compared to the 2019 forecast are highlighted in the table below:

Financial and Operating Highlights	2020 Budget	2019 Forecast
Production		
Oil & NGLs (bbls/d)	20,300 – 21,700	14,200 –
Gas (MMcf/d)	110.0 – 118.0	96.0 – 10
Combined (BOE/d)	38,500 – 41,000	30,500 –
Per million shares (BOE/d)	209 - 222	166 - 171

Revenue ($MM)	490.0	410.0
Adjusted Funds from Operations ($MM) (1)	235.0	190.0
AFFO per share, diluted ($) (1)	1.27	1.03
Capital Expenditures ($MM) (2)	235.0	296.0
Net Bank Debt, at year-end ($MM) (3)	292.0	288.0
Net bank debt to annualized quarterly adjusted funds from operations ratio (1)	1.2	1.5

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.
(2) 2019 forecasted capital expenditures include $26.0 million for the 16-inch gas pipeline from Kelt’s Inga 2-10 facility to AltaGas’s Townsend Gas Plant.
(3) In addition to forecasted net bank debt at December 31, 2019, Kelt estimates 2019 year-end financial liabilities of approximately $26.0 million primarily relating to the Inga 16-inch gas pipeline (AltaGas).

OPERATIONS UPDATE

Wembley/Pipestone Core Area

Kelt is excited to commence development operations on its 162 section (103,955 acres) Montney land block at Wembley/Pipestone. Approximately eight miles of pipeline infrastructure was installed during the third quarter and construction of a battery with a capacity to handle approximately 8,000 barrels per day of oil/condensate and 8,000 barrels per day of water was also completed during the quarter. Kelt had planned to install gas compression later in 2020; however, due to higher than anticipated pipeline pressures, the Company now expects to have compression installed prior to year-end in order to be in a position to produce its Wembley wells at their full capability. Wembley wells are expected to produce at reduced rates until compression is installed.

Despite processing its initial gas volumes in late September, the Tidewater Pipestone Sour Deep-Cut Gas Processing Plant has not operated with consistent run times as it works through start-up issues which are typical with new sour deep-cut gas plants. Run times continue to improve.

During the third quarter, Kelt was required to shut-in the majority of its production from the Company’s La Glace field. The Company processes its gas from La Glace at the Encana Sexsmith Gas Plant, which has filled up by other owner volumes resulting from increased drilling activity in the surrounding Pipestone play. During the first quarter of 2020, Kelt plans to build a pipeline connecting its La Glace field to the Wembley/Pipestone infrastructure so that gas volumes can be processed at the new Tidewater Pipestone Sour Deep-Cut Processing Plant taking advantage of the higher liquids yields expected from the deep-cut plant.

Inga/Fireweed Core Area

At Inga, Kelt commenced production from the second group of six wells (wells #7 to #12) on its 24-well pad Montney cube development program. Two wells were drilled in the Upper Montney formation, two wells were drilled in the Upper-Middle (IBZ) formation and two wells were drilled in the Middle Montney formation. Initial production rates from these wells have exceeded the Company’s expectations. Aggregate combined sales volumes from the second group of six wells for initial production of 30 days or 720 operating hours (“IP30”) was 7,732 BOE per day (79% oil and NGLs), 18% higher than the IP30 of 6,569 BOE per day (77% oil and NGLs) from the first group of six wells.

The two Upper-Middle (IBZ) Montney wells from the second group of six wells had an average aggregate IP30 rate of 2,284 BOE per day (76% oil and NGLs). These are the first IBZ wells that were fully completed successfully and Kelt is pleased to see IP30 rates far exceeding current IBZ type curves.

The third group of six wells (wells #13 to #18) on the 24-well pad were drilled in the second quarter and three of the wells (two Upper Montney wells and one Lower Middle Montney well) have now been completed and put on production. The remaining three wells (two Middle Montney wells and one Montney IBZ well) are expected to be put on production during the first quarter of 2020. The Lower Middle Montney well was the Company’s first test in that zone on its Inga/Fireweed land acreage. Initial results are encouraging with an IP30 of 420 BOE per day (72% oil and NGLs). Testing the Lower Middle Montney formation was most efficient from a capital expenditure outlay on the 24-well pad; however, based on geology, the Company believes this zone will be more prospective on the eastern portion of its land block at Inga/Fireweed. A future test on the eastern part of Kelt’s land block will likely be undertaken in the future.

Drilling operations for the fourth group of six wells (wells #19 to #24) on the 24-well pad are expected to be complete by the end of November 2019. This group of wells includes two in the Upper Montney, two in the Upper-Middle (IBZ) Montney and two in the Middle Montney formation. These six wells are expected to be completed in the first quarter of 2020.

The Company expects to drill and complete 10 wells at Fireweed in 2020, all of which are targeting the Upper Montney formation. These wells are part of the Company’s previously announced Infrastructure Royalty Credit Program whereby future royalties payable on these wells will be reduced by royalty credits as the Company continues to recover $15.0 million of infrastructure expenditures incurred at Inga/Fireweed, under the program.

Oak/Flatrock Core Area

At Oak, Kelt completed two wells during the third quarter. One well was completed in the Upper Montney and the second well in the Middle Montney formation. The Upper Montney well has been tested and showed encouraging liquids rates of 158 barrels per MMcf of gas during the test. The Middle Montney well has been shut-in for build-up and will be tested in December.

The Company has plans to drill seven development Upper Montney wells at Oak during the first quarter of 2020. With success, Kelt has allocated funds in its 2020 capital expenditure budget to build an oil battery, gas compression and a pipeline gathering system connecting its Oak field to a nearby third party gas plant. In addition, the Company also has plans to drill three exploration wells at Oak/Flatrock during 2020.

The Company is well positioned financially to execute its capital program during the remainder of the year and into 2020. Kelt expects to exit 2019 with a net bank debt/adjusted funds from operations ratio of 1.5 times, reducing to 1.2 times by the end of 2020.

Management looks forward to updating shareholders with annual 2019 results in March 2020.

Changes in forecasted commodity prices and variances in production estimates can have a significant impact on estimated funds from operations and profit. Please refer to the advisories regarding forward-looking statements and to the cautionary statement below.

The information set out herein is “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Kelt’s reasonable expectations as to the anticipated results of its proposed business activities for the calendar year 2019 and 2020. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

Advisory Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “execute”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends”, “forecasted” and similar expressions are intended to identify forward-looking information or statements. In particular, this press release contains forward-looking statements pertaining to the following: Kelt’s expected price realizations and future commodity prices; expectations for operating costs, transportation expenses and royalties, the cost and timing of future capital expenditures and expected well results; anticipated production volumes; the expected timing of well drills and completions in 2019 and 2020; the expected timing of wells commencing production, the expected timing of facility expenditures, the expected timing of facility start-up dates, the Company's expected future financial position and operating results; the estimated production loss from delays at Wembley of approximately 10,000 BOE per day; and the expectation to exit 2019 with a net bank debt/adjusted funds from operations ratio of 1.5 times, reducing to 1.2 times by the end of 2020.

Although Kelt believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Kelt cannot give any assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general, operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; as well as general economic conditions, stock market volatility; and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

In addition, the reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements contained herein are made as of the date hereof and the Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

Certain information set out herein may be considered as “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Kelt’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Any reference in this press release to IP rates is useful in confirming the presence of hydrocarbons. IP rates are not determinative of the rates at which wells will continue production and decline thereafter and are not necessarily indicative of long term performance. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production for the Company.

Non-GAAP Financial Measures and Other Key Performance Indicators

This press release contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. In addition, this press release contains other key performance indicators (“KPI”), financial and non-financial, that do not have standardized meanings under the applicable securities legislation. As these non-GAAP financial measures and KPI are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

Non-GAAP financial measures

“Operating income” is calculated by deducting royalties, production expenses and transportation expenses from petroleum and natural gas revenue, net of the cost of purchases and after realized gains or losses on associated financial instruments. The Company refers to operating income expressed per unit of production as an “operating netback”.

“Adjusted funds from operations” is calculated as cash provided by operating activities before changes in non-cash operating working capital, and adding back (if applicable): transaction costs associated with acquisitions and dispositions, provisions for potential credit losses, and settlement of decommissioning obligations. Adjusted funds from operations per common share is calculated on a consistent basis with profit (loss) per common share, using basic and diluted weighted average common shares as determined in accordance with GAAP. Adjusted funds from operations and operating income or netbacks are used by Kelt as key measures of performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, profit or other measures of financial performance calculated in accordance with GAAP.

The following table reconciles cash provided by operating activities to adjusted funds from operations:

	Three months ended September 30			Nine months ended September 3		
(CA$ thousands, except as otherwise indicated)	2019	2018	%	2019	2018	%
Cash provided by operating activities	14,640	29,881	-51	127,092	122,727	4
Change in non-cash working capital	24,137	16,871	43	6,654	16,085	-59
Funds from operations	38,777	46,752	-17	133,746	138,812	-4
Provision for potential credit losses	-	-	-	203	-	-
Settlement of decommissioning obligations	396	124	219	2,120	887	139
Adjusted funds from operations	39,173	46,876	-16	136,069	139,699	-3

Throughout this press release, reference is made to “total revenue”, “Kelt Revenue” and “average realized prices”. “Total revenue” refers to petroleum and natural gas revenue (before royalties) as reported in the consolidated financial statements in accordance with GAAP, and is before realized gains or losses on financial instruments. "Kelt Revenue" is a non-GAAP measure and is calculated by deducting the cost of purchases from petroleum and natural gas revenue (before royalties). “Average realized prices” are calculated based on “Kelt Revenue” divided by production and reflect the Company's realized selling prices plus the net benefit of oil blending/marketing activities, which commenced during the fourth quarter of 2017. In addition to using its own production, the Company may purchase butane and crude oil from third parties for use in its blending operations, with the objective of selling the blended oil product at a premium. Marketing revenue from the sale of third party volumes is included in total petroleum and natural gas revenue as reported in the Consolidated Statement of Profit (Loss) and Comprehensive Income (Loss) in accordance with GAAP. Given the Company’s per unit operating statistics disclosed throughout this press release are calculated based on Kelt’s production volumes, management believes that disclosing its average realized prices based on Kelt Revenue is more appropriate and useful, because the cost of third party volumes purchased to generate the incremental marketing revenue has been deducted.

“Average realized prices” referenced throughout this press release are before financial instruments, except as otherwise indicated as being after financial instruments.

“Average realized prices” referenced throughout this MD&A are before financial instruments, except as otherwise indicated as being after financial instruments.

The term “net bank debt” is used synonymously with, and is equal to, “bank debt, net of working capital”. “Net bank debt” is calculated by adding the working capital deficiency to bank debt. The working capital deficiency is equal to total current assets net of total current liabilities. The Company uses a “net bank debt to annualized adjusted funds from operations ratio” as a benchmark on which management monitors the Company’s capital structure and short-term financing requirements. Management believes that this ratio, which is a non-GAAP financial measure, provides investors with information to understand the Company’s liquidity risk. The “net bank debt to annualized quarterly adjusted funds from operations ratio” is also indicative of the “debt to EBITDA” calculation used to determine the applicable margin for a quarter under the Company’s Credit Facility agreement (though the calculation may not always be a precise match, it is representative).

Measurements

All dollar amounts are referenced in thousands of Canadian dollars, except when noted otherwise. This press release contains various references to the abbreviation BOE which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel and sulphur volumes have been converted to oil equivalence at 0.6 long tons per barrel. The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation. References to “oil” in this press release include crude oil and field condensate. References to “natural gas liquids” or “NGLs” include pentane, butane, propane, and ethane. References to “liquids” include field condensate and NGLs. References to “gas” in this discussion include natural gas and sulphur.

Abbreviations

bbls	barrels
bbls/d	barrels per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmcf	million cubic feet
mmcf/d	million cubic feet per day
tcf	trillion cubic feet
MMBTU	million British Thermal Units
GJ	gigajoule
BOE	barrel of oil equivalent
BOE/d	barrel of oil equivalent per day
NGLs	natural gas liquids
LNG	liquefied natural gas
AECO	Alberta Energy Company “C” Meter Station of the NOVA Pipeline System
NIT	NOVA Inventory Transfer (“AB-NIT”), being the reference price at the AECO Hub
WTI	West Texas Intermediate
NYMEX	New York Mercantile Exchange
Station 2	Spectra Energy receipt location
US$	United States dollars
CA$	Canadian dollars
TSX	the Toronto Stock Exchange
KEL	trading symbol for Kelt Exploration Ltd. common shares on the TSX
KEL.DB	trading symbol for Kelt Exploration Ltd. 5% convertible debentures on the TSX
CDE	Canadian Development Expenses, as defined by the *Income Tax Act* (Canada)
CEE	Canadian Exploration Expenses, as defined by the *Income Tax Act* (Canada)
GAAP	Generally Accepted Accounting Principles

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