YORKTON VENTURES INC.

Condensed Interim Financial Statements

For the Nine Months Ended March 31, 2015 and 2014

(Expressed in Canadian Dollars)

YORKTON VENTURES INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

May 29, 2015

YORKTON VENTURES INC.
Interim statements of financial position
(Expressed in Canadian dollars)

	March 31, 2015 $ (unaudited)	June 30, 2014 $ (audited)
Assets		
Current assets		
Cash and cash equivalents	955,093	911,221
Accounts receivable	33,965	224,262
Accrued interest receivable	4,516	3,881
Income tax installments paid	35,910	–
Current assets	1,029,484	1,139,364
Non-current assets		
Exploration and evaluation asset (Note 4)	50,000	50,000
Property and equipment (Note 5)	439,538	734,600
Deferred tax asset	29,740	–
Total non-current assets	519,278	784,600
Total assets	1,548,762	1,923,964
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	42,355	31,445
Income taxes payable	–	93,527
Total current liabilities	42,355	124,972
Non-current liabilities		
Decommissioning liabilities (Note 6)	88,476	82,078
Convertible debentures (Note 8)	135,215	121,853
Deferred tax liability	–	28,278
Total non-current liabilities	223,691	232,209
Total liabilities	266,046	357,181
Shareholders' equity		
Share capital	1,074,566	1,074,566
Share-based payment reserve	303,099	303,099
(Deficit) retained earnings	(94,949)	189,118
Total shareholders' equity	1,282,716	1,556,783
Total liabilities and shareholders' equity	1,548,762	1,923,964

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on May 29, 2015:

/s/ "Randy Clifford"

Randy Clifford, Director

/s/ "Michael Wilson"

Michael Wilson, Director

(The accompanying notes are an integral part of these interim financial statements)

YORKTON VENTURES INC.
Interim statements of operations and comprehensive income
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2015 $	Three months ended March 31, 2014 $	Nine months ended March 31, 2015 $	Nine months ended March 31, 2014 $
Revenue	132,941	289,868	603,449	814,441
Expenses				
Depletion	9,069	9,810	26,866	27,239
General and administrative	48	280	227	304
Management and consulting fees (Note 7)	22,500	7,500	83,581	64,736
Production and operating costs	120,713	58,813	467,735	258,356
Professional fees (Note 7)	12,500	8,475	55,030	34,405
Transfer agent and filing fees	7,558	9,611	13,033	15,995
Total expenses	172,388	94,489	646,472	401,035
(Loss) income before other income (expense)	(39,447)	195,379	(43,023)	413,406
Other income (expense)				
Finance costs (Note 12)	(11,631)	(57,088)	(34,774)	(87,470)
Impairment of property and equipment (Note 5)	(152,179)	–	(268,196)	–
Interest income	1,622	–	4,040	391
Total other income (expense)	(162,188)	(57,088)	(298,930)	(87,079)
Net (loss) income before taxes	(201,635)	138,291	(341,953)	326,327
Income tax recovery	34,813	–	57,886	–
Net (loss) income and comprehensive (loss) income for the period	(166,822)	138,291	(284,067)	326,327
(Loss) earnings per share, basic	(0.02)	0.02	(0.03)	0.04
(Loss) earnings per share, diluted	(0.02)	0.01	(0.03)	0.03
Weighted average shares outstanding, basic	9,000,000	9,000,000	9,000,000	9,000,000
Weighted average shares outstanding, diluted	9,000,000	11,000,000	9,000,000	11,000,000

(The accompanying notes are an integral part of these interim financial statements)

YORKTON VENTURES INC.
Interim statements of changes in equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number	Amount $	$	$	$
Balance, June 30, 2013	9,000,000	1,074,566	303,099	(154,035)	1,223,630
Net income for the period	–	–	–	326,327	326,327
Balance, March 31, 2014	9,000,000	1,074,566	303,099	172,292	1,549,957
Balance, June 30, 2014	9,000,000	1,074,566	303,099	189,118	1,566,783
Net loss for the period	–	–	–	(284,067)	(284,067)
Balance, March 31, 2015	9,000,000	1,074,566	303,099	(94,949)	1,282,716

(The accompanying notes are an integral part of these interim financial statements)

YORKTON VENTURES INC.
Interim statements of cash flows
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended March 31, 2015 $	Nine months ended March 31, 2014 $
Operating activities:		
Net (loss) income for the period	(284,067)	326,327
Items not involving cash:		
Accretion of decommissioning liabilities	6,398	5,657
Accretion of discount on convertible debentures	13,362	59,347
Deferred income tax recovery	(58,018)	–
Depletion	26,866	27,239
Impairment of property and equipment	268,196	–
Changes in non-cash operating working capital:		
Accounts receivable	190,297	37,704
Accrued interest receivable	(635)	–
Accounts payable and accrued liabilities	10,910	(36,752)
GST receivable	–	37,500
Income taxes payable	(129,437)	–
Net cash provided by operating activities	43,872	457,022
Investing activities:		
Issuance of loan receivable	–	(100,000)
Net cash used in investing activities	–	(100,000)
Change in cash and cash equivalents	43,872	357,022
Cash and cash equivalents, beginning of period	911,221	380,313
Cash and cash equivalents, end of period	955,093	737,335
Cash and cash equivalents consists of:		
Cash	328,660	212,335
Cashable guaranteed investment certificates	626,433	525,000
Total cash and cash equivalents	955,093	737,335
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these interim financial statements)

1. Nature of Operations and Continuance of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on August 30, 2006 as Brookbank Mining Corp., and changed its name to Yorkton Ventures Inc. on October 9, 2009. The Company was a Capital Pool Company ("CPC"), as defined in the policies of the TSX Venture Exchange (the "Exchange"). Based on the Company's Filing Statement dated January 14, 2013, the Company received approval of its Qualifying Transaction (the "QT") from the Exchange. Effective at the opening of trading February 4, 2013, the Company ceased to be considered a Capital Pool Company and began trading as a Tier 2 oil and gas issuer under the symbol YVI.

The Agreement of Purchase and Sale for the Company's Gift Lake assets was effective December 1, 2013. The Gift Lake property is located in North Central Alberta. In conjunction with the closing of the Company's QT, it also acquired the right to earn a 6.7% working interest before payout and a 4% after payout in 448 hectares in the Nipisi area of North Central Alberta. The Company is engaged in the acquisition, exploration and development of prospective oil and gas properties and will work to identify and evaluate other properties and exploration programs. On November 15, 2013, the Company entered into a farm-out agreement, whereby 100% of the Company's obligation under the Participation Option Agreement will be funded in exchange for the Company's 6.7% working interest before payout and 2% interest after payout, leaving the Company with a 2% net interest after payout.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2015, the Company has working capital of $987,129. Existing cash resources are currently expected to provide sufficient funds through the upcoming fiscal year. The continuation of the Company as a going concern for a period longer than the upcoming fiscal year is dependent upon the ability of the Company to continue to generate significant revenue and profits.

The Company's registered office is 1200 – 750 West Pender St., Vancouver, BC V6C 2T8.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), comply with International Accounting Standard 34, *Interim Financial Reporting*, and do not include all of the information required for full annual financial statements.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of oil and gas properties, allowance for doubtful accounts, determination of decommissioning liabilities, valuation of convertible debentures, fair value of share-based compensation, and deferred income tax asset valuation allowances.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the recoverability of property and equipment and valuation of convertible debentures.

(Expressed in Canadian dollars)

3. Accounting Standards Issued But Not Yet Effective

The following new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2015, and have not been applied in preparing these financial statements:

- IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

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.

4. Exploration and Evaluation Assets

On December 1, 2012, the Company entered into a Participation Option Agreement to acquire an option to participate in the drilling of a test well. On January 23, 2013, the Company issued 500,000 common shares with a fair value of $50,000. Upon paying its proportionate cost and any further costs that are expected, estimated to be $100,000, to drill the test well, the Company will earn a 6.7% working interest before payout and a 4% interest after payout in 448 hectares in the Nipisi area of north central Alberta. The agreement shall terminate and the option to participate will be null and void if the optionor does not deliver a Well Notice to the Company by December 31, 2014. Although a Well Notice was not delivered to the Company by December 31, 2014, the agreement was not terminated and the option to participate will be initiated once the price of oil recovers.

On November 15, 2013, the Company entered into a farm-out agreement, whereby 100% of the Company's obligation under the Participation Option Agreement will be funded in exchange for the Company's 6.7% working interest before payout and 2% interest after payout, leaving the Company with a 2% net interest after payout.

Exploration and evaluation assets consist of the Company's exploration projects which are pending the determination of proven and/or probable reserves.

5. Property and Equipment

	Gift Lake Property $
Cost:	
Balance, June 30, 2013	812,631
Decommissioning obligations	5,300
Balance, June 30, 2014	817,931
Impairment	(268,196)
Balance, March 31, 2015	549,735
Accumulated depletion:	
Balance, June 30, 2014	83,331
Additions	26,866
Balance, March 31, 2015	110,197
Carrying amounts:	
As at June 30, 2014	734,600
As at March 31, 2015	439,538

(Expressed in Canadian dollars)

5. Property and Equipment (continued)

As at March 31, 2015, the Company performed an impairment test to assess the recoverable value of the oil and gas properties. Future oil and gas prices are based on the March 31, 2015, commodity price forecasts of independent engineering reports.

During the nine months ended March 31, 2015, the Company recognized an impairment loss of $268,196 on the Gift Lake property as the carrying value exceeded its recoverable amount. During the nine months ended March 31, 2015, the Company recorded depletion expense of $26,866 (2014 - $27,239).

As at March 31, 2015, the prices used in the impairment evaluation of the Company's oil and natural gas reserves are:

	Oil Edmonton Par Price 40 API ($/bbl)	Inflation Rate
2015	61.80	2.0%
2016	78.50	2.0%
2017	83.60	2.0%
2018	88.40	2.0%
2019	93.40	2.0%
Percentage change thereafter	+/-2%	

The Agreement of Purchase and Sale for the Company's Gift Lake assets was effective December 1, 2013. The Gift Lake property is located in north central Alberta.

The Company's Gift Lake Assets consist of a 45% working interest in one active well and a 25% interest in two other active wells. The Company also has a 1.875% working interest in which it receives royalty payments from the production. The Company also has a working interest of 45% in two inactive wells.

6. Decommissioning Liabilities

The total future decommissioning liabilities were estimated by management based on the Company's net ownership interest in all wells and facilities. This includes all estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. As at March 31, 2015, the Company has estimated the net present value of its total decommissioning liabilities to be $88,476 (June 30, 2014 - $82,078) based on total estimated cash flows to settle the obligations of $123,600. These obligations are expected to be settled during the period from 2015 to 2028. The estimated cash flows have been discounted using a discount rate of 10%, which is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

The following table reconciles the decommissioning liabilities:

	March 31, 2015 $	June 30, 2014 $
Balance, beginning of period	82,078	69,100
Decommissioning liabilities incurred	–	5,300
Accretion expense	6,398	7,678
Balance, end of period	88,476	82,078

7. Related Party Transactions

(a) During the nine months ended March 31, 2015, the Company incurred management fees of $9,000 (2014 - $9,000) to a company controlled by the President of the Company.

(b) During the nine months ended March 31, 2015, the Company incurred management fees of $65,500 (2014 - $nil) to a company controlled by the Chief Financial Officer of the Company.

(c) During the nine months ended March 31, 2015, the Company incurred professional fees of $26,750 (2014 - $51,250) to a company controlled by the Chief Financial Officer of the Company.

8. Convertible Debentures

On January 23, 2013 the Company issued three convertible debentures totalling $300,000. The debentures bear interest at 10% per annum, are unsecured, and are due on January 24, 2018. The debentures are convertible into shares of the Company at a conversion price of $0.10 per share at any time at the option of the holders prior to the due date. The Company also issued 3,000,000 share purchase warrants which are exercisable at $0.15 per share expiring on January 24, 2018.

The convertible debentures were recorded using the residual method, where the convertible debentures have been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance, was determined to be $149,153 using a net present value calculation assuming a discount rate of 15% per annum. As a result, the value of the equity component of $150,847 was recorded as equity and an equivalent discount on the convertible debentures which will be accreted to the face value of $300,000 over the term of the debentures.

On January 23, 2014, the Company agreed to offset one of the three convertible debentures against a loan receivable of $100,000 issued to the same party. This resulted in the repayment of $100,000 of a $135,000 convertible note. The Company recognized the unamortized discount of $43,980 as interest expense at the date of repayment.

During the nine months ended March 31, 2015, the Company recognized accretion of $13,362 (2014 - $15,994) increasing the carrying value to $135,215. At March 31, 2015, the Company had $200,000 (June 30, 2014 - $200,000) of convertible debt outstanding.

9. Share Capital

Authorized:

Unlimited number of common shares without par value.

Escrow shares:

As at March 31, 2015, 1,500,000 (June 30, 2014 – 3,000,000) common shares are subject to an Escrow Agreement pursuant to policies of the TSX Venture Exchange. The remaining escrowed common shares will be released in increments of 15% of the original 5,000,000 escrowed shares every six months from February 1, 2013. During February 2015, an additional 750,000 common shares were released from escrow.

(Expressed in Canadian dollars)

10. Stock Options

On April 30, 2010, the Company implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees and consultants of the Company. The Company may grant stock options to a maximum of 10% of the issued shares of the Company at the date of granting the stock options. The minimum exercise price of each stock option must not be less than the discounted market price (as permissible by TSX Venture Exchange Policy). Stock options are exercisable over periods up to ten years and vesting periods can be imposed at the discretion by the Board of Directors.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price$
Outstanding, June 30, 2013	800,000	$ 0.20
Expired	(400,000)	$ 0.20
Outstanding, June 30, 2014 and March 31, 2015	400,000	$ 0.20

Additional information regarding stock options outstanding as at March 31, 2015, is as follows:

	Outstanding and exercisable		
Range of exercise prices	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price
$ 0.20	400,000	0.75	$ 0.20

11. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price
Balance, June 30, 2014 and March 31, 2015	3,000,000	$ 0.15

As at March 31, 2015, there are 3,000,000 share purchase warrants exercisable at $0.15 per share expiring on January 24, 2018 outstanding.

12. Finance Costs

	Nine Months Ended March 31, 2015 $	Nine Months Ended March 31, 2014 $
Accretion of decommissioning liabilities	6,398	5,657
Accretion of discounts on convertible debentures	13,362	59,347
Interest expense	15,014	22,466
Total finance costs	34,774	87,470

13. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at March 31, 2015, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, March 31, 2015 $
Cash and cash equivalents	955,093	–	–	955,093

The fair values of other financial instruments, which include accounts receivable, accrued interest receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments. The fair value of convertible debentures is estimated to approximate its carrying value based on borrowing rates currently available to the Company for a loan with similar terms.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate

The Company is not exposed to any significant foreign exchange risk.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn short-term interest on cash and cash equivalents balances at variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Given the nature of the Company's financial assets, it believes that liquidity risk is relatively low.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company producing assets and current programs for exploration do expose the Company to some commodity price risk but management is confident that prices should not fluctuate a great deal in the next twelve months.

14. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, and retained earnings.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2014.