

SOJOURN VENTURES INC.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Sojourn Ventures Inc.

We have audited the accompanying financial statements of Sojourn Ventures Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive loss, changes in 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 Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Sojourn Ventures Inc. as at December 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

April 2, 2015



SOJOURN VENTURES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31,

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 600,778	\$ 646,693
Receivables	<u>6,839</u>	<u>16,118</u>
Total current assets	607,617	662,811
Exploration and evaluation assets (Note 4)	<u>202,034</u>	<u>204,692</u>
Total assets	<u>\$ 809,651</u>	<u>\$ 867,503</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ <u>10,390</u>	\$ <u>13,080</u>
Equity		
Capital stock (Note 5)	1,025,087	1,008,837
Reserves (Note 5)	90,998	90,998
Deficit	<u>(316,824)</u>	<u>(245,412)</u>
	<u>799,261</u>	<u>854,423</u>
	<u>\$ 809,651</u>	<u>\$ 867,503</u>

Nature and continuance of operations (Note 1)
Subsequent Event (Note 9)

Approved and authorized on behalf of the Board on April 2, 2015:

(signed) Brien Lundin Director (signed) Joel Dumaresq Director

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

SOJOURN VENTURES INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended December 31,

	2014	2013
EXPENSES		
Administration fees (Note 7)	\$ 24,000	\$ 24,000
Filing fees and transfer agent	15,091	25,594
Office and miscellaneous	1,200	1,300
Professional fees	35,503	70,091
Share-based compensation	-	13,152
Travel and related	<u>953</u>	<u>4,945</u>
	(76,747)	(139,082)
Write-off of receivables	-	(9,338)
Interest income	<u>5,335</u>	<u>6,986</u>
Loss and comprehensive loss for the year	\$ (71,412)	\$ (141,434)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	14,672,341	10,291,540

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

SOJOURN VENTURES INC.
STATEMENTS OF CASH FLOW
(Expressed in Canadian Dollars)
For the years ended December 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (71,412)	\$ (141,434)
Items not affecting cash		
Share-based compensation	-	13,152
Write-off of receivables	-	9,338
Changes in non-cash working capital items:		
(Increase) decrease in receivables	9,279	(10,609)
Increase (decrease) in accounts payable and accrued liabilities	<u>(2,690)</u>	<u>1,354</u>
Net cash used in operating activities	<u>(64,823)</u>	<u>(128,199)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	(1,813)	(154,117)
British Columbia mining exploration tax credit received	<u>20,721</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>18,908</u>	<u>(154,117)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	-	205,600
Share issuance costs	<u>-</u>	<u>(29,410)</u>
Net cash provided by financing activities	<u>-</u>	<u>176,190</u>
Change in cash and cash equivalents for the year	(45,915)	(106,126)
Cash and cash equivalents, beginning of year	<u>646,693</u>	<u>752,819</u>
Cash and cash equivalents, end of year	<u>\$ 600,778</u>	<u>\$ 646,693</u>

The significant non-cash financing or investing activity during the year ended December 31, 2014 was the issuance of 250,000 common shares valued at \$16,250 pursuant to a mineral property option agreement (Note 4).

The significant non-cash financing or investing activities during the year ended December 31, 2013 were the issuance of 400,000 common shares, valued at \$22,000, pursuant to a mineral property option agreement, and the issuance of 519,545 common shares, valued at \$28,575, as a finder's fee.

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

SOJOURN VENTURES INC.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Number of Common Shares	Capital Stock Amount	Reserves	Deficit	Total
Balance, December 31, 2012	9,536,001	\$ 782,072	\$ 77,846	\$ (103,978)	\$ 755,940
Exploration and evaluation assets	400,000	22,000	-	-	22,000
Finder's fee	519,545	28,575	-	-	28,575
Private placement	4,112,000	205,600	-	-	205,600
Share issuance costs	-	(29,410)	-	-	(29,410)
Share-based compensation	-	-	13,152	-	13,152
Loss for the year	-	-	-	(141,434)	(141,434)
Balance, December 31, 2013	14,567,546	1,008,837	90,998	(245,412)	854,423
Exploration and evaluation assets	250,000	16,250	-	-	16,250
Loss for the year	-	-	-	(71,412)	(71,412)
Balance, December 31, 2014	14,817,546	\$ 1,025,087	\$ 90,998	\$ (316,824)	\$ 799,261

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

SOJOURN VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED DECEMBER 31, 2014

1. NATURE AND CONTINUANCE OF OPERATIONS

Sojourn Ventures Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on December 23, 2010 and is a corporation listed publicly on the TSX Venture Exchange (“TSX-V”). The Company is engaged in mineral exploration. The Company was previously classified as a Capital Pool Company as defined by the TSX-V Policy 2.4 until it completed its Qualifying Transaction on July 29, 2013. The Company entered into an option agreement with Qualitas Holdings Corp. to acquire a 100% interest in a mineral property on northern Vancouver Island, British Columbia (Note 4). The option agreement qualified as the Company’s Qualifying Transaction.

On March 26, 2015, the Company announce that it has entered into a non-binding letter of intent (the “LOI”) with respect to the proposed acquisition of All-Sea Marine Ltd. (“ASM”). ASM is a holding company which is in the process of acquiring all of the shares of each of All-Sea Enterprises Ltd., All-Sea Atlantic Ltd., All-Sea Great Lakes Ltd., and All-Sea Korea Ltd., the four operating companies of the All-Sea Underwater Solutions group (the “All-Sea Group”). The All-Sea Group is a world leader in underwater ship repair and maintenance. See Note 9, “Subsequent Events”, for further details.

The registered and records office of the Corporation is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The head office of the Corporation is located at 760-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. However, management believes that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flows. All dollar amounts are presented in the Company’s functional currency, the Canadian dollar, unless otherwise specified.

2. BASIS OF PREPARATION (cont'd...)

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported profit or loss during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Significant estimates made by management include the following:

Share-based payments

The estimated fair value of all share-based payments is determined at the date of grant using the Black-Scholes option pricing model, and is expensed in the statement of comprehensive loss over the vesting period of the options granted. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Exploration and evaluation assets

Management is required to make judgements on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful and most assets are likely to become impaired in future periods.

Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

All financial instruments are classified into one of five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets or financial liabilities measured at amortized cost. All financial instruments and derivatives are measured in the statement of financial position at fair value except for loans and receivables, held-to-maturity investments and financial liabilities measured at amortized cost which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Fair value through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash and cash equivalents as fair value through profit or loss. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

SOJOURN VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED DECEMBER 31, 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

IFRS 7, Financial Instruments – Disclosures requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. 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.

Fair value

The carrying value of receivables, accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 600,778	\$ -	\$ -	\$ 600,778

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Valuation of equity units issued in private placements

The Company uses a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

SOJOURN VENTURES INC.
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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Valuation of equity units issued in private placements (cont'd...)

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a reserve.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction."

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation expenditures are classified as intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based compensation

The Company recognizes a share-based compensation charge in operations for stock options granted to employees, officers and directors of the Company. The share-based compensation charge is based on the fair value of option awards granted, measured using the Black-Scholes option pricing model at the date of issue. The fair value of stock options granted is amortized to expense on a graded basis over the vesting periods of the options granted with an off-setting amount recorded in reserves. Any expense recorded for options that are forfeited because non-market vesting conditions are not satisfied, is reversed in the period in which forfeiture occurs.

Current and deferred income taxes

Current taxes receivable or payable are estimated on taxable income for the current year at the statutory tax rates enacted or substantively enacted.

Deferred tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of tax rate changes is recognized in profit or loss, as the case may be, in the period of substantive enactment.

Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period.

Diluted loss per share is adjusted for the dilutive effect of options, warrants and similar instruments. The dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. In the periods that the Company reports a net loss, basic per share amounts are the same basis as on a dilutive basis as the result would be anti-dilutive.

SOJOURN VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on its financial statements:

IFRS 9, "Financial Instruments"

In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective on January 1, 2018. Early adoption is permitted and the standard is required to be applied retrospectively.

4. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its claims is in good standing.

	<i>Tahsis Property</i>
Balance, December 31, 2012	\$ -
Acquisition costs	101,085
Geochemistry and sampling	103,607
Balance, December 31, 2013	204,692
Acquisition costs	16,250
Geochemistry and sampling	1,813
British Columbia mining exploration tax credit	(20,721)
Balance, December 31, 2014	\$ 202,034

SOJOURN VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED DECEMBER 31, 2014

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

During the year ended December 31, 2013, the Company entered into an option agreement with Qualitas Holdings Corp. ("Qualitas") pursuant to which the Company was granted an option to acquire a 100% interest in the Tahsis Property (the "Property"), located on northern Vancouver Island, British Columbia. The option agreement qualifies as the Company's Qualifying Transaction (the "Transaction").

The Transaction does not constitute a Non-Arm's Length Qualifying Transaction as defined in Policy 2.4 of the TSX-V. Sojourn filed a TSX-V compliant filing statement in conjunction with the Transaction and received TSX-V acceptance.

To earn its 100% interest, the Company paid \$50,000, issued 400,000 common shares valued at \$22,000, and will:

1. issue to Qualitas:
 - a. 250,000 common shares in the capital stock of the Company on or before the first anniversary of the Approval Date (issued); and
 - b. 250,000 common shares in the capital stock of the Company on or before the second anniversary of the Approval Date (issued);

all of which common shares will be subject to such hold periods as are prescribed by applicable securities laws and the rules and policies of the TSXV;
2. expend on the exploration and development of the Property:
 - a. a cumulative total of not less than \$200,000 on or before the first anniversary of the Approval Date, of which \$100,000 shall be spent on or before September 1, 2013 (incurred); and
 - b. a further amount of not less than \$200,000 on or before the second anniversary of the Approval Date.

Qualitas will retain a 3% royalty in the Property. In the event that commercial production is achieved on the Property, the Company will have the right to purchase 1% of the royalty held by Qualitas for \$1,000,000 per 1% or \$2,000,000 for 2% of the 3% royalty held by Qualitas.

A finder's fee in consideration for the introduction of the Property to the Company was paid in accordance with TSX-V policies in connection with the Transaction in the amount of \$28,575. The Company issued 519,545 common shares valued at \$0.055 per common shares as consideration for the finder's fee.

During the year ended December 31, 2013, the Company paid Mammoth Geological Ltd. \$103,607 for carrying out and completing a program of grid and soil geochemistry, with limited sampling, on the property. As well, Qualitas was paid \$510 for staking additional claims.

5. CAPITAL STOCK AND RESERVES

Authorized capital stock

As at December 31, 2014, the authorized capital stock of the Company is an unlimited number of common shares without par value.

SOJOURN VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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5. CAPITAL STOCK AND RESERVES (cont'd...)

Private placement

On October 15 and November 1, 2013, the Company completed a private placement financing in two tranches. A total of 4,112,000 units were issued, at \$0.05 per unit, for total proceeds of \$205,600. Each unit consisted of one common share and one share purchase warrant enabling the holder to acquire an additional common share for \$0.15 for a period of three years. Finders' fees totaling \$8,092 and other related expenses of \$21,318 were incurred in connection with the private placement.

Shares Issued to Qualitas pursuant to the Tahsis Property Option Agreement

On July 31, 2014, the Company issued 250,000 common shares with a value of \$16,250 to Qualitas pursuant to the option agreement.

Escrow shares

As at December 31, 2014, the Company has 921,601 (December 31, 2013 – 1,382,401 common shares) held in escrow and being released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Stock options

The Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2012	1,130,000	\$ 0.10
Granted	150,000	0.10
Balance, December 31, 2013	1,280,000	0.10
Expired	(350,000)	0.10
Balance, December 31, 2014	930,000	\$ 0.10
Number of options currently exercisable	930,000	\$ 0.10

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5. CAPITAL STOCK AND RESERVES (cont'd...)

Stock options (cont'd...)

As at December 31, 2014, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of Options	Exercise Price	Expiry Date
180,000	\$ 0.10	November 20, 2017
600,000	0.10	May 18, 2022
<u>150,000</u>	0.10	June 26, 2023
930,000		

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2012	-	\$ -
Issued	<u>4,112,000</u>	0.15
Balance, December 31, 2014 and 2013	4,112,000	\$ 0.15
Number of warrants currently exercisable	4,112,000	\$ 0.15

As at December 31, 2014, the Company had outstanding share purchase warrants enabling the holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
2,500,000	\$ 0.15	October 15, 2016
<u>1,612,000</u>	0.15	November 1, 2016
4,112,000		

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5. CAPITAL STOCK AND RESERVES (cont'd...)

Share-based compensation

For the year ended December 31, 2014, the Company recorded \$Nil (2013 - \$13,152) as share-based compensation expense.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2013:

Risk-free interest rate:	1.84%
Expected life of options:	5 years
Annualized volatility:	125%
Dividend rate:	0%

6. FINANCIAL AND CAPITAL RISK MANAGEMENT

As at December 31, 2014, the Company's financial instruments are comprised of cash and cash equivalents, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions. The Company does not have cash and cash equivalents that is invested in asset backed commercial paper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had a cash and cash equivalents balance of \$600,778 to settle current liabilities of \$10,390. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

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6. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of December 31, 2014, the Company has an interest-bearing financial asset in the form of a GIC with a principal amount of \$460,304 for a term of one year which bears interest of 1.15% per annum. The GIC funds can be liquidated without an early redemption penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2014, the Company's shareholders' equity was \$799,261 and it had \$10,390 in current liabilities. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is not subject to any externally imposed capital requirements.

7. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2014 and 2013, the Company entered into the following transactions with related parties:

- (a) The Company paid or accrued rent & service fees of \$24,000 (2013 - \$24,000) to Tanun Holdings Ltd., a company controlled by the spouse of John Meekison, the Chief Financial Officer and director of the Company.
- (b) The Company paid or accrued exploration and evaluation costs of \$1,813 (2013 - \$103,607) to Mammoth Geological Ltd., a company controlled by R. Tim Henneberry, a director of the Company.

As at December 31, 2014, \$Nil (December 31, 2013 - \$5,182) is owed to Joel Dumaesq, a director of the Company.

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8. INCOME TAXES

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

	2014	2013
Loss for the year	\$ (71,412)	\$ (141,434)
Expected income tax (recovery)	\$ (19,000)	\$ (36,000)
Share issue costs	-	(8,000)
Non-deductible expenditures	-	3,000
Impact of change in tax rates and other	1,000	9,000
Change in unrecognized deductible temporary differences	18,000	32,000
Total income tax expense (recovery)	\$ -	\$ -

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

	2014	2013
Unrecognized deferred tax assets (liabilities):		
Exploration and evaluation assets	\$ 3,000	\$ 3,000
Share issue costs	19,000	29,000
Canadian eligible capital	1,000	1,000
Non-capital losses available for future periods	90,000	62,000
Total unrecognized deferred tax assets	\$ 113,000	\$ 95,000

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

	2014	Expiry Date Range	2013	Expiry Date Range
Exploration and evaluation assets	\$ 4,000	No expiry date	\$ 4,000	No expiry date
Share issue costs	\$ 74,000	2035 to 2037	\$ 110,000	2034 to 2037
Canadian eligible capital	\$ 5,000	No expiry date	\$ 6,000	No expiry date
Non-capital losses	\$ 345,000	2031 to 2034	\$ 238,000	2031 to 2033

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

9. SUBSEQUENT EVENT

On March 26, 2015, the Company announced that it has entered into a letter of intent (“LOI”) with respect to the proposed acquisition of All ASM (the “**Proposed Transaction**”).

ASM is a holding company which is in the process of acquiring all of the shares of each of All-Sea Enterprises Ltd., All-Sea Atlantic Ltd., All-Sea Great Lakes Ltd., and All-Sea Korea Ltd., the four operating companies of the All-Sea Group. The All-Sea Group is a world leader in underwater ship repair and maintenance, employing dive technicians and specialized, proprietary equipment and procedures to carry out in-water surveys, hull cleanings and propeller polishes and to provide speciality services such as propeller straightening and repair, stern seal replacement and repair, class approved permanent shell plating repairs, and Class A wet welding. The All-Sea Group is able to provide its underwater repair and maintenance services anywhere in the world.

It is anticipated that the Proposed Transaction will be effected as a reverse take-over (as such term is defined under the policies of the TSX Venture Exchange) in which Sojourn will acquire 100% of the common shares of ASM, thereby acquiring ASM and indirectly, the operating companies of the All Sea Group. In conjunction with the Proposed Transaction, Sojourn proposes to undertake a best efforts private placement of its common shares for gross proceeds of \$5 million, at a price to be determined by Sojourn’s board of directors (the “**Concurrent Placement**”). It is proposed that the shareholders of ASM will receive approximately 30,000,000 common shares of Sojourn, representing approximately 61% of Sojourn after giving effect to the Placement. Upon completion of the Proposed Transaction, Sojourn will change its name to ASM Enterprises Ltd. or such other name (“Newco”) as is agreed between the parties, and shall carry on the business presently carried on by the All-Sea Group.

The terms of the Proposed Transaction will be set out in a definitive agreement (the “**Definitive Agreement**”), which will contain representations and warranties for the benefit of each of the parties and closing conditions as are in each case customary in comparable transactions of this nature. The Definitive Agreement will provide that closing of the Proposed Transaction is subject to a number of conditions, being satisfied or waived by one or more of the parties at or prior to closing, including the following:

- completion of the Placement;
- receipt of all required shareholder approvals, from Sojourn’s shareholders;
- accuracy of the representations and warranties contained in the Definitive Agreement as of the Closing Date;
- no material adverse change with respect to the Parties will have occurred;
- receipt of all required regulatory, stock exchange, creditor, court and security holder approvals; consents, waivers exemptions and orders; and
- completion of a reorganization of the companies of the All-Sea Group involving ASM acquiring all of the shares of the All-Sea Group or the right to acquire such shares at or prior to the Closing Date (the “**All-Sea Reorganization**”).

The Definitive Agreement will also include a closing condition which requires each of ASM and its subsidiaries on a consolidated basis and Sojourn to have a specified amount of minimal working capital, which amounts will be further considered and agreed upon by the parties prior to the execution of the Definitive Agreement.

It is anticipated that the number of board members for Newco will be set at five, with ASM appointing four members and Sojourn appointing one. Current board members of Sojourn not appointed to the board of Newco will resign.

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9. SUBSEQUENT EVENT (cont'd...)

Each of Sojourn's directors and officers will enter into support agreements pursuant to which they agree to vote their Sojourn common shares in favour of the Proposed Transaction except in the circumstances where Sojourn has terminated the Proposed Transaction pursuant to the exercise of a "fiduciary out" which will be included in the Definitive Agreement.

The LOI provides for a 120 day mutual exclusivity period during which the parties will deal exclusively with each other and conduct due diligence and negotiate the Definitive Agreement. Sojourn has paid ASM an exclusivity fee of \$500 (the "**Exclusivity Fee**"), and upon confirmation by ASM that it has received signed copies of option agreements in form and substance acceptable to Sojourn which give ASM the right to acquire the shares of each of the companies of the All-Sea Group, ASM will receive a further payment (the "**Additional Payment**") of \$37,000. The Exclusivity Fee and (if paid by Sojourn) the Additional Payment will be non-refundable unless ASM decides not to proceed with the Proposed Transaction during the Exclusivity Period for any reason other than determining, in its reasonable opinion, that any information about Sojourn, its business or principals provided by Sojourn to ASM is materially false, in which case the Exclusivity Fee will be refunded forthwith to Sojourn. Additionally, if Sojourn (a) fails to obtain financing sufficient to complete the Proposed Transaction on terms which it considers reasonable, or (b) decides not to proceed with the Proposed Transaction during the Exclusivity Period for any reason other than determining in its reasonable opinion that any information about ASM, its business or principals provided by ASM to Sojourn is materially false, Sojourn will pay ASM's reasonable legal and accounting fees incurred in connection with the Proposed Transaction up to the maximum of \$37,500 (the "**Expense Reimbursement**"). The Expense Reimbursement shall not be payable if Sojourn's failure to obtain such financing is in Sojourn's reasonable opinion, due to any misrepresentation, negligence or fraud on the part of ASM.

The composition of the board and management of the resulting issuer after closing has not yet been determined. Sojourn will be seeking an exemption from the TSX Venture Exchange's sponsorship requirements on the basis that it is undertaking a brokered financing to raise minimum proceeds of \$500,000. The agent for Concurrent Placement and the pricing of the Concurrent Placement have not been determined. The Proposed Transaction is an arm's length transaction. Following completion of the Proposed Transaction, the resulting issuer will be an industrial issuer under the policies of the TSX Venture Exchange.