

UNITY ENERGY CORP.
SUITE 313 - 515 WEST PENDER STREET
VANCOUVER, BRITISH COLUMBIA
V6B 6H5

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 26, 2015

The following discussion is management's assessment and analysis of the results and financial condition of Unity Energy Corp. (the "Company"), and should be read in conjunction with the accompanying unaudited condensed annual financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Annual Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is August 26, 2015.

1. Description of Business

Unity Energy Corp. (the "Company") was incorporated in the Province of British Columbia, Canada on May 24, 2006. The Company is in the business of the acquisition and exploration of its exploration and evaluation assets. The Company is currently in the exploration stage of developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange ("TSX-V"). The address of the Company's registered office is 313-515 West Pender Street, Vancouver, British Columbia, Canada, V6B 6H5.

On July 5, 2012 and as effective on October 2, 2012, the Company completed a corporate restructuring by way of an arrangement agreement (the "Arrangement Agreement") and a Farmout Agreement (the "Farmout Agreement") with its wholly-owned subsidiary, Patrone Gold Corp. ("Patrone"), which resulted in a spin-out of Patrone.

2. Selected Annual Information

The following selected financial information is extracted from the audited annual financial statements of the Company prepared in accordance with Canadian GAAP and IFRS where applicable.

	31Mar15	31Mar14	31Mar13	31Mar12	31Mar11
Interest Income	\$2,099	\$2,371	\$2,180	\$907	-
Net Gain/Loss for the year	\$(1,712,470)	\$(1,346,897)	\$(281,359)	\$(716,107)	\$(418,713)
Loss per Share	\$(0.042)	\$(0.24)	\$(0.01)	\$(0.03)	\$(0.01)
Total Assets	\$1,958,469	\$3,201,927	\$3,718,034	\$5,077,460	\$2,412,052
Total Liabilities	\$14,681	\$(96,654)	\$50,274	\$87,452	\$39,417
Working Capital	\$94,236	\$433,838	\$380,467	\$650,540	\$972,005

The referenced annual financial statements of the Company above have been prepared in accordance with IFRS. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful

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judgment. Actual results may differ from these estimates.

Quarterly Information

The following tables summarize the Company's financial information for the last eight quarters:

	30Jun15	31Mar15	31Dec14	30Sept14	30Jun14	31Mar14	31Dec13	30Sept13
Interest Income	\$247	\$244	\$360	\$532	\$963	\$72	\$130	\$203
Operating Costs	\$(9,538)	\$(222,002)	\$(35,266)	\$(41,589)	\$(36,721)	\$(43,735)	\$(82,341)	\$(47,841)
Net Income (Loss)	\$(9,538)	\$(1,712,470)	\$(34,906)	\$(41,057)	\$(35,758)	\$(1,196,504)	\$(82,211)	\$(47,638)
Total Assets	\$1,977,827	\$1,958,469	\$3,271,034	\$3,250,537	\$3,291,593	\$3,201,927	\$3,856,443	\$3,879,133
Total Liabilities	\$3,577	\$14,681	\$(3,499)	\$(14,079)	\$(14,078)	\$(96,654)	\$(239,891)	\$(179,805)
Working Capital	\$81,999	\$94,236	\$124,211	\$188,634	\$300,691	\$433,838	\$(184,979)	\$(98,2674)

Since the Company generates immaterial income, losses reflect exploration activity on the Company's exploration properties, write-off of exploration and evaluation assets and administrative expenses.

First Quarter Results

In the first quarter ended June 30, 2015, the Company completed the following equity financings:

The Company did not complete any financings during the quarter ended.

In addition, the Company amended the following property agreements during the quarter ended June 30, 2015:

Carter Earn-In Addendum

On April 2, 2015, the Company amended the Carter Lake Earn-In Agreement. Under the amended terms, Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever") can earn 80% interest on the mineral claims under the following terms:

- Payment of \$25,000 within 3 days of the signing of the agreement; (received)
- Payment of \$75,000 on or before April 2, 2016;
- Payment of \$100,000 on or before April 2, 2017;
- Payment of \$300,000 on or before April 2, 2018; and
- Aldever shall have completed \$2,000,000 in exploration expenditures on the Mineral Claim(s) within 6 years of the signing of the agreement.

Gulch Mine Addendum

On June 19, 2015, the Company amended the Gulch Mine Property Option Agreement. Under the amended terms, the Company can earn 100% interest in the Gulch Mine Property by paying the following:

- a cash payment of \$100,000; (paid)
- issuing 1,000,000 Common Shares within 5 days of TSX Venture Exchange Approval of the addendum;
- a further cash consideration of \$100,000 on or before May 21, 2017;
- a further cash consideration of \$100,000 on or before May 21, 2018; and
- a further cash consideration of \$100,000 on or before May 21, 2019;

A 2.5% Gross Overriding Royalty shall be reserved unto the Owner hereunder, of which 1% may be purchased at any time by Unity paying to the Owner \$1,000,000, less all amounts previously received by the Owner as royalty payments.

TSX Venture Exchange Approval was received on June 25, 2015.

Stock option grants within the first quarter were as follows:

There were no options granted during the quarter.

Other:

N/A

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements have been prepared on a historical cost basis, except for financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The following are critical judgments and areas involving estimates, that management have made in the process of applying the Company’s accounting policies that have the most significant effect on the amount recognized in the financial statements.

a) Critical judgments in applying accounting policies

Going concern evaluation

As discussed in note 1, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at June 30, 2015.

Review of asset carrying value and impairment assessment

In accordance with our policy, each asset or cash-generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If such an indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying value exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is measured at the higher of fair value less costs to sell or value in use.

b) Key sources of estimation uncertainty

Income taxes

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgments on the amount and timing of recovery.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the

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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 fair value of options is determined using the Black Scholes Option Pricing Model. 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.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on the declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. Computer equipment is amortized at 30% per annum.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in comprehensive loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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.

Restoration and environmental obligations

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 is capitalized to exploration and evaluation assets 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 mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration 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.

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The costs of restoration projects 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.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation 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 the statement of comprehensive 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.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Cash and Cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, 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. All financial instruments must be recognized, initially, at fair value on the statement of financial position. Subsequent measurement of the financial instruments is based on their respective classification.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in 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.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable

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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.

Non-derivative financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

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.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset 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 had made the following classification of its financial instruments:

Financial assets or liabilities	Measurement category under IAS 39
Cash	Held for trading
Accounts receivables	Loans and receivables
Trade and other payables	Other liabilities

Financial instruments measures at fair value are classified into one of the 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 Company's cash has been assessed on the fair value hierarchy described above and classified as Level 1.

Share purchase warrants

The Company may enter into a financing arrangement requiring the issuance of warrants to holders as part of the transaction. Warrants may also be issued to brokers or finders as consideration for services provided. Warrants issued for services provided are measured at the fair value of services received. Only if the fair value of the services cannot be measured reliably would the fair value of the equity instruments granted be used. Warrants not issued in exchange for goods or services can be classified as a derivative financial liability or an equity instrument depending on the terms and conditions of the warrants. Consideration received on the sale of a share and share purchase warrant classified as equity is allocated, within equity, to their respective equity accounts on a reasonable basis. The allocation method the Company uses is residual method.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow through shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration and development program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through proceeds into i) share capital, and ii) a flow-through liability, equal to the estimated premium, if any, investors pay for the flow-through feature. Once related expenditures are incurred or on filing of the “renouncement”, the premium is recognized as other income. At this time, the Company also recognizes a deferred tax liability and tax provision at the enacted or substantively enacted tax rate, for the tax pool reduction renounced to the shareholders.

Proceeds received from the flow-through issue are restricted to be used only for Canadian resource property exploration expenditures within a two year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable this tax is accrued as a financial liability until paid.

4. Recently adopted accounting standards and accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after April 1, 2013 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company’s future results and financial position:

New Standards that are effective

Adoption of amendments to IAS 1 Presentation of items of Other Comprehensive Income

The amendments to IAS 1 require entities to group items presented in other comprehensive income into those that, in accordance with other IFRS, will not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met. The existing option to present items of other comprehensive income either before tax or net of tax remain unchanged; however, if the items are presented before tax, the amendments to IAS 1 required the tax related to each of the two groups of other comprehensive income to be shown separately. The application of the amendments did not result in any impact to the Company.

IFRS 10 Consolidated Financial Statements

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27) and SIC 12 Consolidation - Special Purpose Entities. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Company's investees are considered to

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be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Adoption of this standard did not result in any impact to the Company.

IFRS 11 Joint Arrangements

IFRS 11 supersedes IAS 31 Interest in Joint Ventures (IAS 31) and SIC 13 Jointly Controller Entities- Non-Monetary Contributions to Venturers. IFRS 11 revises the categories of joint arrangement and the criteria for classification into the categories (joint ventures or joint operations), with the objective of more closely aligning the accounting with the investors rights and obligations relating to the arrangement.

In addition, IAS 31's option of using proportionate consolidation for arrangements classified as jointly controller entities under that standard has been eliminated. IFRS 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

Adoption of this standard did not result in any impact to the Company.

IFRS 12 Disclosure of Interests in other Entities

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. The adoption of the amendments did not result in any changes to the financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect the items that are required to be fair-valued.

The scope of IFRS 13 is broad and applies for both financial and non-financial items for which IFRS's require of permit fair value measurements except in certain circumstances. IFRS 13 applies prospectively for annual periods beginning on or after January 1, 2103. Its disclosure requirements need not be applied to comparative information in the first year of application.

Management reviewed its valuation methodologies and the application of the new standard did not have any effect on the fair value measurement.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

IFRS 9 Financial Instruments

The International Accounting Standards Board (IASB) aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities as well as the chapter dealing with hedge accounting have been published. The chapter dealing with impairment methodology is still being developed. In

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November 2011, the IASB decided to consider making limited modifications to IFRS 9 financial asset classification model to address to application issues. In addition, in February 2014, the IASB decided to defer to January 1st, 2018, the implementation of IFRS 9. The Company's management has yet to assess the impact of this new standard on the Company's financial statements. Management does not expect to implement IFRS 9 until it has been issued and its overall impact can be assessed.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. RESULTS OF OPERATIONS

At June 30, 2015 total assets were \$1,977,827 compared to \$1,958,469 as at March 31, 2015. This slight increase is the result of the Company optioning out one of its assets offset by a decrease in cash.

The Company has no operating revenues. During the period ended June 30, 2015, the Company earned \$247 in interest income compared to \$Nil during the last year.

During the period ended June 30, 2015, the Company had comprehensive losses of \$9,538 compared to a loss of \$35,758 for the period ended June 30, 2014. This decrease was the result of decreases in office and general fees as well as regulatory and filing fees.

6. FINANCIAL CONDITION / LIQUIDITY

At June 30, 2015, the Company had cash of \$77,204 compared to cash of \$100,905 as at March 31, 2015. Cash used in investing activities decreased from \$(305,389) during the period ended June 30, 2014 to \$(42,669) during the period June 30, 2015. Cash flow from financing activities decreased from \$208,000 during the period ended June 30, 2014 to \$40,000 as a result of a decrease in shares issued pursuant to property amendments and acquisition. Furthermore, cash flows used in operating activities for the period ended June 30, 2015 was \$(21,002) as compared to \$(116,805) for the period ended June 30, 2014, primarily due to a reduction in trade and other payables. This occurred during the period ended June 30, 2015 as a result of the Company reducing its liabilities as compared to period in the prior year in which the liabilities were greater, due to the number of mineral claims that were reduced during the year. The Company has no off-balance sheet financing. The Company has no long-term debt. Share capital also increased as a result of the acquisition of mineral properties and the completion of a private placement.

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production, and operate a resource property. Historically, the Company has raised funds through equity financing to fund its operations.

The Company may need to raise additional cash for working capital or other expenses. In addition, as a result of the Company's activities, unanticipated problems or expenses could result and require additional capital requirements, subject to TSX Venture Exchange policies and approvals.

The Company has no assets other than cash deposits and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company has sufficient working capital at this time to meet its current financial obligations.

7. CAPITAL RESOURCES

2015

On May 14, 2014, the Company issued 1,000,000 shares with a fair value of \$160,000 pursuant to the Camsell Lake Property option agreement.

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On November 20, 2014, the Company issued 1,200,000 shares with a fair value of \$66,000 pursuant to the Carter Lake Property option agreement.

On February 20, 2015, the Company issued 2,000,000 non-flow through shares at \$0.05 for gross proceeds of \$100,000.

2016

On June 23, 2015, the Company issued 1,000,000 shares with a fair value of \$40,000 pursuant to the Gulch Mine Property option agreement.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

9. OUTSTANDING SHARE DATA

a) Authorized:

Unlimited number of voting common shares without nominal or par value

b) Issued voting common shares:

	Share capital	
	Number of shares	Amount
As at March 31, 2014	12,177,500	7,688,256
Shares issued for exploration and evaluation assets	2,200,000	226,000
Shares issued for cash	2,000,000	100,000
Balance at March 31, 2015	16,377,500	\$8,014,256
Shares issued for exploration and evaluation assets	1,000,000	40,000
Shares issued for cash	-	-
Share Issuance Cost	-	-
Balance at June 30, 2015	17,377,500	\$8,054,256

c) Shares held in escrow

Under the requirements of the Exchange, 333,333 common shares were held in escrow and are to be released in stages over a period of three years from the date of acceptance by the Exchange of the Company's QT (as defined in Policy 2.4 of the Exchange). On December 30, 2009, the Company completed its QT.

Upon completion of the Company's QT and under the requirements of the Exchange, 166,667 common shares were held under value security escrow and was released in stages over a period of three years from the date of acceptance by the Exchange of the Company's QT (pursuant to the McKenzie Lake Property Option Agreement).

As at June 30, 2015, all shares have been released from escrow.

d) Stock Options

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The Company has a Rolling Stock Option Plan (the “Plan”), which follows the policies of the Exchange regarding stock option awards granted to employees, directors and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

On April 25, 2014 the Company granted stock options to officers, directors, and consultants of the Company. The company granted a total of 1,160,000 options at an exercise price of \$0.15 per common share. These options are exercisable over a period of three years and vest immediately on grant.

At June 30, 2015, the details of options outstanding and exercisable are as follows:

<u>Expiry date</u>	<u>Number of options outstanding</u>
Balance, March 31, 2014	56,667
Granted	1,160,000
Expired	(56,667)
Balance, March 31, 2015	1,160,000
Granted	-
Expired	-
Balance, June 30, 2015	1,160,000

The weighted average contractual life and weighted average exercise price of the options outstanding are 1.74 years and \$0.15, respectively.

e) Warrants

At June 30, 2015, the details of warrants outstanding are as follows:

	<u>Number of warrants outstanding</u>
Balance, March 31, 2015	3,241,916
Expired	-
Balance, June 30, 2015	3,241,916

The weighted average contractual life and weighted average exercise price of the warrants outstanding are 0.73 years and \$0.15, respectively.

10. TRANSACTIONS WITH RELATED PARTIES

During the three month period ended June 30, 2015, the Company:

- a) Incurred management fees of \$7,500 (2014 - \$7,500) to a director of the Company; and
- b) Incurred consulting fees of \$6,300 (2014 - \$5,400), of which \$900 (2014 - \$900) was to a director of the Company, and \$900 was prepaid to a director of the Company. An additional \$1,500 (2014 - \$4,500) was to a company controlled by a common director for geological consulting.

As at June 30, 2015, \$3,000 (June 30, 2014 - \$Nil) is owing to a company controlled by a director of the Company and has been recorded in trade and other payables. This amount is unsecured, non-interest bearing and has no fixed terms of repayment.

The Company had the following transactions to key management personnel:

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	Year ended	
	June 30, 2015	June 30, 2014
Management and Consulting fees	\$ 12,900	\$ 12,900
Share based compensation	-	-
Total	\$12,900	\$12,900

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount established and agreed to by the related parties.

11. PROPOSED TRANSACTIONS

The Company is continually exploring new acquisitions; however, the Company has the following proposed business or financing transactions to report at this time:

N/A

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, receivables and trade payables. The carrying value of these financial instruments approximates their fair market value because of the short maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

13. LEGAL PROCEEDINGS

The Company is not involved in any legal proceedings.

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures as well as internal controls over financial reporting for the Company.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing the certificates are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

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The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

15. OTHER MD&A REQUIREMENTS

Subsequent Events

Gulch Mine Earn-In Agreement

On August 12, 2015, the Company announced that it has entered into an agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever") whereby Aldever can earn a 90% interest in the Gulch Mine Property. The Company can earn a 80% interest in the option to acquire 100% interest in the Property by completing \$2,500,000 in exploration expenditures on the Mineral Claims within 5 years of the signing of the agreement, paying \$250,000 to the Company within 5 years of the signing of the agreement, and assume 100% of the commitments payable to the underlying vendor as follows;

- A cash consideration of \$100,000 on or before May 21, 2017;
- A further cash consideration of \$150,000 on or before May 21, 2018; and
- A further cash consideration of \$250,000 on or before May 21, 2019.

A 2.5% GOR shall be reserved unto the Owner hereunder, of which 1% may be repurchased at any time by Aldever paying to the owner \$1,000,000, less all amounts previously received by the Owner as GOR payments.

Thorburn Lake Addendum

On August 19, 2015, the Company amended its terms with the vendor for 100% interest in the Thorburn Lake Property. The amended terms are as follows;

- a payment of \$10,000 (paid);
- the issuance of 125,000 common shares (issued with a fair value of \$82,500);
- complete \$100,000 in exploration expenditures within 1 year of the agreement (completed);
- a payment of \$10,000 on or before July 14, 2014 (paid);
- issue 1,100,000 common shares within 5 days of TSX Venture Exchange Approval of the August 19, 2015 addendum;
- a payment of \$50,000 on or before December 22, 2016;;
- a payment of \$100,000 on or before December 22, 2017;
- a payment of \$150,000 on or before December 22, 2018;
- a payment of \$290,000 on or before December 22, 2019; and
- completion of \$1,000,000 in exploration work on or before December 22, 2019.

This amendment is subject to TSX Venture Exchange Approval.

Risks and Uncertainties

The Company has a limited history of operations. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable.

Cautionary Statement

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect",

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“anticipate” and similar expressions are intended to identify forward looking statements, which, by their very nature, are not guarantees of the Company’s future, operational or financial performance, and are subject to risk and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements.

Readers are cautioned not to place undue reliance on these forward looking statements which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risk and uncertainties, including the risk and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

For further information about Unity Energy Corp. please visit Sedar at www.sedar.com.