

**MAXIM RESOURCES INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(Expressed in Canadian dollars)**

**SEPTEMBER 30, 2015**

## **UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended September 30, 2015.

**MAXIM RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in Canadian dollars)

	September 30, 2015	December 31, 2014 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 89,581	\$ 903,595
GST recoverable	14,585	29,357
Prepaid (Note 8)	<u>85,050</u>	<u>166,004</u>
<b>Total current assets</b>	<u>189,216</u>	<u>1,098,956</u>
<b>Non-current assets</b>		
Long-term investments (Note 4)	64,644	163,510
Furniture and equipment (Note 5)	2,770	3,356
Long term bond (Note 6)	644,564	618,333
Exploration and evaluation assets (Note 6)	<u>697,837</u>	<u>389,522</u>
<b>Total non-current assets</b>	<u>1,409,815</u>	<u>1,174,721</u>
<b>Total assets</b>	<u>\$ 1,599,031</u>	<u>\$ 2,273,677</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 642,773</u>	<u>\$ 356,610</u>
<b>Total liabilities</b>	<u>642,773</u>	<u>356,610</u>
<b>Shareholders' equity (deficit)</b>		
Capital stock (Note 9)	25,217,112	25,217,112
Subscription receivable (Note 9)	-	(43,750)
Reserves (Note 9)	52,934	192,658
Deficit	<u>(24,313,788)</u>	<u>(23,448,953)</u>
<b>Total shareholders' equity (deficit)</b>	<u>956,258</u>	<u>1,917,067</u>
<b>Total liabilities and shareholders' equity (deficit)</b>	<u>\$ 1,599,031</u>	<u>\$ 2,273,677</u>
<b>Nature and continuance of operations</b> (Note 1)		

Approved and authorized on behalf of the Board on November 30, 2015.

<u>"Andrew Male"</u>	Director	<u>"Arthur Brown"</u>	Director
Andrew Male		Arthur Brown	

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

**MAXIM RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited)  
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
<b>EXPENSES</b>				
Amortization (Note 5)	\$ 195	\$ 259	\$ 586	\$ 778
Consulting (Notes 8 and 10)	155,626	36,200	645,706	202,395
Management fees (Note 8)	-	36,000	-	102,000
Office, rent and administration	19,836	25,793	67,425	44,737
Professional fees (Note 8)	29,800	81,860	97,379	195,662
Shareholder relations and promotion	8,541	18,507	59,372	39,905
Transfer agent and shareholder costs	1,125	4,694	25,966	23,338
Travel	12,603	92,284	123,010	131,975
<b>Loss before other items</b>	<u>(227,726)</u>	<u>(295,597)</u>	<u>(1,019,444)</u>	<u>(740,790)</u>
<b>OTHER ITEMS</b>				
Foreign exchange gain (loss)	78,220	118,205	111,665	52,995
Interest income	(139)	-	2,086	1,624
Gain on settlement of long term receivable	-	-	-	2,687,905
Unrealized loss on investment (Note 4)	(41,828)	(60,841)	(98,866)	(265,416)
<b>Total other items</b>	<u>36,253</u>	<u>57,364</u>	<u>14,885</u>	<u>2,477,108</u>
<b>Income (loss) and comprehensive income (loss) for the period</b>	<u>\$ (191,473)</u>	<u>\$ (238,233)</u>	<u>\$ (1,004,559)</u>	<u>\$ 1,736,318</u>
<b>Basic and diluted income (loss) per common share</b>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ 0.05</u>
<b>Weighted average number of common shares outstanding</b>	<u>42,954,254</u>	<u>35,619,695</u>	<u>42,954,254</u>	<u>34,946,584</u>

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

**MAXIM RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Expressed in Canadian dollars)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) for the period	\$ (1,004,559)	\$ 1,736,318
Items not affecting cash:		
Amortization	586	778
Unrealized foreign exchange loss (gain)	(18,860)	37,273
Impairment of long-term receivables	-	21,095
Unrealized loss on investment	98,866	265,416
Changes in non-cash working capital items:		
Increase (decrease) in GST recoverable	14,772	(4,861)
Increase (decrease) in accounts payable and accrued liabilities	117,192	(37,507)
Decrease (increase) in prepaid and deposit	80,954	(34,803)
Net cash provided by (used in) operating activities	<u>(711,049)</u>	<u>1,983,709</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(147,930)	(62,027)
Loan receivable – payments received	-	25,442
Advances repayment to related parties	-	(155,342)
Bonds issued	-	(580,970)
Net cash used in investing activities	<u>(147,930)</u>	<u>(772,897)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Subscription received	<u>43,750</u>	<u>-</u>
Net cash provided by financing activities	<u>43,750</u>	<u>-</u>
<b>Effect of foreign exchange on cash and cash equivalents</b>	<u>1,215</u>	<u>(52,995)</u>
<b>Change in cash and cash equivalents for the period</b>	(814,014)	1,157,817
<b>Cash and cash equivalents, beginning of period</b>	<u>903,595</u>	<u>27,210</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 89,581</u>	<u>\$ 1,185,027</u>
<b>Cash received for interest</b>	\$ 2,086	\$ 1,624
<b>Cash paid for interest</b>	\$ -	\$ -
<b>Cash paid for income taxes</b>	\$ -	\$ -

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

**MAXIM RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)  
(Expressed in Canadian dollars)

	Capital stock			Reserves	Deficit	Total shareholders' equity (deficit)
	Shares	Amount	Subscription receivable			
<b>Balance, December 31, 2014</b>	<b>42,954,254</b>	<b>\$ 25,217,112</b>	<b>\$ (43,750)</b>	<b>\$ 192,658</b>	<b>\$ (23,448,953)</b>	<b>\$ 1,917,067</b>
Subscription receivable	-	-	43,750	-	-	43,750
Options expired	-	-	-	(139,724)	139,724	-
Loss and comprehensive loss for the period	-	-	-	-	(1,004,559)	(1,004,559)
<b>Balance, September 30, 2015</b>	<b>42,954,254</b>	<b>\$ 25,217,112</b>	<b>\$ -</b>	<b>\$ 52,934</b>	<b>\$ (24,313,788)</b>	<b>\$ 956,258</b>
<b>Balance, December 31, 2013</b>	<b>30,776,254</b>	<b>\$ 23,762,749</b>	<b>\$ -</b>	<b>\$ 184,204</b>	<b>\$ (24,279,645)</b>	<b>\$ (332,692)</b>
Shares issued in exchange for investment	5,500,000	687,500	-	-	-	687,500
Income and comprehensive income for the period	-	-	-	-	1,736,318	1,736,318
<b>Balance, September 30 2014</b>	<b>36,276,254</b>	<b>\$ 24,450,249</b>	<b>\$ -</b>	<b>\$ 184,204</b>	<b>\$ (22,543,327)</b>	<b>\$ 2,081,126</b>

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

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Maxim Resources Inc. (the "Company") is incorporated under the laws of the Province of Alberta. The Company's head office is located at Suite 1050 – 409 Granville Street, Vancouver, BC, V6C 1T2. The Company's registered and records office is located at 4100-66 Wellington Street West, Toronto, Ontario, Canada, M5K 1B7. The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "MXM".

The Company is a natural resource company focused on acquiring, exploring and developing oil and gas properties.

### Going concern of operations

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2015, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares, loan proceeds and advances from related parties. The Company continues to seek capital through various means including the issuance of equity and/or debt. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, there is a material uncertainty to the Company continuing as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

## 2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS.

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended December 31, 2014.

### **Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiaries:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Maxim Resources (Barbados) Inc.	Barbados	100%	Holding Company
Maxim Resources (Caribbean) Inc.	Caribbean	100%	Holding Company

All significant inter-company balances and transactions, income and expenses have been eliminated upon consolidation.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Significant accounting judgments and critical accounting estimates**

The preparation of these financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these financial statements.

#### Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- i) Determination of categories of financial assets and financial liabilities;
- ii) Determination of functional currency of the Company and its wholly-owned subsidiaries; and
- iii) Assessment of any indicators of impairment of the carrying value of the Company's exploration and evaluation assets;
- iv) Going concern risk assessment (refer to further discussion in the section *Going concern of operations*).

#### Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

*Impairment indicators and calculation of impairment* – At each reporting date, the Company assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets are not recoverable, or impaired. The estimation of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables including oil and gas trends, plans for properties and the results of exploration to date.

*Income taxes* – The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the consolidated financial statements.

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

*Provision for environmental rehabilitation* – The calculation of decommissioning liabilities includes estimates of the future costs to settle the liability, the timing of the cash flows to settle the liability, the credit-adjusted rate and the future inflation rates. The impact of differences between actual and estimated costs, timing and inflation on the consolidated financial statements of future period may be material.

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

**Significant accounting judgments and critical accounting estimates (cont'd...)**

Critical accounting estimates (cont'd...)

*Share-based payments* – The fair value of share-based payments is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

*Recoverability of long term bond* – At each reporting date, the Company assess whether there are circumstances that indicate a possibility that the long term bond is not recoverable, or impaired. The estimation of the impairment indicators involves a number of significant judgments and estimates including the political environment in Morocco and the Company's plan for its Morocco property.

**New accounting standards and recent pronouncements**

The following new and amended IFRS pronouncements were adopted during fiscal 2015 and had no significant impact on the consolidated financial statements:

- Amendments to IAS 24 - The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation.
- Amendments to IFRS 2 – Share-based payment. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.

Certain new accounting standards and interpretations have been published that are not mandatory for the Company's December 31, 2015 reporting period. These standards and interpretations have not been adopted and have yet to be assessed by the Company unless otherwise stated. The Company plans to adopt these standards and interpretations during the period required.

- New standard IFRS 9, Financial Instruments, Classification and Measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. This standard is effective for years beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

**MAXIM RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**4. LONG-TERM INVESTMENT**

	September 30, 2015			December 31, 2014		
	Number of shares	Cost	Fair value	Number of shares	Cost	Fair value
Global Resources Investment Trust Plc.	380,256	\$ 687,500	\$ 64,644	380,256	\$ 687,500	\$ 163,510

On March 7, 2014, the Company issued 5,500,000 common shares of the Company to Global Resources Investment Trust Plc. (“GRIT”), an arm’s length party to the Company in exchange for the issuance of 380,256 ordinary shares of GRIT (“GRIT shares”). GRIT shares were initially valued at the trading price of \$1.808 per share. The Company classified the GRIT shares as investment at fair value through profit or loss.

During the period ended September 30, 2015, the Company recorded an unrealized loss on investment of \$98,866 (2014 - \$265,416) based on the market price of GRIT shares at September 30, 2015 of \$0.17 (2014 - \$1.11) per share.

**5. FURNITURE AND EQUIPMENT**

	Computer equipment	Furniture	Telephone	Total
<b>Cost</b>				
Balance, December 31, 2014 and September 30, 2015	\$ 9,667	\$ 7,978	\$ 5,826	\$ 23,471
<b>Accumulated depreciation</b>				
Balance, December 31, 2014	\$ 8,557	\$ 6,612	\$ 4,946	\$ 20,115
Amortization for the period	<u>249</u>	<u>205</u>	<u>132</u>	<u>586</u>
Balance, September 30, 2015	\$ 8,807	\$ 6,812	\$ 5,078	\$ 20,701
<b>Carrying amounts</b>				
As at December 31, 2014	\$ 1,110	\$ 1,366	\$ 880	\$ 3,356
As at September 30, 2015	\$ 861	\$ 1,161	\$ 748	\$ 2,770

## **6. EXPLORATION AND EVALUATION ASSETS**

### **United Arab Emirates**

On June 2, 2015 the Company entered into an agreement (the "SPA") with Dubai based Quest Investments LLC ("QI") and its wholly owned subsidiary Quest Oil & Gas Ventures Inc. ("Quest"). Upon completion of the transactions contemplated in the SPA, QI will become a controlling shareholder of the Company, and the Company will acquire up to a 50% equity interest in Quest which will provide the Company a minimum of 13.125% indirect equity ownership interest in an oil and gas exploration and production concession (the "Concession") covering an onshore area of 747km<sup>2</sup> within the Emirate of Umm Al-Quwain, in the United Arab Emirates (the "UAE").

The Concession is held pursuant to a Petroleum Concession Agreement, ("PCA") in the Emirate of Umm Al-Quwain in the UAE held by UAQ Petroleum Limited ("UAQ PL"), a Hong Kong domiciled company. UAQ PL is a subsidiary of Canemir Petroleum (UAQ) Corp. ("Canemir"), domiciled in the British Virgin Islands. Canemir is owned 50% by Quest and 50% by Arawak Euroasia FZE ("Arawak"), which is part of the Vitol Group. Pursuant to the terms of the SPA, the Company will acquire up to 50% of the issued and outstanding shares of Quest in stages upon certain milestones being met, which will in turn provide the Company with an indirect 13.125% equity ownership interest in Canemir.

Closing of the final stage of the transaction was originally scheduled to occur on or around June 18, 2015. However, on July 31, 2015, in order to accommodate certain procedural requirements for the proposed admission of Maxim to the London AIM exchange, QI and the Company have agreed to extend the 1st closing under the SPA to a date not later than August 17, 2015. As consideration for the entering into the extension agreement, the Company provided QI with a US\$100,000 non-refundable deposit. On August 19, 2015, the Company announced that it was unable to complete the transaction, after seeking a further extension from QI to the closing, and in turn the SPA has been terminated with QI.

### **Hassi Berkane Block**

On May 14, 2014, the Company entered into a Heads of Agreement, with First Sahara Energy Inc, for fees and expenses incurred during the acquisition of the Reconnaissance Contract ("the Contract") on the Hassi Berkane Block (formerly Beni Znassen Block) in the Kingdom of Morocco. The Contract was valid for 12 months from June 18, 2014 and was extended until January 15, 2016.

In connection with the Contract, the Company has placed a bond for US\$533,000 with the National Office of Hydrocarbon and Mines ("ONHYM") in the Kingdom of Morocco. The Company is committed to undertake a Work Program pursuant to the Contract for an estimated total of USD \$483,000 and contribute up to USD \$50,000 to training ONHYM personnel for the duration of the Contract. Upon completion of the work program, the bond will be released back to the Company.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

For the nine months ended September 30, 2015, the following exploration expenses were incurred on the exploration and evaluation assets:

	<b>Hassi Berkane Block</b>
<b>Acquisition costs</b>	
Balance, December 31, 2014 and September 30, 2015	\$ 280,000
<b>Exploration costs</b>	
Balance, December 31, 2014	109,522
Geological and consulting	303,246
Field cost	<u>5,069</u>
Balance, September 30, 2015	<u>417,837</u>
Total balance, September 30, 2015	<u>\$ 697,837</u>

For the year ended December 31, 2014, the following exploration expenses were incurred on the exploration and evaluation assets:

	<b>Hassi Berkane Block</b>
<b>Acquisition costs</b>	
Balance, December 31, 2013	\$ -
Shares issued	<u>280,000</u>
Balance, December 31, 2014	<u>280,000</u>
<b>Exploration costs</b>	
Balance, December 31, 2013	-
Geological and consulting	103,957
Field cost	2,993
Maintenance	<u>2,572</u>
Balance, December 31, 2014	<u>109,522</u>
Total balance, December 31, 2014	<u>\$ 389,522</u>

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are broken down as follows:

	September 30, 2015	December 31, 2014
Trade payables	\$ 418,716	\$ 144,896
Accrued liabilities	89,685	110,716
Loan payable	-	7,600
Due to related parties (Note 8)	<u>141,729</u>	<u>93,398</u>
<b>Total</b>	<b>\$ 642,773</b>	<b>\$ 356,610</b>

**8. RELATED PARTY TRANSACTIONS**

Amounts paid or accrued to related parties are as follows:

	Nature of transactions	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
A company controlled by the Chairman	Consulting/Management	\$ 112,418	\$ 122,000
A company controlled by a director	Consulting	93,666	107,000
A company controlled by the Managing director	Consulting	65,566	38,190
A firm of which the CFO is a partner	Professional fees	36,600	59,800
A company controlled by the CFO	Consulting	42,476	30,000
A director	Management	<u>-</u>	<u>20,000</u>
		<b>\$ 350,726</b>	<b>\$ 376,990</b>

The amounts due to/from related parties included in accounts payable and accrued liabilities are as follows:

	September 30, 2015	December 31, 2014
Due to a firm of which the CFO is a partner	\$ 91,888	\$ 87,198
Due to a company controlled by the CFO	26,974	6,200
Due to a company controlled by the Managing director	8,312	6,200
Due to a company controlled by the Chairman	<u>14,555</u>	<u>6,200</u>
	<b>\$ 141,729</b>	<b>\$ 93,398</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**8. RELATED PARTY TRANSACTIONS (cont'd...)**

Transactions with related parties were in the normal course of operations and are measured at the exchange value. Amounts due to related parties are unsecured, non-interest bearing and due on demand; accordingly fair value cannot be reliably determined.

As at September 30, 2015, the Company had advanced \$56,733 (December 31, 2014 - \$46,266) recognized in prepaid for directors and officers of the Company.

**9. CAPITAL STOCK AND RESERVES**

a) Authorized share capital

As at September 30, 2015, the authorized share capital of the Company was:

Unlimited number of common shares without par value  
Unlimited number of preferred shares without par value

b) Issued share capital

During the period ended September 30, 2015, the Company did not have any share activities.

During the period ended September 30, 2014, the Company issued 5,500,000 common shares at a fair value of \$0.125 per share with a total fair value of \$687,500 in exchange for the issuance of 380,256 GRIT shares (Note 4). The fair value of the share is determined based on the market price at time of issuance.

c) Options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option may not be lower than the exercise price permitted by the TSX-V. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The Company recognizes share-based payment expense for all stock options granted using the fair value based method of accounting.

Stock option transactions for the period ended September 30, 2015 are summarized as follows:

Expiry Date	Exercise Price	December 31, 2014	Granted	Expired / Cancelled	September 30, 2015	Exercisable
September 10, 2015	\$ 0.23	710,799	-	(710,799)	-	-
November 4, 2015*	0.20	305,000	-	-	305,000	305,000
<b>Total</b>		<b>1,015,799</b>	<b>-</b>	<b>(710,799)</b>	<b>305,000</b>	<b>305,000</b>
<b>Weighted average exercise price</b>	<b>\$</b>	<b>0.22</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>0.20</b>
<b>Weighted average remaining contractual life</b>					<b>0.10 year</b>	

\*Subsequently expired

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**9. CAPITAL STOCK AND RESERVES (cont'd...)**

c) Options (cont'd)

Stock option transactions for the period ended September 30, 2014 are summarized as follows:

Expiry Date	Exercise Price	December 31, 2013	Granted	Expired / Cancelled	September 30, 2014	Exercisable
September 10, 2015	\$ 0.23	710,799	-	-	710,799	710,799
November 4, 2015	0.20	305,000	-	-	305,000	305,000
<b>Total</b>		<b>1,015,799</b>	<b>-</b>	<b>-</b>	<b>1,015,799</b>	<b>1,015,799</b>
<b>Weighted average exercise price</b>	<b>\$ 0.22</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.22</b>	<b>\$ 0.22</b>
<b>Weighted average remaining contractual life</b>					<b>0.99 years</b>	

d) Warrants

Warrant transactions for the period ended September 30, 2015 are summarized as follows:

Expiry Date	Exercise Price	December 31, 2014	Granted	Expired / Cancelled	September 30, 2015	Exercisable
December 29, 2016	\$ 0.18	4,678,000	-	-	4,678,000	4,678,000
December 29, 2016	\$ 0.125	80,000	-	-	80,000	80,000
<b>Total</b>		<b>4,758,000</b>	<b>-</b>	<b>-</b>	<b>4,758,000</b>	<b>4,758,000</b>
<b>Weighted average exercise price</b>	<b>\$ 0.13</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.13</b>	<b>\$ 0.13</b>
<b>Weighted average remaining contractual life</b>					<b>1.25 years</b>	

During the period ended September 30, 2015, the Company did not grant any warrants.

**10. DUAL LISTING**

The Company is attempting a dual listing and is seeking admission of its shares to trading on the AIM Market of the London Stock Exchange. For the period ended September 30, 2015, the Company incurred \$150,793 (2014 - \$nil) in consulting fees related to this proposal.

**MAXIM RESOURCES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian dollars)

SEPTEMBER 30, 2015

**11. SEGMENTED INFORMATION**

The Company operates in one industry segment, being the acquisition, exploration and development of oil and gas properties. Geographic information is as follows:

	September 30, 2015	December 31, 2014
Non-current assets		
Canada	\$ 2,770	\$ 3,356
United Kingdom	64,644	163,510
Morocco	<u>1,342,401</u>	<u>1,007,855</u>
	<u>\$ 1,409,815</u>	<u>\$ 1,174,721</u>

**12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly;  
and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

<u>Financial instruments</u>	<u>Classifications</u>
Cash and cash equivalents	FVTPL
Long term receivable	LAR
Long term bond	LAR
Long term investment	FVTPL
Accounts payable and accrued liabilities	OFL
Deposit	OFL

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short term nature except as otherwise noted. The fair value of the Company's cash and cash equivalents and long-term investments constitutes a Level 1 fair value measurement. The Company does not currently hold any financial instruments that would be included in the classification of AFS.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd...)**

**Financial risk factors**

*Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with cash is remote as it maintains accounts with highly rated financial institutions.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2015, the Company had a cash and cash equivalents balance of \$89,581 (December 31, 2014 - \$903,595), which includes a cashable guaranteed investment certificate in the amount of \$34,500 (2014 - \$34,617) to settle current liabilities of \$642,773 (December 31, 2014 - \$356,610). The Company is planning additional financings in the near term to raise working capital to finance its ongoing operations. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company has not generated significant revenues from operations and continues to seek capital through various means including the issuance of equity and/or debt. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, there is material uncertainty to the Company continuing as a going concern.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a) Interest rate risk

The Company has cash balances and non interest-bearing debt. The Company is satisfied with the credit ratings of its banks. The Company believes it has no significant interest rate risk.

b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company's investment in GRIT shares is exposed to price risk.

c) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to:

- i) US \$5,642 (\$7,529) of cash and cash equivalents;
- ii) US \$533,000 (\$644,564) of long-term bonds;
- iii) GBP \$32,323 (\$64,644) of long-term investment.

The Company does not hedge its exposure to foreign currency risk

**MAXIM RESOURCES INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd...)**

c) Foreign currency risk (cont'd...)

*Net exposure*

Based on the above net exposures as at September 30, 2015, and assuming all other variables remain constant, a 10% change in the value of the US dollar and GBP against the Canadian dollar would impact the Company's comprehensive income by approximately \$71,673.

**13. MANAGEMENT OF CAPITAL RISK**

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, reserves and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity. The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets. This strategy is unchanged from prior year.

The Company is not subject to externally imposed capital requirements.