KNOL RESOURCES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2015

INTRODUCTION

This management discussion and analysis ("MD&A") of financial position and results of operations for Knol Resources Corp. (the "Corporation") is prepared as at July 28, 2015 and should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements and related notes as at and for the six months ended June 30, 2015, and with its audited consolidated financial statements for the year ended December 31, 2014.

Additional information relating to the Corporation, including Annual Information Forms, Management Information Circulars, NI 51-101 oil and gas disclosures, material change reports, and previous interim and annual financial statements are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Forward-looking statements

This MD&A includes certain statements that constitute forward-looking statements or forward-looking information (collectively, "forward-looking information") within the meaning of applicable securities laws. These statements may appear throughout this MD&A and include the views of management and the Corporation's directors on areas including but not limited to the Corporation's expected future financial position, financial and operational results, the execution of the Company's business strategy, access to capital, and the outcomes of uncertain events. When used in this MD&A, words such as "believe," "anticipate," "project," "intend," "expect," "may," "will," "plan," "attempts," "seeks," and similar expressions are intended to identify these forward-looking statements.

Significant forward-looking statements made in this MD&A include, but are not limited to expectations for the timing, nature and structure of new operating activities; expected payments required for environmental reclamation; and expected payments paid or received on the disposition of assets and liabilities held for sale.

The Corporation's actual results are dependent on factors such as the availability of oil and gas assets or investment opportunities on terms acceptable to the Corporation, general financing market conditions, and the outcomes of legal proceedings. As such, actual performance or achievements could differ materially from those expressed in, or implied by these forward-looking statements, and accordingly, no assurance can be given that any events, situations or outcomes indicated in these forward-looking statements will transpire or what benefits or liabilities to the Corporation will arise from these outcomes. Accordingly, readers of this MD&A are cautioned against placing undue reliance on forward-looking statements. Unless required by law, the Corporation will not update or revise any forward-looking statements contained in this MD&A to reflect actual results, and differences between actual results or outcomes and those indicated in forward-looking statements herein will not be publicly announced with reference to these forward-looking statements.

BUSINESS PROFILE AND STRATEGY

The Corporation is seeking investment opportunities in the petroleum and natural gas ("P&NG") sector that will allow the Corporation to realize value from its approximately $63.3 million in accumulated capital and non-capital tax-losses and expense pools. Until a suitable transaction has been identified, the Corporation's focus is on keeping operating costs low and preserving its cash and cash equivalents. Although the Corporation holds sufficient cash for working capital requirements in the next twelve months, additional funds may be required to complete a future transaction.

SECOND QUARTER 2015 FINANCIAL HIGHLIGHTS

The following table highlights certain aspects of the Corporation's financial performance and position as at and for the three and six months ended June 30, 2015. This information should be read in conjunction with the "Operational Review" section of this MD&A.

In thousands of dollars, unless otherwise noted	**For the three months ended June 30**		**For the six months ended June 30**	
	2015	2014	**2015**	2014
General and administrative expenses	**105**	183	**165**	286
Interest income	**(20)**	(8)	**(47)**	(9)
Net loss and comprehensive loss	**85**	175	**178**	277
Basic and diluted loss per share[1]	**0.00**	0.00	**0.00**	0.01
Weighted average number of shares[1]	**55,696,470**	49,520,646	**55,696,470**	27,729,619
Cash flows used in operating activities	**(162)**	(118)	**(228)**	(182)
Cash flows provided by investing activities	**20**	8	**47**	9
Cash flows provided by financing activities	**-**	4,693	**-**	4,693

	June 30 2015	December 31 2014
Cash	**4,872**	5,053
Working capital surplus	**4,662**	4,779
Total assets	**5,026**	5,123
Total liabilities	**314**	294
Number of common shares outstanding[1]	**55,696,470**	55,696,470
Number of fully diluted common shares outstanding[1,2]	**109,842,070**	109,842,070

[1] Fully diluted common shares as at June 30, 2015 and December 31, 2014 includes 55,696,470 common shares then outstanding, 52,570,600 shares issuable on the exercise of warrants and 1,575,000 shares issuable on the exercise of stock options. Options and warrants were excluded from the weighted average number of common shares for the purposes calculating diluted loss per share as their inclusion would be anti-dilutive.

General and administrative expenses

General and administrative expenses comprise costs for accounting, land and management consulting services, legal and professional services, investor relations and exchange listing and filing fees, insurance and other office services. As the Corporation does not currently have any producing oil and gas assets, it has decreased general and administrative activity to minimal levels, but retaining key services on a contract basis, which includes a shared office space.

General and administrative expenses were $73 thousand lower the three months ended June 30, 2015 than in the same period in 2014. This decrease was primarily attributed to a $146 thousand expense for stock options granted in 2014 for which no similar expense was incurred in 2015. Partially offsetting this decrease were the following significant cost increases in 2015:

- The Corporation reported a $46 thousand provision for non-refundable sales taxes in the three months ended June 30, 2015 following an adverse audit finding by the Canada Revenue Agency ("CRA") of federal sales taxes that had previously been refunded; the CRA has issued a preliminary assessment that $46 thousand of such taxes should not have been refunded.
- The Corporation reported a $2 thousand expense for legal and audit services for the three months ended June 30, 2015 compared with a $17 thousand reversal of previously accrued expenses for the three months ended June 30, 2014.

Other general and administrative expenses incurred in the three months ended June 30, 2015 were similar to those for the same period in 2014.

A further discussion of general and administrative costs is included under the section "Operational Review," herein.

Cash and cash equivalents and interest income

Cash and cash equivalents declined $142 thousand in the three months ended June 30, 2015 primarily as a result of $87 thousand in cash payments for accounting, administrative, land and executive consulting services, legal and audit fees, and transfer agent and TSX-Venture NEX Exchange fees. Additionally, the Corporation paid $95 thousand for environmental reclamation services, including a $91 thousand deposit for a significant reclamation program anticipated to be completed in the third quarter of 2015. These general and administrative and reclamation expenditures were partially offset by interest income of $20 thousand.

Interest income of $20 thousand for the three months ended June 30, 2015 was higher than the same period of 2014 as a result of a higher average principal balance of short-term cash equivalents following $4.6 million in net proceeds from a private placement in the second quarter of 2014.

Net loss and comprehensive loss

The Corporation recognized a $90 thousand decrease in net loss for the three months ended June 30, 2015 compared with the same period in 2014 as a result of the $146 thousand expense for stock options in 2014 that was not incurred in 2015 as well as higher interest income in 2015, which were partially offset by a $46 thousand provision for non-refundable sales taxes.

Environmental reclamation and total liabilities

In the second half of 2014, the Corporation recognized a $200 thousand asset retirement obligation for a deep gas well for which it is the operator, following an unsuccessful lawsuit filed to assign this liability to another party. As at June 30, 2015, the Corporation had paid a $91 thousand deposit to a reclamation services provider, which has been reported as a prepaid expense. Subsequently, the service provider has completed a significant portion of the reclamation of this well.

OPERATIONAL REVIEW

Interest income

Interest income for the six months ended June 30, 2015 was $47 thousand, an increase from the $9 thousand recorded for the same period of 2014. The increase is owing to the increase in the Corporation's cash and cash equivalents balance following $4.6 million in net proceeds from a private placement in April 2014. The Corporation holds cash in an operating account with a Schedule 1 Chartered Canadian bank and cash equivalents in the form of a term deposit with another Canadian financial institution with an R-1(low) credit rating from DBRS.

As at June 30, 2015 the Corporation's cash equivalents earned an interest rate of 1.74%. Subsequently, the interest rate on these term deposits was re-set to 1.40%, reflecting decreasing market interest rates in Canada.

General and administrative ("G&A") expenses

G&A expenses comprise the following:

($ thousands, except as indicated)

For the six months ended June 30	**2015**	2014
Consulting fees	**83**	87
Provision for non-refundable sales tax	**46**	-
Office expenses	**12**	7
Legal and audit services	**7**	23
Investor relations and exchange listing and filing fees	**6**	18
Insurance	**6**	5
Environmental reclamation	**4**	-
Share-based compensation	**-**	146
Total	**164**	286

Consulting fees include fees for executive, accounting, corporate secretarial and land consultants used to administer properties in which the Corporation is the operator or has a working interest. The costs for these services is consistent on a monthly basis, so there is little variance in these costs.

The Corporation reported a $46 thousand provision for the repayment of sales taxes that had been paid by and refunded to it, following a preliminary assessment by the CRA that these taxes were ineligible for refund.

The expense legal and audit services was $16 thousand higher in the six months ended June 30, 2014 than in 2015 as a result of costs incurred in early 2014 for the investigation of a potential business combination, which was ultimately not pursued.

The Corporation reported a $146 thousand charge on the grant of stock options in the six months ended June 30, 2014. As these options were fully-vested at the date of grant, no corresponding expense was reported in the six months ended June 30, 2015.

Other general and administrative expenses include exchange filing fees, transfer agent costs, insurance and other sundry costs, which have been reduced to generally low levels as a result of the Corporation not being operationally active.

Income taxes

The Corporation's tax pools at June 30, 2015 are estimated to be $63.3 million on a gross basis and are allocated as follows:

Tax pool	Value ($ thousands)
Canadian oil and gas property expenses	2,179
Canadian development expenses	129
Canadian exploration expenses	6,669
Undepreciated capital costs	799
Non-capital loss carry-forwards	33,299
Capital loss carry-forwards	19,989
Share issuance costs	240

These tax pools reflect management's current estimates and may not be consistent with taxable losses and expenses that will be eventually accepted by the Canada Revenue Agency. No deferred income tax benefit has been recognized from these pools as it is not likely that these benefits will be realized through future taxable income. At such a point when the Corporation demonstrates the ability to earn taxable income on a consistent basis, a deferred benefit may be partially or fully recognized.

QUARTERLY HIGHLIGHTS

($ thousands, except as indicated)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Revenues								
Interest income	20	27	20	24	8	1	1	1
Expenses								
Environmental reclamation	4	-	1	190	-	-	-	-
Share-based compensation	-	-	-	-	146	-	-	-
Other general and administrative costs	104	60	82	113	37	103	82	67
Net loss and comprehensive loss	(85)	(33)	(63)	(284)	(175)	(102)	(81)	(66)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.02)	(0.02)	(0.01)
Working capital surplus	4,662	4,746	4,779	4,861	5,145	555	657	737

General trends

Interest income was consistent for each quarter until the second quarter of 2014 when the Corporation raised $4.6 million in a private placement of common shares, which has been held in an interest-bearing cash account, resulting in an increase to interest income for that and subsequent quarters.

In the second quarter of 2014, the Corporation granted options to officers and directors. The options were fully vested at the date of grant, resulting in a share-based compensation expense reflecting the entire fair market value of options granted. As no other options have vested during the reported periods, no other related expense has been reported.

In the third quarter of 2014, a $190 thousand environmental reclamation expense was recorded on the establishment of a provision for environmental reclamation for a certain gas property resulting in an increase in net loss; the related provision resulted in a reduction in the Corporation's working capital surplus.

In the second quarter of 2015, a $46 thousand expense was recorded as a result of a preliminary assessment by the CRA that certain sales taxes previously refunded to the Corporation were ineligible for refund and must be repaid.

Other general and administrative are fairly consistent in each period, although some variances have occurred as a result of the timing for the Corporation's annual general meeting and legal expenses.

OUTLOOK

The Corporation's ability to generate net income in the long-term is dependent on the successful redeployment of cash into new assets or revenue streams. As discussed under the "Business Profile and Strategy" section, herein, management will seek new investment opportunities that allow the Corporation to utilize its existing $63.3 million in cumulative tax pools and losses (see "Operational Review, Income taxes" herein), but the timing for reinvesting in new oil and gas assets or revenue streams is uncertain, as is the exact form that such a transaction will take.

In the near term, until such a transaction transpires, management is focusing on cost containment to preserve the cash and capital of the Corporation. Until such time that the Corporation's cash is required for operating assets, the Corporation will seek higher-interest returns.

LIQUIDITY & SOURCES OF CAPITAL

As at June 30, 2015, the Corporation had a $4.7 million working capital surplus, which included cash and cash equivalents of $4.9 million. The Corporation's working capital surplus is in excess of immediate and near term operating requirements. However, the Corporation may need to raise additional funds should it seek to identify a suitable operating investment. Although the Corporation has been successful with previous equity financings, there is no assurance the Corporation will be able to raise funds in the future.

Share capital

As at the date of this MD&A, the Corporation has 55,696,470 shares issued and outstanding with an additional 52,570,600 shares issuable on the exercise of warrants issued in the Placement and an additional 1,575,000 shares issuable on the exercise of stock options.

Contractual obligations, commitments and contingencies

Currently, the Corporation has few contractual commitments as it has disposed of its productive assets and has curtailed much of its general and administrative activities.

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2015 the Corporation recorded an expense of $15,000 (2014 - $5,000) for consulting services provided by Michael Atkinson, the Corporation's President and Chief Executive Officer. The fees were incurred for management and business development services provided in the normal course of business, and have been measured at an exchange amount.

During the six months ended June 30, 2015, the Corporation paid or accrued $36,000 (2014 - $37,500) to Earlston Management Corp. ("Earlston", formerly Ionic Management Corp.), an entity related by virtue of providing the services of the Chief Financial Officer and Corporate Secretary of the Corporation as well as other administrative services. These amounts are included in consulting fees in the condensed consolidated interim statements of loss and comprehensive loss, and as at June 30, 2015, $6,000 (December 31, 2014 - $6,000) is included in accounts payable and accrued liabilities. Additionally, the Corporation paid Earlston $22,500 during the six months ended June 30, 2014 for services provided in connection with a private placement, which was charged as a reduction to share capital.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2015, the Corporation had no off-balance sheet arrangements such as transactions, agreements or contractual arrangements with unconsolidated entities, structured finance entities, special purpose entities or variable interest entities that are reasonably likely to materially affect the liquidity of or the availability of, or requirements for, capital resources.

INDUSTRY AND FINANCIAL RISK MANAGEMENT

Historically, the Corporation has been engaged in the exploration, development and production of crude oil and natural gas. As of the date of this MD&A, the Corporation has no producing assets remaining and is therefore not exposed to risks typically apply to companies in the P&NG sector. However, the Corporation is or could be exposed to a number of business risks, some of which are beyond its control. These risks can be categorized as operational, regulatory, liquidity, credit, and market risks.

Operational risks

Operational risks to which the Corporation is exposed include the risk that suitable P&NG assets or businesses may not be identified will be incorrectly valued. The Corporation will manage these risks by engaging management or consulting personnel with the requisite financial, operational or engineering expertise to adequately assess investment alternatives

Regulatory risks

The exploration, development and extraction of P&NG reserves are managed by various levels of government, which oversee issues such as land management and environmental reclamation. Although the Corporation currently has no productive assets, there is a risk that the Corporation may face penalties or lawsuits should it not adhere to government regulations for its shut-in or abandoned wells that remain. To mitigate this risk, the Corporation hires third-party consultants to monitor environmental regulations and develop or manage programs to help the Corporation comply with current environmental legislation. The Corporation has also put in place a corporate safety program and a site-specific emergency response program to help manage these risks.

Liquidity risk

Liquidity risk is the risk that the Corporation may not be able to meet its financial obligations as they come due. This risk has historically been managed by closely monitoring its financial position and forecasting future cash flows on at least a monthly basis, such that an additional need for capital can be identified as soon as possible. As the Corporation has no sources of operating revenues, it is reliant on its existing cash balance to fund its near-term operations. Under its current level of operations, liquidity risk is not considered significant; however, the Corporation may require additional funds to acquire operating assets or for longer-term operations.

Market risks

Market risks to which the Corporation is exposed include unfavorable movements in commodity prices, interest rates, and foreign exchange rates. As June 30, 2015, the Corporation has no producing P&NG assets and maintains its cash in short-term, liquid deposits. Consequently, its exposure to these risks is low, but as the Corporation redeploys its cash, exposure to these risks may increase. Further, adverse movements in commodity prices, interest rates or foreign exchange rates may have an adverse result in the functioning of equity markets in which the Corporation anticipates raising additional funds. The Corporation manages market risks by monitoring changes to underlying factors, particularly commodity prices, and manages its cash flows based on the expected impacts from such changes.

Credit risk

Credit risk is the risk of default on payment by counterparties to financial assets held by the Corporation. Virtually all of the Corporation's accounts receivables are concentrated with a limited number of customers and joint venture partners in the oil and gas industry. Management considers this concentration of credit risk to be acceptable, as customers are major industry participants, and receivables from partners are protected by effective industry standard legal remedies. The Corporation requires cash calls from its partners on major field projects in advance of commencement.

Accounts receivable as at June 30, 2015 was $1,848. The maximum exposure to credit risk is therefore represented by the carrying amount of accounts receivable on the consolidated statement of financial position. In the immediate future, it is not expected that the Corporation's exposure to credit risk will be significant.

Concentration risk

Concentration risk is the risk that a significant proportion of the Corporation's cash is held with one financial institution, exposing the Corporation to the risk that this institution may not have the liquidity to honour withdrawals or redemptions of the Corporation's funds. As at June 30, 2015, the largest balance of cash and cash equivalents held with any single institution was $4,678,276. Although the Corporation ensures the credit ratings of the financial institutions it deals with are high, the Corporation may seek to diversify holdings in the future.

CRITICAL ACCOUNTING POLICIES AND MEASUREMENT UNCERTAINTY

Critical accounting policies

The Corporation's accounting policies are discussed in detail in Note 3 of the consolidated financial statements for the year ended December 31, 2014. Critical accounting policies are as follows:

i. Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value net of transaction costs, if applicable. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss", "loans and receivables", "available-for-sale", "held-to-maturity", or "financial liabilities" as follows:

Financial assets

Financial assets comprise cash, accounts receivable and restricted cash. Cash is classified as fair value through profit and loss and are measured at fair value. Accounts receivable are classified as loans and receivables and are recorded at amortized cost less any impairment. Restricted cash includes cash that has been designated for various operational or environmental reclamation purposes, and is classified as fair value through profit and loss and measured at fair value.

Financial liabilities

Financial liabilities comprise accounts payable and accrued liabilities, and amounts due to related parties. All of these instruments are classified as financial liabilities measured at amortized cost using effective interest rate method. Under this classification, all cash flows from these instruments are discounted, where material, to their present value. Over time, this present value is accreted to the future value of remaining cash flows, and this accretion is recorded as financing expense.

ii. Non-current assets and liabilities held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Fair value is based on recent purchase offers, market transactions for similar assets, or appropriate valuation models.

Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the consolidated statement of loss and comprehensive loss. Property, plant and equipment and intangible assets are no longer depreciated once classified as held for sale, but interest and other expenses attributable to the liabilities of a disposal group or asset held for sale is recognized.

iii. Asset retirement obligation

The Corporation recognizes an asset retirement obligation, in the period a well or related asset is drilled, constructed or acquired, for the expected costs to abandon wells and related facilities, remove equipment from leased acreage and return such land to its original condition. The asset retirement obligation is estimated at the present value of the estimated expected future cash outflows, discounted using a risk–free interest rate. The discounted obligation is initially capitalized as part of the carrying amount of the related property, plant and equipment and a corresponding liability is recognized.

Subsequent to initial recognition, the obligation is reviewed regularly by management, based upon current regulations, costs, technologies and industry standards, as well as to changes in the risk-free rate. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related property, plant and equipment. The accretion of the obligation is recorded as a financing cost in the consolidated statement of loss and comprehensive loss, and actual abandonment and reclamation expenditures are charged to the accumulated obligation as incurred and obligations related to properties disposed are removed.

The amount of the capitalized retirement obligation is depleted and depreciated on the same basis as the other capitalized property, plant and equipment.

iv. Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Measurement uncertainty

Management is required to make estimates and assumptions that affect the reported amounts and presentation of assets, liabilities, revenues, expenses and disclosures of contingencies and commitments. Although these estimates are based on management's expectations for the likely outcome, timing and amounts of events or transactions, actual results may differ from these expectations and the corresponding amounts and disclosures reported in these financial statements.

Areas where management is required to make significant estimations or where measurements are uncertain are as follows:

i. Assets and liabilities held for sale

The measurement of assets and liabilities held for sale requires management to use judgment to estimate their fair values. Management bases these fair values on factors such as prices discussed during sale negotiations and estimates for discounted present values of cash flows related to these assets and liabilities.

An inability to successfully negotiate a sale of these assets and liabilities, or changes to the amount or timing of related cash flows could adversely affect their fair values.

ii. Asset retirement obligation

The measurement of the Corporation's asset retirement obligation is based on estimates for future reclamation expenditures. These estimates are based on quotes received from independent contractors, but are subject to change based on regulatory requirements for reclamation, technical difficulties that could be encountered during actual reclamation work, and changes to labour and other input costs for contractors performing reclamation services. Changes to these underlying factors could result in the actual reclamation costs being greater than those currently provided for.

iii. Income taxes

Income tax provisions are recognized to the extent that it is probable that there will be a future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matter that may not have been reported to or assessed by the taxation authority at the date of these consolidated financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Corporation.

Deferred tax assets are recognized to the extent that certain taxable losses or deferred expenditures will be utilized by the Corporation to reduce future taxes payable. The amount of deferred tax assets recognized, if any, is based on objective evidence that the Corporation will generate sufficient future taxable income to utilize these deferred assets, as well as the expected future tax rates that will apply to these assets. Changes to the Corporation's ability to generate sufficient taxable income or changes to enacted tax rates could result in the write-down of deferred tax assets, or the recognition of new deferred tax assets.

New and amended IFRS adopted by the Corporation

The Corporation has applied the following new IFRS amendment starting January 1, 2015:

i. IFRS 3, Business Combinations

IFRS 3 was amended to provide clarification related to (i) contingent consideration in a business combination and (ii) scope exception for joint arrangements.

ii. IFRS 8, Operating Segments

IFRS 8 was amended to require (i) disclosure of judgments made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segment assets are reported.

iii. IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets

IAS 16 was amended to classify how gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model.

iv. IAS 24, Related Party Transactions

IAS 24 was amended to (i) revise definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements.

The adoption of these standards did not result in changes to amounts or note disclosures previously reported by the Corporation.

Future changes in accounting standards

The following are new and revised accounting pronouncements that have been issued, but are not yet effective for the year beginning January 1, 2015:

i. IFRS 9, Financial Instruments

The IASB intends to replace IAS 39 – "*Financial Instruments: Recognition and Measurement*" in its entirety with IFRS 9 in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. IFRS 9 can currently be adopted voluntarily, but is mandatory for years beginning on or after January 1, 2018.

ii. IFRS 5, Non-current Assets Held for Sale and Discontinued Operations

IFRS 5 has been amended to adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. These amendments are effective for annual periods beginning January 1, 2016.

iii. IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact the standard is expected to have on its consolidated financial statements.

Management has determined that the application of these pronouncements is not expected to have a significant impact on the Corporation's financial statements.

CHANGES IN GOVERNANCE AND DISCLOSURE CONTROLS AND PROCEDURES

On November 23, 2007, the Alberta Securities Commission, and the securities commissions in the other jurisdictions in which the Corporation is registered, exempted Venture Issuers from certifying disclosure controls and procedures as well as Internal Controls over Financial Reporting. As the Corporation is a Venture Issuer, it is now required to file "basic certificates", which it has done for the six months ended June 30, 2015.