ALTIMA RESOURCES LTD.

Consolidated Financial Statements

November 30, 2015 and 2014

Expressed in Canadian Dollars

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Altima Resources Ltd.

We have audited the accompanying consolidated financial statements of Altima Resources Ltd., which comprise the consolidated statements of financial position as at November 30, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Altima Resources Ltd. as at November 30, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Altima Resources Ltd.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

March 29, 2016

ALTIMA RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes		November 30, 2015		November 30, 2014
ASSETS					
Current assets					
Cash	4	$	3,170	$	1,223,884
Accounts receivable	5		1,360,348		2,300,886
Prepaid expenses			8,717		47,844
			1,372,235		**3,572,614**
Long-term assets					
Restricted cash	6		150,316		670,197
Exploration and evaluation assets	7, 14		11,795,894		17,953,591
Petroleum and natural gas properties	8		4,496,772		7,568,925
TOTAL ASSETS		**$**	**17,815,217**	**$**	**29,765,327**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	2,564,180	$	3,366,025
Loans payable, current portion	10		-		199,806
Well expenditure commitment	10		-		1,753,005
Convertible debenture	9		5,370,497		5,190,596
Amounts payable to related parties	14		468,963		110,807
			8,403,640		**10,620,239**
Long-term liabilities					
Long-term loans payable	10, 14		1,266,114		66,602
Decommissioning provision	11		534,479		508,619
TOTAL LIABILITIES			**10,204,233**		**11,195,460**
SHAREHOLDERS' EQUITY					
Share capital	12		28,252,340		28,252,340
Reserves	13		2,198,559		2,198,559
Deficit			(22,839,915)		(11,881,032)
TOTAL SHAREHOLDERS' EQUITY			**7,610,984**		**18,569,867**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**17,815,217**	**$**	**29,765,327**

Nature of operations and going concern 1

Approved on behalf of the Board:

"Jurgen *Wolf*" Director

"Joe DeVries" Director

ALTIMA RESOURCES LTD.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Years ended November 30, 2015	Years ended November 30, 2014
REVENUE			
Operator income		$ 87,731	$ 424,158
Petroleum and natural gas sales	8	449,660	1,104,212
		537,391	1,528,370
DIRECT COSTS			
Accretion	11	1,124	6,038
Depletion	8	303,200	370,800
Operating costs		289,758	471,890
		594,082	848,728
GROSS PROFIT (LOSS)		**(56,691)**	**679,642**
EXPENSES			
Consulting		147,094	135,328
Finance fees	9	179,901	275,753
Foreign exchange loss		115,979	64,077
Interest		662,476	505,819
Investor communications		5,421	18,216
Management fees	14	151,500	157,750
Office facilities and miscellaneous	14	227,165	234,337
Professional fees		122,772	100,315
Share-based payments	12	-	308,000
Transfer agent filing fees		31,669	65,630
Travel and promotion		34,875	126,533
		(1,678,852)	(1,991,758)
OPERATING LOSS		(1,735,543)	(1,312,116)
Reversal of accounts payable		239,861	-
Impairment petroleum and natural gas properties	8	(2,713,864)	-
Impairment exploration & evaluation assets	7	(6,751,481)	-
Interest income		2,144	18,335
LOSS AND COMPREHENSIVE LOSS		**$ (10,958,883)**	**$ (1,293,781)**
Loss per share - basic and diluted		$ (0.03)	$ (0.00)
Weighted average shares outstanding		315,716,516	315,716,516

ALTIMA RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity

Years ended November 30, 2015 & 2014

(Expressed in Canadian dollars)

		Share capital				
	Note	Number of shares	Amount	Reserves	Deficit	Total
Balance at November 30, 2013		**315,716,516**	**$ 28,252,340**	**$ 1,890,559**	**$ (10,587,251)**	**$ 19,555,648**
Share-based payment – option issuance	12, 13	-	-	308,000	-	308,000
Loss for the year		-	-	-	(1,293,781)	(1,293,781)
Balance at November 30, 2014		**315,716,516**	**$ 28,252,340**	**$ 2,198,559**	**$ (11,881,032)**	**$ 18,569,867**
Loss for the year		-	-	-	(10,958,883)	(10,958,883)
Balance at November 30, 2015		**315,716,516**	**$ 28,252,340**	**$ 2,198,559**	**$ (22,839,915)**	**$ 7,610,984**

ALTIMA RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended November 30, 2015	Years ended November 30, 2014
Operating activities		
Loss for the year	$ (10,958,883)	$ (1,293,781)
Adjustments for non-cash items:		
Accretion of convertible debt	179,901	275,753
Accretion of decommissioning liability	1,124	6,038
Depletion	303,200	370,800
Impairment petroleum and natural gas properties	2,713,864	-
Impairment exploration & evaluation assets	6,751,481	-
Share-based payments	-	308,000
Accretion on loan	20,231	-
Gain on reversal of accounts payable	(239,861)	-
Foreign exchange	39,335	-
Net change in non-cash working capital items	(215,692)	405,226
Net cash flows provided by (used in) operating activities	(1,405,300)	72,036
Investing activities		
Expenditures on exploration and evaluation assets	(512,722)	(150,147)
Expenditures on petroleum and natural gas properties	-	(5,514,129)
Recovery of exploration and evaluation expenditures	331,500	7,000,856
Change in restricted cash	519,881	(6,939)
Net cash flows provided by investing activities	338,659	1,329,641
Financing activities		
Due to related parties, net	-	(65,250)
Repayments of loans and notes payable	(154,073)	(150,351)
Net cash flows used in financing activities	(154,073)	(215,601)
Increase (decrease) in cash	(1,220,714)	1,186,076
Cash, beginning	1,223,884	37,808
Cash, ending	**$ 3,170**	**$ 1,223,884**

Supplemental cash flow information		
Cash paid for:		
Interest	$ 220,138	$ 544,564
Income tax	$ -	$ -

Non-cash transactions 15

(Expressed in Canadian Dollar)

1. NATURE OF OPERATIONS AND GOING CONCERN

Altima Resources Ltd. (the "Company") is engaged in the exploration for and the development of petroleum and natural gas in Canada. The Company was incorporated under the laws of British Columbia on November 14, 2003. The Company trades on the TSX Venture Exchange.

The head office, the principal address, and the registered and records office of the Company are all located at 303-595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

At November 30, 2015, the Company had an accumulated deficit and a working capital deficiency. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. As at November 31, 2015 the Company has a working capital deficiency of $7,031,404 including a past due secured debenture of $5,370,497.

The recovery of the Company's investment in exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The consolidated financial statements were authorized for issue on March 29, 2016 by the directors of the Company.

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Measurement basis

These consolidated financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies below.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Details of these entities are as follows:

		Percentage owned*	
	Country of incorporation	November 30, 2015	November 30, 2014
Altima Resources Ltd.	Canada	100%	100%
Unbridled Energy Corp.	Canada	100%	100%
Unbridled Energy USA Inc.	United States	100%	100%
Unbridled Energy New York LLC	United States	100%	100%
Unbridled Energy PA LLC	United States	100%	100%
Unbridled Energy Ohio LLC	United States	100%	100%

*Percentage of voting power is in proportion to ownership.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Consolidation (continued)

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the reserves of petroleum and natural gas properties, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for share-based payments and other equity-based payments, the recognition and valuation of provisions for decommissioning liabilities, and the recoverability and measurement of deferred tax assets and liabilities.

Cash Generating Units ("CGU's")

The Company's assets are aggregated into cash-generating units CGU's, based on the unit's ability to generate independent cash inflows. The determination of the Company's CGUs is based on management's judgments in regards to shared infrastructure, geographical proximity, resource type and materiality.

Reserves

Estimating reserves requires significant judgment based on geological, geophysical, engineering and economic data. Estimated changes in expected future cash flows in reported reserves can impact the impairment of assets, decommissioning obligations, the economic feasibility of exploration and evaluation assets and depletion and depreciation of property, plant, and equipment. As information becomes available, these estimates may change which could have a material impact on earnings.

Recoverability of assets carrying value

The Company reviews its exploration and evaluation assets and its petroleum and natural gas properties for indications of impairment at least annually. The assessment of impairment is dependent upon estimates of recoverable amounts that considers reserves, economic and market conditions, cash flows and the useful life of assets and their salvage value.

Share-based payments

The Company uses the Black-Scholes option pricing model to measure share-based compensation. The Company's estimate of share-based payments is dependent on measurement inputs including the share price on measurement date, exercise price of the option, volatility, risk-free rate, expected dividends, and the expected life.

Decommissioning provisions

The Company's decommissioning provisions for its operations are based on current legal and constructive requirements and expected plans for remediation. The actual costs and cash outflows may differ from these estimates due to changes in laws and regulations, site conditions, cleanup requirements, prices, and future removal technologies.

Taxes

The Company applies judgment when interpreting and applying tax laws to determining tax provisions. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized in the near future and has accordingly not recognized the value for any potential deferred tax assets.

Details of judgments, estimates and assumptions are further disclosed in the respective notes below.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Foreign currency translation

These financial statements are presented in Canadian dollars which is also the Company's, and its subsidiaries functional currency.

Transactions and balances:

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

Jointly controlled assets

The Company has jointly controlled exploration, development, and production activities with others. Only the Company's proportionate interests in these activities are presented in these consolidated financial statements.

Share-based payments

The Company has an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using a Black–Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The proceeds received, net of any directly attributable transaction costs, are credited to share capital when the options are exercised.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Assets

FVTPL are derivatives, or assets, or acquired or incurred principally for the purpose of selling or repurchasing in the near future. They are carried at fair value with changes being recognized through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Financial instruments (continued)

Assets (continued)

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Liabilities

FVTPL are derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near future. They are carried at fair value with changes being recognized through profit or loss.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company records its cash and restricted cash as FVTPL, accounts receivable as loans and receivables, loan payable, well expenditure commitment, accounts payable and accruals, amounts payable to related parties, and convertible debenture as other financial liabilities.

The Company does not currently have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Income taxes (continued)

Current income tax: (continued)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically valuates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Decommissioning provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets and petroleum and natural gas properties along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other petroleum and natural gas assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and petroleum and natural gas assets with a corresponding entry to the decommissioning provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets and petroleum and natural gas properties.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, technical services and studies, exploration drilling and testing, and directly attributed general and administrative costs, and are initially capitalized as either tangible or intangible; exploration and evaluation assets according to the nature of the assets acquired. Exploration and evaluation assets are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for when an indicator of impairment exists. For purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units.

Technical feasibility and commercial viability of extracting oil and gas is considered to be determinable when proved or probable reserves have been identified.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Once the proven or probable reserves have been identified, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to development assets or property plant and equipment depending on production. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Property, plant and equipment

Property, plant and equipment, which include petroleum and natural gas development and production assets where proven or probable reserves have been identified, represent expenditures that are directly attributable to developing the oil and gas reserves and maintaining or enhancing such reserves.

Gains and losses on disposal of an item of property, plant and equipment, including petroleum and natural gas properties, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss. Farm outs of petroleum and natural gas properties included in property, plant and equipment are accounted for as a disposition of an interest in the asset in exchange for the fair value of goods and services received pertaining to the Company's retained interest in the asset.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such costs generally represent amounts incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of petroleum and natural gas properties are recognized in profit or loss as incurred.

Depletion and depreciation

Petroleum and natural gas properties included in property, plant and equipment are depleted using the unit of production method by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually. Depletion is calculated separately for each cash-generating unit.

Proved and probable reserves are estimated by independent, qualified reserve engineer valuations and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs which are considered commercially producible.

Revenue recognition

Revenue from the sale of petroleum and natural gas is recognized when the significant risks and rewards of ownership have been transferred and it is probable that the measurable economic benefits will flow to the Company, which is normally when legal title passes to the customer. This generally occurs when product is physically transferred into a vessel, pipe or other delivery mechanism. Revenues associated with the sale of petroleum products are recognized when the title passes to the customer. Revenue is measured net of discounts, customs duties and royalties.

Revenue from the production of oil and natural gas in which the Company has an interest with other producers is recognized based on the Company's working interest and the terms of the relevant production sharing contracts. The costs associated with the delivery, including operating and maintenance costs, transportation and production based royalty expenses are recognized in the same period in which the related revenue is earned and recorded.

Revenue from operator income is recognized for the administration and execution of activities for joint ventures or working interest partners and is earned as the Company performs the activities of the joint venture or operating agreements.

Basic and diluted income (loss) per share

Basic income (loss) per share is computed by dividing the net income or loss applicable to the common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted income (loss) per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

(Expressed in Canadian Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for Canadian income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the flow-through shares are issued, the premium paid, if any, for the flow-through shares in excess of the value of the shares without the flow-through feature is credited to a liability which is reversed into the profit or loss when the eligible expenditures are incurred.

3. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The IASB issued IFRS 9, "Financial Instruments" as the initial phase of replacing IAS 39, "Financial Instruments: Recognition and Measurement". The standard revises and limits the classification and measurement models available for financial assets and liabilities to amortized cost or fair value. Previously multiple models were available.

The IASB issued IFRS 15, "Revenue from Contracts with Customer" in May 2014, which specifies how and when revenue will be recognized and provides more informative disclosures.

These standards are tentatively effective for annual periods beginning on or after January 1, 2018. The Company is reviewing the impact of new and amended standards on its consolidated financial statements.

4. CASH

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash to be cash equivalents.

5. ACCOUNTS RECEIVABLE

	Nov. 30, 2015 -$-	Nov. 30, 2014 -$-
Government tax credits receivable	2,750	79,969
Joint venture receivables - current	1,243,588	2,071,130
Trade receivables	60,544	149,787
Other receivables	53,466	-
	1,360,348	2,300,886

The Company has assessed the accounts receivable for the year ended November 30, 2015 and 2014 as likely to be collectable.

6. RESTRICTED CASH

The Company held cash on deposit with the Alberta Energy Regulator ("AER") under the AER Liability Management programs to cover potential liabilities relating to its wells. The security deposit with the AER is determined based on a monthly licensee management rating assessment. In January 2015, this deposit was returned to the Company as its rating assessment increased to the point that a security deposit was no longer required. The Company also has restricted cash as at November 30, 2015 of $150,316 (Nov. 30, 2014 - $670,197) held to guarantee production related expenses from the Strachan production facility.

7. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets are as follows:

	Alberta -$-
Balance at November 30, 2013	18,613,218
Capitalized exploration expenditures Chambers area	655,385
Transfer of assets to petroleum and natural gas properties	(1,315,012)
Balance November 30, 2014	17,953,591
Capitalized exploration expenditures Chambers area	593,784
Impairment	(6,751,481)
Balance November 30, 2015	11,795,894

(Expressed in Canadian Dollar)

7. EXPLORATION AND EVALUATION ASSETS (continued)

The Company holds leases that will be expiring in coming months that will not be renewed; therefore, the Company impaired its evaluation and exploration assets.

Chambers-Ferrier Assets, Alberta: As at November 30, 2015 and November 30, 2014, the Company's Chambers-Ferrier assets consist of certain sections of land and varying interests in wells.

8. PETROLEUM AND NATURAL GAS PROPERTIES

The Company's petroleum and natural gas properties are as follows:

Chambers-Ferrier Field, Alberta, Canada	Cost -$-	Accumulated Depletion -$-	Net -$-
At November 30, 2013	6,717,133	(229,600)	6,487,533
Transfer from exploration and evaluation assets	1,315,012	-	1,315,012
Additions	137,180	-	137,180
Depletion	-	(370,800)	(370,800)
At November 30, 2014	8,169,325	(600,400)	7,568,925
Additions	25,836	-	25,836
Depletion	-	(303,200)	(303,200)
Impairment	(2,713,864)	-	(2,713,864)
Transfer 10% interest in 3-17 well	(80,925)	-	(80,925)
At November 30, 2015	5,400,372	(903,600)	4,496,772

Chambers-Ferrier Field, Alberta, Canada:

The Company owns a 19.3545% working interest in lands and two wells in the Ferrier West area, including the producing 14-06-041-10W5 well. The interest is subject to a 1.00% overriding royalty.

The Company is party to a participation agreement with Whistler Oil and Gas Pty Ltd. ("Whistler") in the Chambers area in Alberta. The Altima Chambers 15-35-41-11 W5M ("15-35") well commenced production in 2013. Whistler paid 100% of the drilling, completion and equipping costs to earn a 50% working interest in the well, provided that Whistler will receive 60% of the net revenue from the well until it has recovered 100% of its investment. During fiscal 2014, the second well drilled under Altima's Participation Agreement with Whistler, the 5-35-41-11 well ("5-35"), commenced production. Whistler paid 100% of the drilling, completion and equipping costs to earn a 50% working interest in the well, provided that Whistler will receive 75% of the net revenue from the well until it has recovered 100% of its investment.

During fiscal 2015, pursuant to a Second Amending Agreement with Whistler, Whistler was granted a 10% WI in the 3-17-41-11 W5M ("3-17 well") and Section 17; see Note 10 (b). Whistler will receive 60% of Altima's proportionate share of any net revenue received from the 3-17 well towards repayment of the Loan; see Note 10 (b).

The Company is party to participation agreements with Acumen Energy Partners Inc. ("Acumen"). Acumen earned a 5% working interest from the Company's 30% working interest in the ALTIMA CHAMBERS 14-15-41-11 W5M well ("14-15 well") and the associated lands located in the Chambers-Ferrier area by agreeing to invest 100% of the funds required to complete, equip, and construct the well. During fiscal 2014, under a second Participation Agreement with Acumen, the Company completed workover operations on the Chambers 3-17-41-11 W5M ("3-17 well") located in the Chambers-Ferrier area, with Acumen responsible for all required costs to earn a 20% total working interest in the well. This well commenced production in fiscal 2015. Acumen will receive 60% of the net revenue from the well until it has recovered 100% of its investment.

During the year ended November 30, 2015 the Company recorded $449,660 (2014 - $1,104,212) in revenues to the Company's interests.

During the current year, the company determined that its petroleum and natural gas properties were impaired due to declining oil & gas prices. The properties were written down to the present value of estimated future cash flows of these properties, based on valuation calculations using fair value less costs of disposal.

(Expressed in Canadian Dollar)

9. CONVERTIBLE DEBENTURE

Details of the Company's convertible debenture outstanding at the indicated dates are as follows:

	Nov . 30, 2015 -$-	Nov. 30, 2014 -$-
Current liabilities:		
(a) Convertible debenture, tranche 1	3,956,811	3,826,190
(b) Convertible debenture, tranche 2	1,413,686	1,364,406
Total	5,370,497	5,190,596

(a) On August 29, 2012, the Company closed the first tranche of a secured convertible debenture financing ("tranche 1"), issuing convertible debentures of $3,956,811. The debenture is secured by a first fixed charge on the Company's interests in its properties and wells in Alberta.

The debenture holders have the right to convert the principal amount and any accrued interest into common shares of the Company up to the maturity date of June 30, 2015 at a conversion price of $0.10 per share. The debenture bears interest at 12% per annum, payable quarterly.

In the event that the average closing price of the Company's shares is in excess of $0.20 over a period of 30 consecutive trading days, the Company may give notice to the debenture holders, requiring them to convert into common shares, or have the outstanding principal and interest repaid, at the election of the debenture holder.

The proceeds of the debenture were allocated between the equity and liability components by determining the estimated fair value of the liability component and applying the residual balance to the equity component. The fair value interest rate was estimated at 18% (for a liability without the conversion feature) and resulted in an initial fair value of the liability component of $3,527,720 and a residual value of $429,091 assigned to the equity component.

After initial recognition the liability component was carried on an amortized cost basis and was accreted to its face amount over the term to maturity of the convertible debenture at an effective interest rate (not including the contractual interest rate) of approximately 6.2%.

The secured convertible debenture matured on June 30, 2015, and has not been paid. The Company is currently in negotiations with the debenture holders to extend the maturity date and alter the payment terms, but there is no certainty that the negotiations will be successful. The debenture continues to accrue interest during negotiations.

(b) On April 10, 2013, the Company closed the final tranche ("tranche 2") of the secured convertible debenture financing, issuing convertible debentures of $1,413,686. Tranche 2 bears the same terms as Tranche 1; see Note 9 (a) for details. A cash finder's fee in the amount of $17,100 was paid in connection with closing the final tranche.

The proceeds of the tranche 2 were allocated between the equity and liability components by determining the estimated fair value of the liability component and applying the residual balance to the equity component. The fair value interest rate was estimated at 18% (for a liability without the conversion feature) and resulted in an initial fair value of the liability component of $1,286,735 and a residual value of $121,951 assigned to the equity component.

After initial recognition the liability component was carried on an amortized cost basis and was accreted to its face amount over the term to maturity of the convertible debenture at an effective interest rate (not including the contractual interest rate) of approximately 6.1%.

The secured convertible debenture matured on June 30, 2015, and has not been paid. The Company is currently in negotiations with the debenture holders to extend the maturity date and alter the payment terms, but there is no certainty that the negotiations will be successful. The debenture continues to accrue interest during negotiations.

During the year ended November 30, 2015, the Company recorded total interest associated with both tranches of the convertible debenture of $644,460 (2014 - $644,460). At November 30, 2015, $429,640 (2014 - $28,274) has been recorded in accounts payable and accrued liabilities.

(Expressed in Canadian Dollar)

9. CONVERTIBLE DEBENTURE (continued)

This convertible debenture is calculated as follows:

	-$-
Balance at November 30, 2013	4,914,843
Accretion and interest, tranches 1 and 2	275,753
Balance at November 30, 2014	5,190,596
Accretion and interest, tranches 1 and 2	179,901
Balance at November 30, 2015	5,370,497

10. LOANS PAYABLE & WELL EXPENDITURE COMMITMENT

(a) The company's bank loan payable is as follows:

	Nov . 30, 2015 -$-	Nov. 30, 2014 -$-
Current liabilities:		
Current portion of bank loan payable	-	199,806
Total	-	199,806
	Nov. 30, 2015 **-$-**	**Nov. 30, 2014** **-$-**
Long term liabilities:		
Long-term portion of bank loan payable	151,670	66,602
Total	151,670	66,602

As a result of the acquisition of Unbridled Energy Corp. in 2010, the Company assumed a secured bank loan which bears interest at LIBOR plus 2.5% and is secured by cross guarantees of the Unbridled companies, a floating charge on shares of Unbridled Canada, and U.S. petroleum and natural gas leases. On October 31, 2015 this loan was amended retroactively to August 2015 to adjust the payment terms and the maturity date to March 31, 2017. Under this new agreement, the Company is required to make monthly interest payments only from August 2015 until maturity. The principal balance as at November 30, 2015 is US$113,462 (CAD$151,670) and is now classified as a long-term loan.

(b) The Company's long-term loan payable is as follows:

	-$-
Balance at November 30, 2014	-
Transfer of well expenditure commitment	1,730,039
Reduction in balance due to offset of joint venture receivable	(540,102)
Less 10% value of Well 3-17	(80,925)
JV well expenditures applied against loan principal	(14,799)
Accretion	20,231
Balance at November 30, 2015	1,114,444

The Company was party to a participation agreement with Whistler Oil & Gas Pty Ltd. ("Whistler") who under the terms of the agreement, advanced funds were recorded as well expenditure commitment. On April 15, 2015 the Company entered into a second amending agreement with Whistler, and extinguished the well expenditure commitment for a loan payable.

(Expressed in Canadian Dollar)

10. LOANS PAYABLE & WELL EXPENDITURE COMMITMENT (continued)

Prior to extinguishment of the well expenditure commitment, the Company incurred $22,966 in expenditures on the wells and locations specified in the Whistler JV agreement, reducing the well expenditure commitment balance to $1,730,039. Acumen has agreed to offset their joint venture receivable (Note 5) by $540,102 which brought the loan balance down to $1,189,937.

The loan payable will bear interest at 12% per annum commencing April 1, 2015, paid quarterly, and have a maturity date of November 30, 2017. Altima shall utilise 60% of its proportionate share of any net revenue received from the 3-17 well in Chambers, Alberta towards payment of interest and the repayment of the principal of the loan. Additional consideration was paid in the amount of a 10% interest in the 3-17 well and section 17, valued at $80,925, which has been treated as a loan discount which will be amortized to interest expense over the term of the loan.

During fiscal 2015, the Company recorded $94,247 of interest expense and $20,231 of accretion expense relating to the loan. The interest has been recorded in accounts payable at year end, as payment of interest is required on a quarterly basis. The principal balance of the loan has been recorded as a long-term payable as payment in full is due upon maturity, on November 30, 2017.

11. DECOMMISSIONING PROVISION

	-$-
Balance at November 30, 2013	320,222
Accretion	6,038
Additions	56,608
Changes in estimate	125,751
Balance at November 30, 2014	508,619
Accretion	1,124
Change in estimate	24,736
Balance at November 30, 2015	534,479

The Company has recorded a decommissioning provision in connection with estimated reclamation costs on the Company's Chambers and Ferrier West Areas Gas Prospect sites. The obligation is recognized based on the estimated future reclamation costs averaging a risk free discount rate of 2% and an inflation rate of 1.4%. The Company estimates its obligations to be settled in an average of 18 years.

12. SHARE CAPITAL

There were no share transactions during the year ended November 30, 2015 and 2014.

Stock Options

Under the fixed stock option plan for directors, officers, consultants and administrative personnel the Company has reserved 19,500,000 common shares for issuance. The fixed plan provides that the number of options granted to any individual optionee shall not exceed 5% of the issued shares of the Company, options granted to insiders as a group shall not exceed 10% of the total number of issued shares of the Company, options granted to any one consultant shall not exceed 2% of the total number of issued shares of the Company, and options granted in respect of investor relations activities shall not exceed 2% of the issued shares of the Company and vest over one year at a rate of 25% every three months.

On March 20, 2014, pursuant to the stock option plan, the Company granted stock options entitling eligible participants to purchase 5,450,000 common shares at an exercise price of $0.07 per share, vesting immediately, expiring March 19, 2019.

The estimated grant date fair value of these options was $308,000 calculated using the Black-Scholes option pricing model using the following assumptions; an expected life of 3.75 years, volatility of 133%, and a risk free interest rate of 1.58% and a dividend yield rate of 0%.

(Expressed in Canadian Dollar)

12. SHARE CAPITAL (continued)

Stock Options (continued)

Details of the Company's stock options outstanding and exercisable are as follows:

	Options outstanding			Options exercisable	
	Options outstanding	Weighted average exercise price - $ -	Weighted average remaining life	Options outstanding	Weighted average exercise price - $ -
Balance, November 30, 2013	12,000,000	0.10	2.01 years	12,000,000	0.10
Issued	5,450,000	0.07		5,450,000	0.07
Balance, November 30, 2014	17,450,000	0.09	2.04 years	17,450,000	0.09
Balance, November 30, 2015	17,450,000	0.09	1.04 years	17,450,000	0.09

On December 4, 2015, subsequent to year end, 12,000,000 options expired.

The following summarizes share purchase warrant activity:

	Number of warrants	Weighted average exercise price - $ -	Weighted average remaining life
Balance, November 30, 2013	76,296,720	0.10	0.54 years
Expired	(63,737,600)		
Balance, November 30, 2014	12,559,120	0.10	0.56 years
Expired	(12,559,120)		
Balance, November 30, 2015	-		-

13. RESERVES

As at November 30, 2015 and 2014, the Company has a balance in equity reserves for share-based payments of $1,794,293 relating to warrants, and stock option grants to consultants, directors, and officers. The Company has a balance for the equity component of convertible debt of $404,266.

14. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During fiscal 2015, Whistler Oil & Gas Pty. was deemed to be a related party due to increasing influence that one of the Company's directors has in Whistler Oil & Gas Pty, see Note 10 (b).

The Company had the following transactions with related parties:

	Nov. 30, 2015 - $ -	**Nov. 30, 2014 - $ -**
Capitalized fees on long-term assets to directors or companies related to a director	168,393	195,522
Management fees paid or accrued to directors or companies controlled by directors	151,500	157,750
Office facilities and miscellaneous charges accrued to companies controlled by a director or an officer	204,000	202,005
Operating costs incurred with a company with a common director	2,435	25,733
Revenue earned from a company with a common director	7,744	66,485
Revenue accrued to a related party	523,292	-
Operating costs accrued to a related party	288,229	-
Accrued interest on loan with related party	94,247	-
Interest on convertible debenture	35,902	35,902

(Expressed in Canadian Dollar)

14. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

The Company has identified all of the directors and officers as its key management personnel. The remuneration for these key management personnel, which include the amounts disclosed above, was as follows:

	Nov. 30, 2015 - $ -	Nov. 30, 2014 - $ -
Short-term employee benefits – management, administrative, and consulting fees	318,000	333,000
Stock-based compensation	-	223,229
	318,000	556,229

Except where otherwise indicated, the amounts due to related parties bear no interest and are due on demand.

Liabilities to related parties consist of:

	Nov. 30, 2015 - $ -	Nov. 30, 2014 - $ -
Management, consulting, interest, exploration and administrative fees payable presented as amounts payable to related parties	164,473	110,807
Amounts included in convertible debenture (Note 9)	300,000	300,000
Interest payable on convertible debenture (Note 9)	24,000	-
Revenue distribution payable	186,243	-
Long-term loan payable	1,114,444	-

15. NON-CASH TRANSACTIONS

Non-cash activities for the year ended November 30, 2015 and year ended November 30, 2014:

	Nov. 30, 2015 - $ -	Nov. 30, 2014 - $ -
Exploration and evaluation assets transferred to petroleum and natural gas properties	-	1,315,012
Amounts receivable applied to accounts payable due to settlement of balance due	-	172,677
Additions (reductions) to petroleum and natural gas properties due to change in estimate relating to decommissioning liabilities	24,736	76,410
Additions (reductions) to exploration and evaluation assets due to change in estimate relating to decommissioning liabilities	(1,100)	49,341
Additions to petroleum and natural gas properties to add the decommissioning liability on a new well	-	56,608
Accounts payable related to capitalized exploration and evaluation assets	929,300	2,116,711
Convertible debenture interest capitalized to exploration and evaluations assets	148,200	148,200
Amount of well expenditure commitment applied to accounts receivable	540,102	-
Amount of well expenditure commitment converted to a long-term loan	1,730,039	-
Amounts transferred from current liabilities to long-term loan	151,670	-
Reversal of accounts payable	239,861	-
Allocation of 10% working interest in 3-17 well to joint venture partner	(80,925)	-

16. FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposures to credit risks are on its cash held in bank accounts, and accounts receivable balances. The majority of cash is deposited in bank accounts held with major banks in Canada.

16. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

Credit risk (continued)

As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution, as determined by rating agencies. The Company's exposure to credit risk on accounts receivable is influenced mainly by the individual characteristics of each customer or joint venture partner. As the Company sells its petroleum products through only two large marketers, it is also exposed to a concentration risk. Trade receivables from petroleum products marketers are normally received within 30 days of the month following production. At November 30, 2015, trade receivables of $60,544 are considered current. The Company has not experienced collection issues on trade receivables during the year ended November 30, 2015.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. As at November 30, 2015 the Company has a working capital deficiency of $7,031,404 including a past due secured debenture of $5,370,497. The Company's ability to continue as a going concern is dependent on management's ability to renegotiate the terms of the secured debenture and raise the required funding through future debt or equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollars, but also world economic events that dictate the levels of supply and demand. Fluctuations may be significant.

Foreign currency exchange risk

Foreign currency exchange risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's financial results are reported in Canadian dollars while it holds a significant portion of its debt denominated in US dollars. The assets, liabilities and expenses that are denominated in US Dollars will be affected by changes in the exchange rate between the Canadian dollar and the US Dollar. If the Canadian dollar changes by one percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a change in net loss for the year of approximately $6,100.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing debt with a floating interest rate. A 1% change in bank interest rates would result in a change in net loss for the year of approximately $1,200.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements other than on its convertible debt which was due June 30, 2015, and is currently being renegotiated. There is no certainty that the negotiations will be successfully concluded. There have been no changes to the Company's capital management structure during the year ended November 30, 2015.

(Expressed in Canadian Dollar)

16. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

Classification of financial instruments

The following table summarizes information regarding the carrying values of the Company's financial instruments for the years then ended:

		Nov. 30, 2015	Nov. 30, 2014
		- $ -	- $ -
Fair value through profit or loss	(a)	3,170	1,223,884
Loans and receivables	(b)	1,360,348	2,300,886
Other financial liabilities	(c)	9,669,754	10,686,841

(a) Fair value through profit or loss includes cash.
(b) Loans and receivables include accounts receivable.
(c) Other financial liabilities include loans and notes payable, accounts payable and accrued liabilities, well expenditure commitment and convertible debentures.

Fair value
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 or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value on a recurring basis:

	As at November 30, 2015		
	Level 1	Level 2	Level 3
Cash	$ 3,170	$ -	$ -

17. SEGMENTED INFORMATION

The company operates in the petroleum and natural gas industry in Canada. All revenues are derived from operations within Canada.

18. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
	- $ -	- $ -
Loss before taxes	(10,958,883)	(1,293,781)
Expected income tax recovery	(2,849,000)	(336,000)
Change in statutory, foreign tax, foreign exchange rates and other	(158,000)	23,000
Permanent differences	72,000	162,000
Adjustment to prior years provision versus statutory tax returns	994,000	278,000
Expiry of non-capital losses	426,000	-
Change in unrecognized deductible temporary differences	1,515,000	(127,000)
Income taxes expense (recovery)	-	-
Current income tax	-	-
Deferred tax recovery	-	-

(Expressed in Canadian Dollar)

18. INCOME TAX (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2015	**2014**
	- $ -	**- $ -**
Deferred tax assets (liabilities)		
Property pools	3,325,000	1,767,000
Share issue costs and other	34,000	73,000
Decommissioning obligation	139,000	133,000
Non-capital losses available for future periods	4,072,000	4,082,000
	7,570,000	6,055,000
Unrecognized deferred tax assets	(7,570,000)	(6,055,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2015	**Expiry date range**	**2014**	**Expiry date range**
	- $ -		**- $ -**	
Temporary differences				
Property pools	11,921,000	No expiry date	6,799,000	No expiry date
Canadian eligible capital	1,000	No expiry date	1,000	No expiry date
Share issues costs	130,000	2036 to 2038	281,000	2035 to 2038
Decommissioning obligation	534,000	No expiry date	509,000	No expiry date
Non-capital losses available for future period	15,660,000	2016 to 2035	15,702,000	2015 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.