AMATO EXPLORATION LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
MAY 31, 2015 AND 2014
(Expressed in Canadian Dollars)
Unaudited

AMATO EXPLORATION LTD.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

"Kieran Prashad"

Kieran Prashad, President

AMATO EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	Notes	May 31, 2015 (Unaudited)	November 30, 2014 (Audited)
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	$ 502,412	$ 541,901
HST Recoverable		2,246	58
Prepaids		3,057	4,705
		$ 507,715	**$ 546,664**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	4	$ 11,801	$ 13,000
Shareholders' Equity			
Share Capital	5	3,676,167	3,676,167
Reserves	5	1,496,834	1,496,834
Deficit		(4,677,087)	(4,639,337)
		495,914	533,664
		$ 507,715	**$ 546,664**

APPROVED BY THE BOARD OF DIRECTORS:

Signed: "James D. Romano" , Director

Signed: "Tim Earle" , Director

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

AMATO EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2015 AND 2014
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited)

	Three Months Ended May 31, 2015	Three Months Ended May 31, 2014	Six Months Ended May 31, 2015	Six Months Ended May 31, 2014
EXPENSES				
General and Administrative	$ 23,716	$ 49,942	$ 39,640	$ 85,853
Business and Market Development	60	205	540	385
	23,776	50,147	40,180	86,238
OTHER ITEMS				
Interest Income	(1,139)	(1,764)	(2,430)	(3,573)
	(1,139)	(1,764)	(2,430)	(3,573)
NET AND COMPREHENSIVE LOSS	$ (22,637)	$ (48,383)	$ (37,750)	$ (82,665)
LOSS PER SHARE - BASIC AND DILUTED	$ -	$ -	$ -	$ -
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
BASIC AND DILUTED	40,486,656	40,486,656	40,486,656	40,486,656

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

AMATO EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2015 AND 2014
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited)

	Common Shares	Capital Stock	Warrants	Stock Option	Fair Value Reallocation	Total	Deficit	Total Equity
Balance, December 1, 2013	40,486,656	$ 3,676,167	$ -	$ 226,213	$ 1,270,621	$ 1,496,834	$ (4,501,997)	$ 671,004
Comprehensive Loss							(82,665)	(82,665)
Balance, May 31, 2014	40,486,656	$ 3,676,167	$ -	$ 226,213	$ 1,270,621	$ 1,496,834	$ (4,584,662)	$ 588,339
Balance, December 1, 2014	40,486,656	$ 3,676,167	$ -	$ 226,213	$ 1,270,621	$ 1,496,834	$ (4,639,337)	$ 533,664
Expired Stock Options				(48,831)	48,831			-
Comprehensive Loss							(37,750)	(37,750)
Balance, May 31, 2015	40,486,656	$ 3,676,167	$ -	$ 177,382	$ 1,319,452	$ 1,496,834	$ (4,677,087)	$ 495,914

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

AMATO EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED MAY 31, 2015 AND 2014
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	$ (37,750)	$ (82,665)
Changes in non-cash working capital:		
Accounts Receivables	(2,188)	(642)
Prepaid Expenses	1,648	(5,509)
Accounts Payable and Accrued Liabilities	(1,199)	10,430
Cash Flows used in Operating Activities	(39,489)	(78,386)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,489)	(78,386)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	541,901	672,043
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 502,412	$ 593,657

SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	$ -	$ -
Income Taxes paid	$ -	$ -

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

1. Nature of Operations and Going Concern Uncertainty

Amato Exploration Ltd. ("Amato" or the "Company") was incorporated on February 26, 2007, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties worldwide. The Company's common shares are listed on the TSX Venture Exchange under the symbol "AMT". The head office of the Company is 107 - 73 Richmond Street West in Toronto, Ontario.

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company has incurred a loss for the six months ended May 31, 2015 of $37,750 (2014 - $82,665) and has an accumulated deficit of $4,677,087 (November 30, 2014 - $4,639,337). The Company does not currently have an exploration property and is relying on its cash balance to sustain current operations. Management expects that the Company's capital resources will be sufficient for the next fiscal year under current operations. When the Company acquires an exploration property, it is unlikely that its current capital resources would be sufficient and the Company would need to secure additional financing.

The challenges of securing requisite funding beyond May 31, 2015 and the continued estimated operating losses cast significant doubt on the Company's ability to continue as a going concern. The condensed interim consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

2. Basis of Preparation

(a) Statement of Compliance

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Specifically, these statements have been prepared in accordance with International Accounting Standards 34 ("IAS 34"), *Interim Financial Reporting*. The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended November 30, 2014. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2014.

The Board approved these consolidated financial statements for issuance on July 29, 2015.

2. Basis of Preparation (continued)

(b) Basis of Preparation

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Exploraciones Amato de México, S.A. de C.V. Subsidiaries are fully consolidated from the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The financial statements for the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All inter-company balances and transactions have been eliminated upon consolidation.

(d) Use of Accounting Judgments, Estimates and Assumptions

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the 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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of judgment considered by management in preparing the consolidated financial statements are as follows:

(i) Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and the interim consolidated financial statements continue to be prepared on a going concern basis. Management anticipates having sufficient funds for the next fiscal year under current operations, however in the event that an exploration property is acquired, management anticipates that additional funding would be needed. In addition, the Company does not have profitable operations, which casts doubt on its ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(EXPRESSED IN CANADIAN DOLLARS)

2. Basis of Preparation (continued)

(d) Use of Accounting Judgments, Estimates and Assumptions (continued)

(ii) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Company defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

(iii) Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

3. Cash and Cash Equivalents

The components of cash and cash equivalents are as follows:

	May 31, 2015	November 30, 2014
Cash	$ 9,532	$ 16,297
Term Deposits	492,880	525,604
	$ 502,412	$ 541,901

Term deposits are categorized into Level 1 of the fair value hierarchy and are measured based on quoted market prices. There were no transfers between the levels of the fair value hierarchy during the six months ended May 31, 2015 and 2014.

(EXPRESSED IN CANADIAN DOLLARS)

4. Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities are as follows:

		May 31, 2015		**November 30, 2014**
Trade Payables	$	3,301	$	-
Accrued Liabilities		8,500		13,000
	$	11,801	$	13,000

5. Share Capital

(a) *Authorized*

Unlimited number of common shares without par value.

(b) *Issued and Outstanding*

As at May 31, 2015 there were 40,486,656 issued and outstanding common shares (November 30, 2014 – 40,486,656 shares).

(c) *Stock Options*

The Company has adopted an incentive stock option plan which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to the directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The board of directors has discretion to the number, vesting period and expiry date of each option award.

During the six months ended May 31, 2015 and 2014, the Company recognized total stock-based compensation expense of $Nil.

(EXPRESSED IN CANADIAN DOLLARS)

5. **Share Capital (continued)**

(c) Stock Options (continued)

The following is a summary of the Company's transactions in stock options:

	May 31, 2015		November 30, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance – December 1, 2014	2,460,000	$0.12	2,460,000	$0.12
Granted	-	-	-	-
Expired	260,000	-	-	-
Forfeited	-	-	-	-
Balance – May 31, 2015	2,200,000	$0.11	2,460,000	$0.12

The following is a summary of the stock options outstanding as of May 31, 2015:

Exercise Price	Number Outstanding	Expiry Date	Number Exercisable
$0.10	1,600,000	September 15, 2016	1,600,000
$0.13	200,000	April 19, 2016	200,000
$0.13	100,000	February 1, 2016	100,000
$0.13	300,000	January 10, 2016	300,000
	2,200,000		2,200,000

The following is a summary of the stock options outstanding as of November 30, 2014:

Exercise Price	Number Outstanding	Expiry Date	Number Exercisable
$0.10	1,600,000	September 15, 2016	1,600,000
$0.13	200,000	April 19, 2016	200,000
$0.13	100,000	February 1, 2016	100,000
$0.13	300,000	January 10, 2016	300,000
$0.10	100,000	May 30, 2015	100,000
$0.13	60,000	May 30, 2015	60,000
$0.15	40,000	May 30, 2015	40,000
$0.60	60,000	January 11, 2015	60,000
	2,460,000		2,460,000

The weighted average remaining contractual life for the outstanding stock options is 1.15 years (2014 – 1.5 years).

(EXPRESSED IN CANADIAN DOLLARS)

5. **Share Capital (continued)**

(d) ***Basic and Diluted Loss Per Share***

The calculation of basic and diluted loss per share for the six months ended May 31, 2015 was based on the loss attributable to common shareholders of $37,750 (2014 - $82,665) and the weighted average number of common shares outstanding of 40,486,656 (2014 - 40,486,656).

Diluted loss per share did not include the effect of 2,200,000 stock options (2014 - 2,460,000), as the effect would be anti-dilutive.

(e) ***Maximum Share Dilution***

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options were exercised as at May 31, 2015:

	2015	2014
Common shares outstanding	40,486,656	40,486,656
Stock options outstanding	2,200,000	2,460,000
Fully diluted common shares outstanding	42,686,656	42,946,656

(f) Reserves

The option reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. Amounts recorded for forfeited or expired unexercised options are transferred to fair value reallocation, within reserves. During the six months ended May 28, 2015 and 2014, the Company transferred $48,831 (2014 - $Nil) for forfeited options to fair value reallocation.

6. Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company incurred the following related party transactions:

	2015	2014
Management and Consulting Fees (i)	$ 6,000	$ 45,000
Rent (ii)	12,000	6,000
	$ 18,000	$ 51,000

6. Related Party Transactions (continued)

(i) Management and consulting fees are paid to key management personnel as compensation for their services. These personnel consist of the CEO and the CFO.

(ii) The Company moved its head office from Vancouver, British Columbia to Toronto, Ontario in May 2014. In Toronto, rent of $12,000 was paid to Sheridan Brothers LP, an entity related through common management for the six months ended May 31, 2015. In Vancouver, rent of $6,000 for the six months ended May 31, 2014 was paid to Leare Developments Ltd., a company owned by a director of the Company.

7. Segmented Information

Operating segments

The Company operates in a single reportable operating segment, being the acquisition, exploration and evaluation of resource properties.

Geographic segments

The Company has one geographic segment, being Canada. All present operations, assets, and revenues are in Canada.