

Form 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of the Company

Boomerang Oil, Inc. (formerly 0922327 B.C. Ltd.) (the “Company”)
2922 Mt. Seymour Pky.
North Vancouver, British Columbia
V7H 1E9

2. Date of Material Change

April 8, 2014

3. News Release

A press release in the form attached hereto as Schedule “A” with respect to the material change referred to in this report was issued by the Company on April 8, 2014 and subsequently filed on SEDAR.

4. Summary of Material Change

The Company has completed the three-cornered amalgamation (the “Amalgamation”) pursuant to the acquisition and amalgamation agreement (“Amalgamation Agreement”) dated March 25, 2014 among the Company, Shale Corp. (“Shale”), and 2301840 Ontario Inc. (“Subco”), a wholly-owned subsidiary of the Company incorporated solely for the purpose of completing the Amalgamation.

Pursuant to the Amalgamation Agreement, Shale amalgamated with Subco to form a combined entity (“Amalco”) and the Company issued 70,000,000 common shares in the capital of the Company to the holders of common shares in the capital of Shale on the basis of one share of the Company for one share of Shale held by the Shale shareholders. Upon completion of the Amalgamation, Amalco became a wholly-owned subsidiary of the Company. In connection with the Amalgamation, 0922327 B.C. Ltd. changed its name to “Boomerang Oil, Inc.” to reflect the new business of the Company.

5. Full Description of Material Change

A full description of the material change is attached hereto as Schedule “A”.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Confidentiality is not requested.

7. Omitted Information

No information has been omitted in respect of the material change.

8. Executive Officer

AMENDED AND RESTATED

Dennis Alexander, President and Director of Boomerang Oil, Inc., is knowledgeable about the material change and may be reached at 1-(480) 948-6581.

9. Date of Report

April 8, 2014.

SCHEDULE "A"

(See attached)

LISTING STATEMENT

BOOMERANG OIL, INC.

March 31, 2014

The Canadian Stock Exchange (the “CSE”) nor any securities regulatory authority has reviewed the adequacy or the accuracy of the contents of this document

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1. GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Listing Statement, including in the summary hereof. Terms and abbreviations used in the financial statements of the Issuer and in the Schedules to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. All dollar amounts herein are in Canadian dollars, unless otherwise stated.

“\$”	means Canadian dollars.
“Boomerang Shareholders”	means the holders of Boomerang.
“Boomerang Shares”	means common shares in the capital of the Issuer.
“Affiliate” or “Affiliated Entity”	has the meaning set out in the Exchange Policy.
“Amalgamation Agreement”	means the amalgamation agreement to be entered into among the Issuer, Subco and Shale pursuant to which 70,000,000 Boomerang Shares having a deemed price of \$0.015 per share will be issued to Shale Shareholders in consideration for the acquisition of the Shale Shares by the Issuer.
“Amalgamation”	means the merger of Subco and Shale pursuant to the laws of Ontario as provided for in the Amalgamation Agreement. Upon the merger of Subco and Shale, the separate corporate existence of Shale shall cease and Subco shall become the owner, without other transfer, of all the rights and property of the constituent companies and Subco shall become subject to all of the liabilities and obligations of the constituent companies.
“Associate”	means, when used to indicate a relationship with a person or company: <ul style="list-style-type: none"> (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer; (b) any partner of the person or company;

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity; or

(d) in the case of a person, a relative of that person, including:

(i) that person's spouse or child, or

(ii) any relative of the person or of his spouse who has the same residence as that person;

but,

(e) where the Exchange determines that two persons will, or will not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination will be determinative of their relationships in the application of Rule D (as defined in applicable TSX Venture Exchange policies) with respect to that Member firm, Member corporation or holding company.

- “Author”** means G. Michael Harper, P.E., the author of the Technical Report.
- “BCBCA”** means the British Columbia *Business Corporations Act*, as amended.
- “CEO”** means each individual who served as Chief Executive Officer of the Issuer or acted in a similar capacity during the most recently completed financial year.
- “CFO”** means each individual who served as Chief Financial Officer of the Issuer or acted in a similar capacity during the most recently completed financial year.
- “Closing”** means the closing of the Transaction.
- “Closing Date”** means the date on which the Transaction is to be completed, as agreed to by the Issuer, the Shale Shareholders and Shale.
- “Company”** unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

- “Control Person”** means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
- “Escrow Agent”** means Computershare Investor Services Inc.
- “Escrow Agreement”** means the National Policy Form 46-201F1 – Escrow Agreement – pursuant to which certain Resulting Issuer Shares, which are to be issued in connection with the Transaction, will be deposited with the Transfer Agent.
- “Escrow Securities”** means the Resulting Issuer Shares to be deposited into escrow in accordance with the terms of the Escrow Agreement.
- “Exchange”** means the Canadian Securities Exchange (CSE)
- “Exchange Policy”** means the rules, the policies, the Universal Market Integrity Rules, and any decision of the Exchange, as amended from time to time.
- “Final Exchange Bulletin”** means the Exchange bulletin to be issued following the completion of the Transaction and the submission of all required documentation, which evidences the final Exchange acceptance of the Transaction.
- “GAAP”** means Canadian generally accepted accounting principles.
- “IFRS”** means International Financial Reporting Standards.
- “Insider”** if used in relation to a company, means:
- (a) a director or senior officer of a company;
 - (b) a director or senior officer of a company that is an Insider or subsidiary of a company;
 - (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of a company; or
 - (d) a company itself if it holds any of its own securities.
- “Issuer”** means Boomerang Oil, Inc. (formerly 0922327 B.C. Ltd.)

- “Letter of Intent”** means the binding letter agreement dated January 22, 2014 entered into among the Issuer and Shale, which has been superseded and replaced by the Amalgamation Agreement.
- “Listing Date”** means the date the Resulting Issuer Shares begin trading on the Exchange after the completion of the Transaction.
- “Listing Statement”** means this listing statement dated March 31, 2014, together with all Schedules attached hereto.
- “NI 51-101”** means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.
- “Non-Arm’s Length Party”** in relation to a company, a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any of such Persons, and in relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.
- “OBCA”** means the Ontario *Business Corporations Act*, as amended.
- “Private Placement”** means a non-brokered private placement of up to 100,000 Boomerang Shares at a price of \$0.20 per Boomerang Share for gross proceeds of up to \$20,000.
- “Person”** means a company or individual.
- “Public Float”** means Resulting Issuer Shares held by Public Shareholders and not subject to Resale Restrictions.
- “Public Shareholders”** means a shareholder of the Resulting Issuer other than a Related Person, an employee of a Related Person of a CSE issuer or any person or group of persons acting jointly or in concert holding: (a) more than 5% of the issued and outstanding securities, or (b) securities convertible or exchangeable into the listed equity security and would, on conversion or exchange, hold more than 5% of the issued and outstanding securities.
- “R&D”** means research and development.
- “Related Person”** has the meaning set out in the Exchange Policy.
- “Resale Restrictions”** means restrictions on the ability to trade securities, including restrictions imposed under applicable Securities Laws such as hold periods and notice requirements, and any restrictions under applicable escrow or pooling agreements.

“Resulting Issuer”	means the Issuer following the issuance of the Final Exchange Bulletin.
“Resulting Issuer Options”	means incentive stock options granted under the Stock Option Plan to acquire Resulting Issuer Shares.
“Resulting Issuer Shares”	means common shares in the capital of the Resulting Issuer.
“SAR”	means a stock appreciation right which is a right, granted by a company or any of its subsidiaries, as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading prices of publicly traded securities.
“Shale”	means Shale Corp., a corporation incorporated under the laws of the Province of Ontario.
“Shale Shares”	means all of the issued and outstanding shares in the capital of Shale.
“Shale Shareholders”	means all of the shareholders of Shale
“Securities Laws”	means the <i>Securities Act</i> (British Columbia) or equivalent legislation in those provinces, states, and countries which have or assume jurisdiction over the affairs of the Issuer, Shale, the Resulting Issuer and any party to the Transaction, and the applicable rules, regulations, rulings, orders, instruments and forms made or promulgated under such laws, as well as the rules, regulations, by-laws and policies of the Exchange.
“SEDAR”	means the System for Electronic Document Analysis and Retrieval.
“Stock Option Plan”	means the incentive stock option plan of the Issuer or the Resulting Issuer, as applicable.
“Subco”	means 2301840 Ontario Inc., a corporation incorporated under the laws of Ontario, a wholly-owned subsidiary of the Issuer.
“Target”	means Shale for the purposes of this Listing Statement.
Technical Report	means the NI 51-101 compliant technical report dated February 12, 2014 as prepared by the Author and titled “Estimate of Future Reserves and Revenues for British Columbia Securities Commission” in respect of the assets located in Ward County, Texas (as defined herein), a copy of which is available on SEDAR at www.sedar.com .

- “Transaction”** Means the Amalgamation, the Private Placement and ancillary transactions to be completed by the Issuer prior to listing of the Resulting Issuer’s Shares on the Exchange.
- “Transfer Agent”** means the Issuer’s transfer agent and registrar, Computershare Investor Services Inc.
- “US\$”** means United States dollars.

Forward-Looking Statements

The information provided in this listing statement (the "Listing Statement"), including information incorporated by reference, may contain "forward-looking statements" about the Issuer, Shale, and the Resulting Issuer. In addition, the Issuer or the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer or the Resulting Issuer that are not statements of historical fact and may also constitute forward looking statements. All statements, other than statements of historical fact, made by the Issuer or the Resulting Issuer that address activities, events or developments that the Issuer or the Resulting Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and/or the Resulting Issuer and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to, among other things: results of exploration and development activities; industry conditions, including fluctuations in the price of metals; the impact of governmental regulation of the mining industry, including environmental regulation; fluctuations in foreign exchange or interest rates; stock market volatility; the need to obtain required approvals from regulatory authorities; legislative, political, social, regulatory and economic developments or changes in jurisdictions in which the Target carries on business; the impact of competition; difficulties encountered during the exploration for, and extraction and production of, minerals; variations in extraction and production, and problems inherent to the marketability of minerals; the uncertainty inherent in attracting capital; uninsured risks; regulatory changes; defects in title; availability of materials and equipment; the need to obtain and maintain licenses and permits; timeliness of government approvals; actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated

environmental impacts on operations, the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and other risks described in this Listing Statement and described from time to time in documents filed by the Issuer and the Resulting Issuer with Canadian securities regulatory authorities. Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer or the Resulting Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer or the Resulting Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer, the Resulting Issuer and/or persons acting on their behalf may issue. The Issuer and the Resulting Issuer undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. Actual results may differ materially from those expressed or implied by such forward-looking statements or forward-looking information.

The foregoing information is not exhaustive of the factors that may affect the Resulting Issuer's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Resulting Issuer's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Statements concerning mineral resource estimates may also constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this Listing Statement and in the documents incorporated by reference in this Listing Statement, assumptions have been made regarding, among other things:

- the timely receipt of required regulatory approvals;
- the ability to obtain financing on acceptable terms;
- the current and future price of oil and gas;
- conditions in general economic and financial markets;
- availability of equipment related to exploration and development;
- availability of skilled labour;
- timing and amount of capital expenditures;

- royalty rates;
- effects of regulation by governmental agencies; and
- future operating costs.

Market And Industry Data

This Listing Statement includes market and industry data that have been obtained from third party sources, including industry publications. Shale believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither the Issuer or Shale have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Currency

All dollar (\$) amounts stated in this Listing Statement refer to Canadian dollars (\$) unless United States dollars (USD) are indicated.

2. CORPORATE STRUCTURE

2.1. Corporate Name and Head and Registered Office

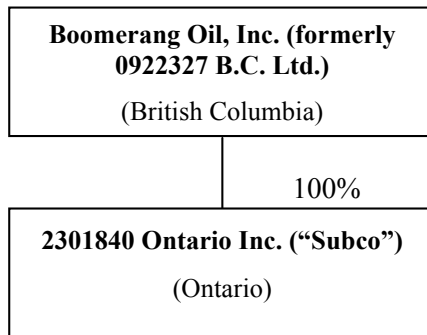
- Issuer: 0922327 B.C. Ltd. (the “Issuer”) is a reporting issuer organized under the laws of British Columbia, Canada with a principal place of business located at 2922 Mt. Seymour Pky, North Vancouver, BC, V7H 1E9.
- Shale: Shale Corp. (“Shale”) is a private corporation organized under the laws of Ontario, Canada with a principal place of business located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1.
- Subco: 2301840 Ontario Inc. (“Subco”) is a private corporation organized under the laws of Ontario, Canada with a principal place of business located at 130 Adelaide Street West, Suite 1010 in Toronto, Ontario.
- Amalco: 1913564 Ontario Inc. (“Amalco”) is a private corporation organized under the laws of Ontario, Canada with a principal place of business located at 2828-401 Bay Street, Toronto, Ontario M5H 2Y4.

2.2. Jurisdiction of Incorporation

- The Issuer was incorporated under the BCBCA on October 7, 2011
- Shale was incorporated under the Business Corporations Act (Ontario) on January 20, 2014
- Subco was incorporated under the laws of the Business Corporations Act (Ontario) on October 11, 2011
- Amalco was formed pursuant to Articles of Amalgamation filed under the laws of the Business Corporations Act (Ontario) on March 26, 2014 and continues under said Act.

2.3. Intercorporate Relationships

The Issuer’s corporate structure including all active subsidiaries and their respective jurisdictions of incorporation is as follows:



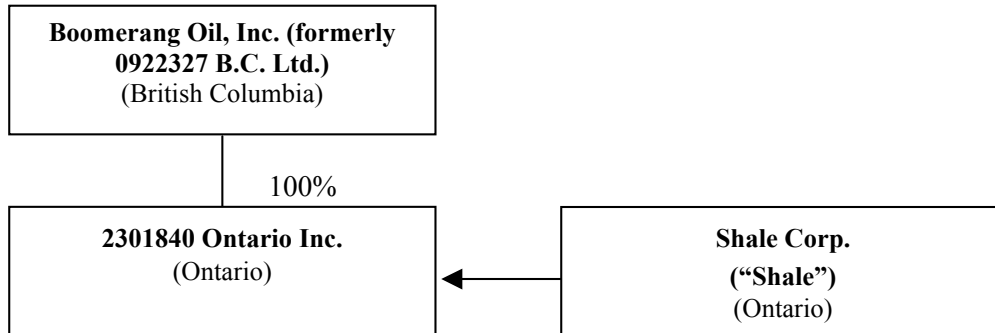
On January 22, 2014, the Issuer subscribed for 1 common share of Subco, making Subco a wholly-owned subsidiary of the Issuer. The Issuer effected this transfer so as to own a corporation under the same jurisdiction as Shale in order to facilitate the amalgamation as contemplated by the amalgamation agreement signed by the parties on March 26, 2014 (the “Amalgamation Agreement”).

Shale currently has no subsidiaries.

2.4. Fundamental Change

Pursuant to Amalgamation Agreement dated March 26, 2014, between the Issuer, Subco, and Shale, the parties agreed to complete a three-cornered amalgamation (the “Business Combination”). Pursuant to the Amalgamation Agreement, the Issuer acquired Shale through the amalgamation of Subco and Shale. Subco and Shale amalgamated to form a new corporation (“Amalco”), which is a wholly-owned subsidiary of the Issuer. The diagram below illustrates the Business Combination.

Upon completion of the Transaction and immediately before listing on the Exchange, the Resulting Issuer will have one direct wholly-owned subsidiary, Amalco. Following the completion of the Transaction, the corporate structure of the Resulting Issuer will be as follows:



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1. General Development of the Issuer's Business

The Issuer was incorporated under the BCBCA on October 7, 2011, as a wholly owned subsidiary of a reporting issuer, Silican Processing Corp. (“Silican”).

On April 12, 2012, the Issuer acquired Silican’s interest in an agreement to purchase of all of the issued and outstanding capital stock of Crystal Peaks Abrasives Ltd. (the “Crystal Letter of Intent”) and \$2,500 from Silican as part of a plan of arrangement (the “Arrangement”) pursuant to Division 5 of Part 9 of the BCBCA. On completion of the Arrangement, the Issuer became a reporting issuer in British Columbia and Alberta.

On June 22, 2012, the Issuer entered into a letter of intent with Railhead Resources Ltd. for the purchase of all of the issued and outstanding capital stock of Railhead (the “Railhead Letter of Intent”).

On March 25, 2014 the Issuer entered into an arrangement agreement dated March 21, 2014 which includes a statutory plan of arrangement with 0996445 B.C. Ltd. (“Subco-RI”) and 0995162 B.C. Ltd. (“Buyco”). Subco-RI was incorporated in British Columbia on March 13, 2014 as a wholly-owned subsidiary of the Issuer for the sole purpose of effecting the plan of arrangement. Pursuant to the plan of arrangement, the Issuer shall issue 4 of its common shares to Subco-RI and receive in exchange 4,000 common shares of Subco-RI, and then the Issuer shall cancel the 4 shares it issued to Subco-RI. This plan of arrangement has no material effect on the business of the Issuer.

The Issuer has not commenced any commercial operations other than acquiring the Crystal Letter of Intent and the Railhead Letter of Intent. Accordingly, until the completion of the Transaction, the Issuer will not have a business, business operations or any material assets other than cash and cash equivalents

and currently has no written or oral agreements in principle for the acquisition of an asset or business other than the Shale Letter of Intent (as set out below).

3.2. The Transaction

On January 22, 2014, the Issuer entered into a binding letter of intent with Shale to acquire all of the issued and outstanding capital stock of Shale by way of a three-cornered amalgamation (the “Amalgamation”). At the time of the letter of intent, Shale owned several Texas-based oil and gas assets and a corresponding NI 51-101 report setting out the assets’ reserves estimate.

On March 25, 2014, the Issuer, Shale, and Subco entered into an acquisition and amalgamation agreement (the “Amalgamation Agreement”) which superseded the letter of intent in its entirety and provide for the binding terms of the Amalgamation. Pursuant to the Amalgamation Agreement, the Amalgamation was to be effected by merging Shale with Subco, a wholly owned subsidiary incorporated solely for the purpose of completing the Amalgamation.

On March 26, 2014, the Issuer and Shale filed Articles of Amalgamation in Ontario effectively amalgamating Shale and Subco to form the newly amalgamated entity 1913564 Ontario Inc. (“Amalco”). The result of the Amalgamation is that Subco become the owner of the Shale oil and gas assets through its wholly owned subsidiary Amalco. Upon closing, Shale shareholders were issued 70,000,000 common shares in the capital of the Issuer on a 1:1 basis; whereby, one share of the Issuer was exchanged for one share of Shale held by the Shale shareholders. The purchase price shall be paid on the Closing Date by the issuance of approximately 70,000,000 common shares of the capital stock of the Issuer at a deemed price of \$0.015 per common share to the Shale Shareholders.

3.3. Financing

The Issuer will also complete a financing at the Closing of the Transaction to raise up to \$20,000. The Non-Brokered Private Placement will raise gross proceeds of up to \$20,000 through the issuance of up to 100,000 Shares at a price of \$0.20 per Share.

3.4. Conditions to Closing the Transaction and Required Approvals

The Transaction is subject to a number of approvals, which must be obtained, and conditions, which must be met, prior to its implementation, including, but not limited to the following:

- (a) the acceptance of the Transaction for filing by the CSE;
- (b) the receipt of all necessary corporate, regulatory and third party approvals including the approval of the CSE, as applicable, and compliance with all applicable regulatory requirements and conditions in connection with the Transaction; and

- (c) conditional approval for the listing of the Resulting Issuer's Shares on the CSE.

3.5. General Development of Shale's Business

Shale is an Ontario private corporation in the business of exploration, acquisition, and development of oil and gas properties in the United States.

On January 21, 2014, Shale entered into an asset purchase agreement with Mondial Ventures Inc. ("MNVN"), a public company listed on the OTCQB, for the acquisition and full assignment of certain oil and gas assets (the "Asset Purchase Agreement"). Pursuant to the Asset Purchase Agreement, Shale acquired oil and gas interests for the J.B. Tubb Leasehold Estates in Ward County, Texas (the "Tubb Leases") including the assignment of the existing operating agreement with Success Oil Co., Inc., the owner of the leasehold interest in the Tubb Leases, among other material contracts. As consideration for the transaction Shale agreed to authorize and issue to Mondial Ventures, Inc., 47,000,000 shares of common stock for all of the Mondial assets, and assumption of \$438,880 in related debt. Shares granted were valued based upon the cost of the assets acquired.

The Tubb Leases are divided into the north 40-acre tract ("North 40") and the South 40-acre tract ("South 40").

3.5.1. *J.B. Tubb (North 40)*

Shale has a 50% Working Interest and 37.5% corresponding Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field which includes the oil and gas interests, (including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves) for all depths below the surface to 8,500 ft. The field is located in the Permian Basin and the Crawar Field in Ward County, Texas (12 miles west of Monahans & 30 miles west of Odessa in West Texas). Two wells on the North 40 property are currently in production.

3.5.2. *J.B. Tubb (South 40)*

Shale has a 50% Working Interest and 37.5% corresponding Net Revenue Interest in the Highland Production Company (Crawar) #2 well-bore; with depth of ownership from 3,700 ft. to 3,900 ft. and from 4,700 ft. to 4,900 ft. in the well-bore.

3.5.3. *Other Assets*

Additionally, pursuant to the Asset Purchase Agreement, Shale has acquired the full assignment and transfer of MNVN's interests in:

- (1) Participation Agreement with Success Oil Co., Inc. for turnkey drilling, re-entry, and multiple wells, with all extensions and amendments located therein; and
- (2) Definitive Short Form Agreement with Energy Producers, Inc., a wholly owned subsidiary of EGPI Fire Creek, Inc. and CUBO Energy, PLC for the evaluation and potential acquisition for up to 100% oil and gas working interests in Callahan, Stephens, and Shakelford Counties, Texas.

Under the terms of the Participation agreement, Shale shall acquire the option to provide \$1.6 million on a best efforts basis for Capital Expenditures (CAPEX) development fund for drilling an Ellenburger Well on the South 40 acreage to 8,300' foot depth on a turnkey basis with Success Oil as the Operator and Co-Owner, through completion of the well to the tanks. Accordingly, Shale will receive 75% Working Interests and a corresponding 56.5% Net Revenue Interests until payout, and thereafter upon payout will receive 50% Working Interest and a corresponding 37.5 Net Revenue Interest.

Additionally, under the terms of the Definitive Short Form Agreement, Shale shall acquire 50% working interests and corresponding 32% net revenue interest in oil and gas leases representing an aggregate total of 240 acre leases, reserves, three wells, and equipment located in Callahan, Stephens, and Shakelford Counties, West Central Texas.

3.6. Significant Acquisitions and Dispositions

On January 21, 2014, Shale acquired substantially all of the oil and gas interests of MNVN in connection with the Asset Purchase Agreement. As consideration for the acquisition of the MNVN assets set out above, Shale agreed to pay MNVN US\$1,282,430 (the "Purchase Price"). In full payment of the Purchase Price, Shale issued 47,000,000 fully paid and non-assessable common shares, cash in the sum of US\$45,000, and the assumption of certain liabilities of MNVN amounting to US\$400,000.

This acquisition materially affected the financial position of Shale, as more particularly set out in the audited financial statements set out in Section 5.2. As a result, the shareholders of Shale following the completion of these transactions are set out below in the following table:

Event	Number of Shale Shares	Percentage	Total Equity
Issued on formation of Shale	21,000,000	30.00%	\$ 2,100
Issued from private placement	2,000,000	2.86%	\$ 100,000

Issued on acquisition of assets	47,000,000	67.14%	\$ 971,102
	70,000,000	100%	\$1,073,202

3.7. Trends, Commitments, Events or Uncertainties

Other than disclosed herein, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Resulting Issuer's business, financial condition or results of operations. However, there are significant risks associated with the business of the Resulting Issuer, as described in "Part 17 – Risk Factors".

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1. Narrative Description of Issuer's Business

Shale is currently engaged in oil and gas exploration, development, production, and acquisitions in the United States, specifically in the State of Texas. The company's principal product is oil and gas. There is a global market into which any oil and gas produced could be sold and, as a result, Shale will not be dependent on a particular purchaser with regard to the sale of any oil and gas produced.

After completion of the Transaction, the Resulting Issuer will have substantially the same business that Shale had before the Completion of the Transaction. Following such date, the Resulting Issuer intends to pursue the milestones and stated business objectives set out below. The Resulting Issuer anticipates it will generate sufficient cash flow from its financing activities to pay ongoing operating costs and intends to spend the total available funds as set out herein under the heading "Principal Use of Funds".

4.2. Technical Report

Shale commissioned G. Michael Harper, P.E., a licensed member of the Texas Board of Professional Engineers and the Louisiana Professional Engineering and Land Surveying Board to complete the Technical Report on the Ward County assets. The Technical Report, a report compliant with NI 51-101, is dated February 13, 2014 and has been filed on SEDAR at www.sedar.com in conjunction with this Listing Statement. The following information concerning the Ward County assets, formerly owned by MNVN, is derived from the Technical Report. The scientific and technical information contained in this Listing Statement relating to the oil and gas properties is supported by the Technical Report, which is subject to certain assumptions, qualifications, and procedures described therein. Reference should be made to the full text of the Technical Report on SEDAR. The Issuer incorporates by reference in this Listing Application the disclosure contained in the Technical Report.

4.3. Property Description and Location

The Properties consist of 80 acres located in the northwest quarter of Section 18, Block B-20, Public School Land Survey, Ward County, Texas. The unit consists of two adjacent 40-acre tracts. The northern 40-acre tract (the “North 40”) contains consists of three (3) existing wells (one economic and two stripper wells). The southern 40-acre tract (the “South 40”) contains one (1) producing oil well: the #2 Amoco Craward, which is completed in the Crawar (San Andres) Field.

<u>Well No.</u>	<u>API No.</u>
Tubb Well #18-1	API 42-475-34136-0000
Crawar Well No.#1	API 42-475-33523
Crawar Well No.#2	API 42-475-33611 (with new Glorieta perforation)

Shale holds a working interest of 50.0% and a net revenue interest of 37.5% for the North 40 property including Crawar Well No. #2 (located on edge of South 40). Shale’s interest in the properties include all leases, existing wells, and equipment on site. According to the Technical Report for the period then ended December 31, 2012— based on the pre-acquisition 37.5% working interest and 28.125% and net revenue interest— the proved reserves result as follows:

<i>Reserve Category</i>	Onshore United States					
	Light & Medium Oil		Natural Gas		Natural Gas Liquids	
	MONDIAL Gross (Mbbbl) Net (Mbbbl)		MONDIAL Gross (MMcf) Net (MMcf)		MONDIAL Gross (Mbbbl) Net (Mbbbl)	
Proved						
Developed Producing	7.34	5.51	31.08	23.31	0	0
Developed Non-Producing	3.74	2.81	11.04	8.28	0	0
Undeveloped	144.64	108.48	969.20	726.90	0	0
Total Proved	155.72	116.80	1011.32	758.49	0	0
Probable	0	0	0	0	0	0
Total Proved Plus Probable	155.72	116.80	1011.32	758.49	0	0

Note: May not add due to rounding

Summary of Company's Oil and Gas Reserves <i>As of December 31, 2012</i> Forecast Prices & Costs		
Onshore United States <i>Reserve Category</i>	Reserves	
	Total	
	MONDIAL Gross (Mboe)	Net RI (Mboe)
Proved		
Developed Producing	12.52	9.39
Developed Non-Producing	5.58	4.18
Undeveloped	306.17	229.62
Total Proved	324.27	243.19
Probable	0	0
Total Proved Plus Probable	324.27	243.19

Note: May not add due to rounding
Boe basis: 6 Mcf to 1 boe

Net Present Value of Company's Future Net Revenue <i>As of December 31, 2012</i> Forecast Prices & Costs										
<i>Reserve Category</i>	Net Present Value of Future Net Revenue (M\$)									
	Before Income Taxes					After Income Taxes				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Onshore United States										
Proved										
Developed Producing	166.47	146.90	131.42	118.95	108.74	166.47	146.90	131.42	118.95	108.74
Developed Non-Producing	36.19	30.91	26.61	23.07	20.13	36.19	30.91	26.61	23.07	20.13
Undeveloped	8249.06	5067.65	3401.53	2443.90	1848.10	8294.06	5067.65	3401.53	2443.90	1848.10
Total Proved	8451.72	5245.46	3559.56	2585.92	1976.97	8496.72	5245.46	3559.56	2585.92	1976.97
Probable	0	0	0	0	0	0	0	0	0	0
Total Proved Plus Probable	8451.72	5245.46	3559.56	2585.92	1976.97	8496.72	5245.46	3559.56	2585.92	1976.97

Note: May not add due to rounding

Note that, the above table does not reflect Shale's increased working interest from 37.5% to 50% and net revenue interest increase from 28.125% to 37.5% resulting from Shale's additional acquisitions subsequent to the initial report date.

The acquired leases and the property to which they relate are identified below:

North 40 acres: J.B. TUBB “18-1”, being the W1/2 of the NW1/4 of Section 18, Block B-20, Public School Lands, Ward County, Texas, containing forty (North 40) acres only.

South 40 acres (well bore): The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

4.4. South 40- Work Program and Initial Development

Crawar Field located on the South 40 acre portion of the Tubb Leases consists of multi-pay horizon prospects. At minimum, there is one work program available to perform a fracking procedure to open up and penetrate further the Devonian rock on Crawar #2 well located in the existing 3,900 foot depth Glorieta formation. Additionally there are three drilling target locations available with virgin proved undeveloped reserves (PUD) all situated in the South 40. Shale has entered into a Participation Agreement that grants Shale the option to drill certain wells or a series of the available prospect wells/ PUD locations on the South 40:

<u>Target Formation</u>	<u>Depth</u>	<u>Proved Reserve Available</u>	
Ellenburger	8,300'	Oil	Gas
Waddell	7,800'	Oil	Gas
Wolfcamp	6,300'	Oil	Gas

For the Ellenburger prospect well, Shale holds the option pursuant to the Participation Agreement to earn a 75% working interest and corresponding 56.5% net revenue interest until payout, and thereafter upon payout will receive a resultant working interest of 50.0% and a net revenue interest of 37.5%.

For the Waddell and Wolfcamp prospects, the interest participation granted by the Participation Agreement shall be a 50% working interest and corresponding 37.5% net revenue interest should Shale elect to participate.

There are additional formations that are currently available to Shale, of which three have been contemplated for oil & gas drilling considerations in the South 40. Those available formations include: Glorietta, Upper Clearfork, Tubbs, Lower Clearfork, Wichita Albany, Wolfcamp, Detrital Zone, Devonian, Lower Permian, Waddell, and Ellenburger formations with two potential locations for Ellenburger on the South 40 and one on the North 40.

Shale’s proposed development plans first are primarily to develop the South 40 portion of the acquired oil and gas interests beginning with an Ellenburger location at the target depth of 8,300’. Shale has estimated a capital expenditure of \$1.6 million dollars for the drilling of the proposed Ellenburger well. Public

records reveal an average production rate of greater than 240 barrels of oil per day (gross revenue interests) for certain Ellenburger wells on properties adjacent to the South 40 acreage that are currently owned by Chevron, BP and McCulloch Oil Corp. of California.

The Ellenberger development may be followed by potential Waddell and Wolfcamp horizons and undertaken prior to the additional available development on the North 40 property based on Shale's geological and strategic preference. The proposed drilling program for the development of the Waddell and Wolfcamp wells have an estimated capital expenditure of \$2.4 million to \$2.7 million.

4.5. North 40- Proposed Additional Development

Shale has determined that there are three remaining viable PUD prospects located on the North 40 interests to be pursued for development in the Devonian, Waddell and additional Ellenburger locations away from existing wells at depths of 7,100', 7,800' and 8,350' respectively.

The Boyette Property is a 240 acre property located in Callahan, Stephens, and Shakelford Counties, West Central Texas. There are three previously produced shallow wells on the property. This property is part of a staged acquisition, drilling and development program. If sufficient funding is generated, Shale plans to obtain a seismic 3-D study in the second quarter of 2014. The Company has the rights to earn a 50% working interest on this property with minimum 32% net revenue of all the oil and gas reserves, three wells, and equipment.

4.6. Operator- North 40 & South 40 Interests

Shale's primary operating partner is Success Oil Co., Inc. ("Success Oil") headed by Jeru L. Morgan. Success Oil is an oil & gas operating company registered with the Rail Road Commission in the State of Texas. Success Oil has operated 121 wells in Luling, TX, located in Caldwell County. In addition, Success Oil is also a drilling contractor and can provide drilling on a turnkey basis to Shale.

Success Oil Co. business model is to acquire leases that have "Proven Undeveloped Reserves" in the State of Texas. By using proven track records in various leases, they are able to acquire new leases & reserves, while minimizing the stakeholders' risks.

Mr. Morgan is intimately familiar with the geology and drilling idiosyncrasies of Shale's target area and has numerous working relationships with area drillers, pumpers, geologists, among other such oil and gas contractors. As a partner, Success Oil is critical to Shale in providing projects, strategic relationships, availability of critical equipment, and reliable labor.

4.7. History

The Crawar Field is located along the Ward and Crane County line, approximately 12 miles southeast of Monahans, and is situated on the Central Basin Platform. British-American Oil Company drilled and completed the discovery well in 1954 producing 380 bopd from 24 ft of Ellenburger perforations.

Subsequent delineation drilling revealed the field to be a large northwest-southeast trending faulted anticline capable of oil and gas production from multiple vertically stacked pay zones including the Ellenburger, Waddell, Fusselman and Devonian formations. The Permo-Penn age unconformity enabled the erosional removal of the crest of the anticline, which was subsequently subject to the deposition of overlying Permian reservoirs. These overlying reservoirs including the Wolfcamp, Tubb, Glorieta and San Andrews are productive across the structure due to drape above the paleo-high.

British-American Oil Company, Sinclair Oil Company, and Stanolind Oil Company were the initial operators to develop the field. Wells were drilled on 40-acre spacing completed in the Ellenburger and then recompleted in overlying reservoirs as the initial completion depleted or became overwhelmed with formation water production.

4.8. Regional Geology

San Andres: The San Andres reservoir consists of porous and permeable dolomitized carbonates and limestones deposited on open to restricted platforms and platform margins associated with sea-level fluctuations. Reservoir quality is enhanced by selective dolomitization, dissolution, fracturing and leaching. Individual reservoir thickness may range up to hundreds of feet; overall porosities average 7 to 12 percent in the formation and permeabilities average 1 to 18 millidarcies. Salinities are very high in the San Andres with total dissolved solids in excess of 200,000 ppm where salt beds are present.

Glorieta: The Glorieta reservoir is primarily an anhydritic dolomite deposited on a shallow water carbonate platform dominated by supratidal and subtidal environments. The reservoir exhibits porosity ranges from 1 to 23 percent and permeability ranges from less than 1 to greater than 140 millidarcies. Tidal flat and grain-dominated subtidal rocks have the highest porosity, and grain-dominated subtidal rocks have the highest permeability. Porosity development is directly related to diagenetic alteration of reservoir rock at or near the parasequence or sequence boundaries.

Tubb: Silty mudstone/wackestone rocks characterize the Tubb reservoir, with silt content commonly accounting for only 10 percent to less than 20 percent of the rock. Production occurs from sandy dolomite members developed within the 600 ft thick Tubb formation.

Devonian: The Devonian formation consists of skeletal carbonates, primarily packstones and grainstones, and bedded, spiculitic chert. Production occurs primarily from the microporous chert facies.

Fusselman: The Silurian age Fusselman formation was deposited on a broad, thick carbonate shelf. Thickness is generally less than 150 ft, and porosities average less than 10 percent and permeabilities less than 55 millidarcies.

Waddell: The Waddell formation is a member of the Ordovician Simpson Group, and consists of quartz-rich sandstones, interbedded with non-reservoir shale and clay-rich carbonates. The formation ranges

from 20 to 70 ft thick, and the sandstones generally clean but porosity restriction developed from carbonate cements and pore-lining clays.

Ellenburger: The Lower Ordovician Ellenburger carbonates consist primarily of dolomite that has been subjected to aerial exposure and erosion, creating extensive karsting and brecciation. The formation is productive where structural traps have formed along faulted anticlines. Matrix porosity is generally low, less than 5 percent, and permeabilities are fair, generally less than a few hundred millidarcies.

4.9. Stated Business Objectives

The Resulting Issuer has a small cash balance and other current assets to continue to operate during the current year. At minimum, the Resulting Issuer will undertake the following over the next twelve (12) months related to the exploration and exploitation of petroleum from the Tubb Leases:

- Well workover
- Acid frac
- Monthly well Maintenance

Management of the Resulting Issuer believes that its current working capital will be sufficient to meet its anticipated exploration needs on its Property and administrative costs for the next twelve (12) months. Thereafter, the Resulting Issuer may require additional funds to support its working capital requirements or for other purposes and may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Resulting Issuer, or at all.

4.6.1. *Milestones*

For the business objectives described above to be accomplished, the following principal milestones must occur (as recommended in the Technical Report):

Milestones	Target Date	Cost
Well Workover	April 2014	29,141
Acid Frac	May 2014	61,999
Monthly Maintenance	June 2014 to February 2015	45,000
TOTAL		136,140

Other than as described in this Listing Statement, there are no other particular significant events or milestones that must occur for the Resulting Issuer's business objectives to be accomplished. However,

there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

4.10. Principal Use of Funds for the 12 months following the Listing Date

It is the Resulting Issuer’s intention to use its available funds for a period of twelve months after the Completion of the Transaction as follows:

<i>Use of Available Funds</i>	<i>Amount, Assuming Completion of Non-Brokered Private Placement</i>
General and administrative costs	14,800
Audit, legal and other professional fees	72,000
Filing fees and transfer agent fees	12,200
Costs for implementing the business objectives in the 12 months following the Closing Date	136,140
Unallocated working capital	-
Total	245,140

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1. Consolidated Financial Information – Annual Information for Issuer

The information below should be read in conjunction with the management’s discussion and analysis, the audited consolidated financial statements and related notes and other financial information, all of which are available on www.sedar.com. Schedule “A” contains the financial statements for the Issuer for the period from inception on October 7, 2011 to September 30, 2013 and the three months ended December 31, 2014 (year-end) [Note: that these financial statements have been subsequently audited and filed on SEDAR as the audited financial statements for the period ended September 30, 2014].

AMENDED AND RESTATED

The information below should be read in conjunction with the management’s discussion and analysis, the audited consolidated financial statements and related notes and other financial information, all of which are available on the Internet at www.sedar.com. The Issuer has not had any material sales or revenues and has not declared any dividends:

	Three Months Ended December 31, 2013 (Unaudited)	Inception on October 7, 2011 to September 30, 2013 (Audited)
Total Revenues	Nil	Nil
Net Income (loss) for the year:		
Total	(497)	(17,829)
Per share basis	(0.0005)	(0.017)
Diluted – per share basis	(0.0005)	(0.017)
Total Assets	\$789	\$1,298
Total long term financial liabilities	Nil	Nil

There are no restrictions on the Issuer’s ability to pay dividends on the Common Shares other than the Issuer’s financial position. The Issuer has neither declared nor paid any dividends on its Common Shares. The Issuer intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. The payment of dividends in the future will depend on the earnings and financial condition of the Issuer and such other factors as the board of directors of the Issuer may consider appropriate.

The Issuer prepares its financial statements in accordance with Canadian generally accepted accounting principles.

5.2. Audited Annual Financial Statements – Shale

The information below should be read in conjunction with Schedule “B” attached hereto containing the audited financial statements for Shale from inception on January 20, 2014 to March 25, 2014 (the date of amalgamation with Subco to form Amalco).

5.2.1. *Statement of Operations and Net Loss*

	Period Ended March 25, 2014 (Audited)
Revenues	
Revenue	\$ 32,541
Expenses	
Lease costs	30,137
Professional and consulting fees	27,590
Interest and late fees	34,743
Foreign Exchange	7,580
Depreciation	1,206
	101,256
Net Loss	\$ (68,715)
Net loss per share (basic and diluted)	\$ (0.00)
Weighted average number of shares	70,000,000

5.2.2. *Balance Sheet – Shale*

	Period Ended March 25, 2014 (Audited)
ASSETS	
Current assets	\$ 69,188
Restricted cash	13,799
Due from related parties	82,987
Total Current Assets	
Other Assets	
Oil and gas lease, net of depletion	1,371,167
Well equipment, net of depletion	32,572
Total Other Assets	1,403,739
Total Assets	\$ 1,486,726
LIABILITIES	
Long term liabilities	
Accounts payable	\$ 1,036

AMENDED AND RESTATED

Notes payable	481,203
SHAREHOLDERS' EQUITY	
Capital Stock	7,000
Paid up capital	1,066,202
Retained earnings	(68,715)
Total Shareholders' Equity	1,004,487
Total Liabilities and Shareholders' Equity	\$ 1,486,726

5.3. Audited Annual Financial Statements – Subco

Subco (2301840 Ontario Inc.) is a private corporation organized under the laws of Ontario. The Company has no operations and no transactions other than the issuance of 1 common share for \$1 to the Issuer on January 22, 2014. The company was created with the intention of being amalgamated with Shale Corp. pursuant to the Amalgamation Agreement. Subco's audited financial statements for the period from inception to March 25, 2014 (immediately prior to amalgamation) are attached hereto as Schedule "C".

5.4. Pro Forma Financial Statements – Resulting Issuer

Upon completion of the Transaction and closing of the Private Placement the Resulting Issuer shall have the following balance sheet:

	March 31, 2014	September 30, 2013
	\$	\$
Assets		
Current		
Cash & cash equivalents	90,827	673
Trade receivables	5,559	
HST receivable	625	625
Total current assets	97,011	
Non-current assets		
Oil and gas leases	1,373,304	
Well equipment ,net of depreciation	32,572	
Total non-current assets	1,405,876	
Total Assets	1,502,887	1,298

AMENDED AND RESTATED

Liabilities and Shareholders' Deficiency		
Current Liabilities		
Accounts payable	6,943	13,127
Accrued liabilities	4,000	3,500
Notes payable	438,880	
Total Current Liabilities	449,823	16,627
Shareholders' Deficiency:		
Capital stock (Note 5)	348,000	2,500
Additional paid in capital	747,702	
Deficit	(42,638)	(17,829)
	1,053,064	(15,329)
Total Liabilities and Shareholders' Deficiency	1,502,887	1,298

[Note: these statements should be read in conjunction with the Issuer's interim financial statements for the period ending March 31, 2014, and the accompanying notes filed on SEDAR]

AMENDED AND RESTATED

Additionally, the Resulting Issuer anticipates the following forwardly projected cash flow for the twelve (12) months following the Transaction:

Dated Month	3/1/2013	Mar-14	Apr-15	May-14	Jun-14	Jul-14	Aug-14	
Revenues								
Crude Price		88.27	88.27	88.27	88.27	88.27	88.27	
Gas Price/MCF		3.76	3.76	3.76	3.76	3.76	3.76	
Ownership/Production								
#1 South 40 GLORIETA-FRAC	28.13%							
Crude Production		68	68	338	470	550	450	
Gas Production		2,582	2,582	3,253	4,099	3,919	3,746	
Crude Revenues		5,958	5,958	29,791	41,487	48,549	39,722	
Gas Revenues		9,708	9,708	12,232	15,412	14,734	14,086	
Revenue Total		15,666	15,666	42,023	56,899	63,283	53,807	
COGS								
#1 South 40 GLORIETA								
Operating		(630)	(690)	(690)	(690)	(690)	(690)	
Pumping		(500)	(500)	(500)	(500)	(500)	(500)	
Electricity		(900)	(900)	(900)	(900)	(900)	(900)	
Chem Treatment		(175)	(175)	(175)	(175)	(175)	(175)	
COGS Total		(2,265)	(2,265)	(2,265)	(2,265)	(2,265)	(2,265)	
Net Revenues		13,401	13,401	39,758	54,634	61,018	51,542	
tax		-1096.62525	-1096.62525	-2941.61112	-3982.935786	-4429.81	-3766.5074	
G&A		18800	8200	8200	8200	8200	8200	
Gross Profit (Loss)		(6,496)	4,104	29,806	43,641	49,578	40,766	
Extraordinary Items								
Beginning Cash	\$	100 \$	110,000	75,862	57,468	14,775	42,916	76,995
Revenues			15,666	15,666	42,023	56,899	63,283	53,807
O-G Taxes			(1,097)	(1,097)	(2,942)	(3,983)	(4,430)	(3,767)
COGS			(2,265)	(2,265)	(1,075)	(1,075)	(1,075)	(1,075)
Net Revenues			12,304	12,304	38,006	51,841	57,778	48,966
Expenses - G&A								
Professional services agreements			4,000	4,000	4,000	4,000	4,000	4,000
Legal			500	500	500	500	500	500
Accounting and Audit			1,500	1,500	1,500	1,500	1,500	1,500
filing fees			10,000	200	200	200	200	200
office rent /phone			1,500	1,500	1,500	1,500	1,500	1,500
website			1,000	200	200	200	200	200
misc			300	300	300	300	300	300
Total G&A			18,800	8,200	8,200	8,200	8,200	8,200
Extraordinary Expenses -Equipment - Workprograms			(17,142)	(11,999)	(61,999)	(5,000)	(5,000)	(5,000)
Debt Expenses -liability payments			(10,500)	(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
Interest Income			-	-	-	-	-	-
Ending Cash (Cash Need)			75,862	57,468	14,775	42,916	76,995	102,260

AMENDED AND RESTATED

Dated Month	3/1/2013	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Revenues							
Crude Price		88.27	88.27	88.27	88.27	88.27	88.27
Gas Price/MCF		3.76	3.76	3.76	3.76	3.76	3.76
Ownership/Production							
#1 South 40 GLORIETA-FRAC	28.13%						
Crude Production		475	400	400	432	410	405
Gas Production		3,581	3,424	3,273	3,129	2,991	2,860
Crude Revenues		41,928	35,308	35,308	38,133	36,191	35,749
Gas Revenues		13,466	12,873	12,307	11,766	11,248	10,753
Revenue Total		55,394	48,181	47,615	49,898	47,439	46,502
COGS							
#1 South 40 GLORIETA							
Operating		(690)	(690)	(690)	(690)	(690)	(690)
Pumping		(500)	(500)	(500)	(500)	(500)	(500)
Electricity		(900)	(900)	(900)	(900)	(900)	(900)
Chem Treatment		(175)	(175)	(175)	(175)	(175)	(175)
COGS Total		(2,265)	(2,265)	(2,265)	(2,265)	(2,265)	(2,265)
Net Revenues		53,129	45,916	45,350	47,633	45,174	44,237
tax		-3877.595794	-3372.703089	-3333.052794	-3492.871911	-3320.73	-3255.14
G&A		8200	8200	8200	8200	8200	8200
Gross Profit (Loss)		42,242	35,534	35,007	37,130	33,293	31,172
Extraordinary Items							
Beginning Cash	\$ 100	-	26,742	46,775	66,282	87,913	105,706
Revenues		55,394	48,181	47,615	49,898	47,439	46,502
O-G Taxes		(3,878)	(3,373)	(3,333)	(3,493)	(3,321)	(3,255)
COGS		(1,075)	(1,075)	(1,075)	(1,075)	(2,625)	(3,875)
Net Revenues		50,442	43,734	43,207	45,330	41,493	39,372
Expenses - G&A							
Professional services agreements		4,000	4,000	4,000	4,000	4,000	4,000
Legal		500	500	500	500	500	500
Accounting and Audit		1,500	1,500	1,500	1,500	1,500	1,500
filing fees		200	200	200	200	200	200
office rent /phone		1,500	1,500	1,500	1,500	1,500	1,500
website		200	200	200	200	200	200
misc		300	300	300	300	300	300
Total G&A		8,200	8,200	8,200	8,200	8,200	8,200
Extraordinary Expenses -Equipment - Workprograms		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Debt Expenses -liability payments		(10,500)	(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
Interest Income		-	-	-	-	-	-
Ending Cash (Cash Need)		26,742	46,775	66,282	87,913	105,706	121,378

6. MANAGEMENT DISCUSSION AND ANALYSIS

Management's discussion and analysis of its financial statements is included in this Listing Statement as Schedule "B".

7. MARKET FOR SECURITIES

There is currently no market through which the Company's securities may be traded.

8. CONSOLIDATED CAPITALIZATION

8.1. Consolidated Capitalization – Issuer

The Issuer is authorized to issue an unlimited number of common shares without par value. As at the date of this Listing Statement, there are 71,125,792 Issuer Shares issued and outstanding.

Date of Issue	Description	Number of Common Shares Sold	Price Per Common Share	Total Consideration
October 7, 2011- Issued Pursuant to Plan of Arrangement	Common Share	1,025,792	\$0.0024	\$2,500
Outstanding on Amalgamation	Common Share	70,000,000	\$0.015	\$1,004,487
Common Shares from Private Placement	Common Share	100,000	\$0.20	\$20,000

8.2. Consolidated Capitalization – Shale

Shale is authorized to issue an unlimited number of common shares without par value. Prior to the Amalgamation, 70,000,000 Shale Shares are issued and outstanding.

Date of Issue	Description	Number of Common Shares Sold	Price Per Common Share	Total Consideration
Issued on Formation of Shale	Common Share	21,000,000	\$0.0001	\$2,100.00
Issued from Private Placement	Common Share	2,000,000	\$0.05	\$100,000.00
Issued for Acquisition of MNVN Assets	Common Share	47,000,000	\$0.02	\$971,102

9. OPTIONS TO PURCHASE SECURITIES

There are no outstanding options, warrants, or other derivative securities to Purchase Common Shares in the Issuer.

10. DESCRIPTION OF THE SECURITIES

10.1. Description of the Issuer's Securities

The Issuer is authorized to issue unlimited number of common shares without par value. As at the date of this Listing Statement, the Issuer has 71,125,792 common shares issued and outstanding. All of the common shares of the Issuer are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up. No common shares of the Issuer have been issued subject to call or assessment. The common shares contain no pre-emptive or conversion rights and have no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Issuer's Articles of Incorporation and the BCBCA. There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

10.2. Description of Shale' Securities

Shale is authorized to issue unlimited number of common shares without par value. As at the date of this Listing Statement, Shale had 70,000,000 common shares issued and outstanding. All of the common shares of Shale are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up. No common shares of Shale have been issued subject to call or assessment. The common shares contain no pre-emptive or conversion rights and have no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Shale's Articles of Incorporation and the OBCA. There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

10.3. Description of the Resulting Issuer's Securities

Upon completion of the Transaction, the Resulting Issuer will continue to have the same share structure as the Issuer prior to completion of the Transaction. See "Section 10.1 –Description of the Issuer's Securities".

10.4. Prior Sales of the Shares

10.4.1. *Issuer's Shares*

Following the completion of the Transaction, there will be 71,125,792 common shares of the Issuer issued and outstanding as follows:

Date of Issue	Description	Number of Common Shares Sold	Price Per Common Share	Total Consideration
October 7, 2011	Founder's Share	1	\$1	\$1
April 12, 2012	Common Share	1,025,972		\$2,500
May 1, 2012	Allocate of Share	-1	\$1	\$-1
Upon close of Transaction	Common Share	70,000,000	\$0.015	\$1,004,487
Private Placement upon Closing	Common Share	100,000	\$0.20	\$20,000

10.4.1. *Shale's Shares*

There are currently 70,000,000 common shares of Shale issued and outstanding as follows:

Date of Issue	Description	Number of Common Shares Sold	Price Per Common Share	Total Consideration
January 20, 2014	Common Shares Issued for Cash	21,000,000	\$0.0001	\$2,100.00
January 20, 2014	Common Shares Issued for Cash	2,000,000	\$0.05	\$100,000.00
January 30, 2014	Common Shares Issued for Assets	47,000,000 ¹	\$0.02	\$918,202.20

¹ Forty seven million common shares were issued in exchange for oil and gas lease assets net of notes payable registered against the assets. The fair market value estimate for the issue of these common shares was \$971,102 on January 21, 2014.

11. ESCROWED SECURITIES

11.1. Escrow of Principal's Securities

The table immediately below sets out the number of Resulting Issuer Shares held by principals of the Resulting Issuer that will be held in escrow upon completion of the Transaction. Assuming the Resulting Issuer is classified as an emerging issuer pursuant to NP 46-201, the securities listed in the table below will, in accordance with NP 46-201, be subject to the Form 46-201 Escrow Agreement and will be released from escrow in stages over a 36 month period from the completion of the Transaction with 10% released immediately upon completion of the Transaction and 15% of such escrowed shares released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the completion of the Transaction.

	Designation of Class	Number of Securities Held in Escrow⁽¹⁾	Percentage of Class⁽²⁾
Mondial Ventures, Inc.	Common Share	47,000,000	66.1%
Global Media Network USA (Dennis Alexander: Beneficial Shareholder)	Common Share	1,000,000	1.39%

(1) Subject to Form 46-201 Escrow Agreement.

(2) Based on 71,125,792 Resulting Issuer Shares issued and outstanding on completion of the Transaction, including the Private Placement completed upon closing of the Transaction. The percentage of class will be 66.1% and 1.39%, respectively, on a fully diluted basis, assuming completion of the Private Placement

12. PRINCIPAL SHAREHOLDERS

12.1. Principal Shareholders

To the knowledge of the Issuer, no security holder of the Issuer owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Issuer.

As of the date of this Listing Statement, the only security holders of Shale who is known to own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Shale is MNVN. MNVN owns 47,000,000 Shale Shares, representing 67.1% of the currently issued and outstanding Shale Shares.

Upon completion of the Transaction, the only security holder of the Resulting Issuer who will own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer will be MNVN. MNVN will own 47,000,000 Shares, representing 65.6% of the issued and outstanding Resulting Issuer Shares (on an undiluted and fully diluted basis) assuming completion of the Private Placement.

12.2. Voting Trusts

To the knowledge of the Issuer, no voting trust exists within either the Issuer or the Resulting Issuer such that more than 10 percent of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or similar agreement.

12.3. Associates and Affiliates

The Issuer has no Associates or Affiliates other than as set out in this Listing Statement.

13. DIRECTORS AND OFFICERS

13.1. Directors and Officers

The following table sets forth the name of all individuals who will be directors, officers and promoters of the Resulting Issuer following the completion of the Transaction, their municipalities of residence, their current positions with the Issuer, their principal occupations during the past five years and the number and percentage of Resulting Issuer Shares to be beneficially owned, directly or indirectly or over which control or direction is proposed to be exercised upon completion of the Transaction:

Name, Municipality of Residence and Proposed Position with the Resulting Issuer ⁽¹⁾	Principal Occupation During Last Five Years	Period during which Proposed Director of Resulting Issuer has served as a Director of the Issuer/the Target	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction ⁽²⁾
Dennis R. Alexander, President & CEO, Director Arizona, United States	Chairman, President, and CEO of Mondial Ventures, Inc. from 2012 to present; Chairman, CFO, and CEO of EGPI Firecreek, Inc. from 2009 to present	N/A	1,000,000
Joanne M. Sylvanus, Chief Financial Officer, Director Arizona, United States	Director, CFO, Secretary and Treasurer of Mondial Ventures, Inc. from 2012; Sole-owner of J.M Sylvanus Accounting since 1974	N/A	Nil
Brendan Purdy, J.D. Director	Corporate Counsel and Acting Secretary for Advanced Explorations from 2012 to present; Principal of private law practice “Brendan Purdy, Barrister & Solicitor”	N/A	Nil

Notes:

(1) Each director’s term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.

(2) At the completion of the Transaction, the directors and officers of the Resulting Issuer as a group will directly own 1,000,000 Resulting Issuer Shares, representing 1.39% of the issued and outstanding Resulting Issuer Shares assuming completion of the Private Placement.

The directors and officers will devote their time and expertise as required by the Resulting Issuer, however, it is not anticipated that any director or officer will devote 100% of their time to the activities of the Resulting Issuer. See also “Management” below.

13.2. Directors and Officers Biographic Information

Additional biographic information about the proposed members of the management of the Resulting Issuer is provided below. None of these management personnel have entered into non-disclosure or non-

competition agreements with the Target, but the Resulting Issuer intends to enter into such agreements following the Closing Date.

Dennis R. Alexander, Director, President & CEO

Mr. Alexander has served as Chairman, Director, President, and CEO of Mondial Ventures, Inc., ("Mondial"); Chairman, CEO, and CFO of EGPI Firecreek, Inc. ("EGPI"); and President and Director of EGPI's wholly owned subsidiary Energy Producers, Inc. ("EPI"). All of Mondial, EGPI, and EPI are engaged in oil and natural gas exploration, production, and development.

Additionally, since May 21, 2009, Mr. Alexander served as Chairman, President and Chief Financial Officer of EGPI and Firecreek Petroleum, Inc., ("FPI") which pursued oil and gas acquisitions internationally in certain Eurasian countries.

Since March 1996 to the present Mr. Alexander has owned Global Media Network USA, Inc., which has included management consulting and advisory services. Mr. Alexander attended Arizona State University studying Architecture from 1971 to 1974.

Mr. Alexander will be the beneficial owner of 1,000,000 Resulting Issuer Shares, amounting to 1.4% of the Resulting Issuer's total issued and outstanding share capital assuming completion of the Private Placement.

Brendan Purdy, Director

Mr. Purdy is a practicing corporate lawyer in Toronto, Ontario focused on the mining sector. In his private practice, he has developed extensive experience with respect to public companies, capital markets, securities law and other facets fundamental to the natural resources sector. Prior to receiving his J.D. from the Common Law Section at the University of Ottawa, Mr. Purdy completed a Bachelor of Management and Organizational Studies Degree from the University of Western Ontario, majoring in Finance and Administration. Mr. Purdy currently holds the titles of Corporate Counsel and Acting Secretary at Advanced Explorations Inc., a TSX Venture Exchange listed iron-ore exploration and development company, and General Counsel at CanUrsa Finance Inc., a private Toronto-based financial advisory firm. Prior to his work with Advanced Explorations Inc. and Canursa Finance Inc., Mr. Purdy held an internship with the Senate of Canada, working within the office of the Senate Law Clerk and Parliamentary Counsel. Mr. Purdy is a member of the Law Society of Upper Canada.

He will hold none of Resulting Issuer Shares as at the date of this Listing Statement and upon completion of the Transaction.

Joanne M. Sylvanus, Director, Chief Financial Officer

Ms. Sylvanus has served as Director and Chief Financial Officer (CFO) of Mondial Ventures, Inc., an oil and natural gas exploration, production, and development business, since July 31, 2012. Prior to her appointment as CFO, Ms. Sylvanus had provided accounting and tax services to Mondial since December 1999.

Ms. Sylvanus has been in private practice as J.M. Sylvanus Accounting in the State of Arizona since May 1974. Ms. Sylvanus' practice focuses on preparing corporate, partnership, trust, and estate tax returns, acting as conservator and trustee for estates and trusts, and providing consulting on financial and tax matters. She held a Certified Public Accounting certificate from the State of Arizona from October 1972 until May 1996 when she formally retired her certificate.

In addition to her private practice, Ms. Sylvanus has taught accounting at Phoenix College from 1974 through 1985. Ms. Sylvanus graduated from Cleveland State University in 1970 with a B.A. in Accounting and a minor in Economics. She has served on the Board of The American Society of Women Accountants for eight years.

13.3. Board Committees of the Resulting Issuer

It is anticipated that the Resulting Issuer will form an audit committee of its board of directors, as well as a compensation and governance committee of the board of directors. Other committees of the board of directors may be appointed as the Resulting Issuer deems necessary or advisable.

It is anticipated that Dennis Alexander, Joanne Sylvanus, and Brendan Purdy will comprise the members of the audit committee. It is anticipated that Brendan Purdy will be the chair of the audit committee. It is further anticipated that Dennis Alexander, Joanne Sylvanus, and Brendan Purdy will comprise the members of the compensation and governance committee

13.4. Corporate Cease Trade Orders or Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer has, within the last ten years, been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, or within a period of one year thereafter, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

13.5. Penalties or Sanctions

No proposed director, officer, or promoter of the Resulting Issuer, or any shareholder anticipated to hold a sufficient amount of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.6. Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a shareholder anticipated to hold a sufficient amount of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

13.7. Conflicts of Interest

To the best knowledge of the Issuer, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Resulting Issuer or a subsidiary of the Resulting Issuer and a proposed director, officer or promoter of the Resulting Issuer except that certain of the proposed directors, officers and promoters of the Resulting Issuer serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Resulting Issuer and their duties as a director, officer and promoter of such other companies. See "Part 16 – Risk Factors".

The directors, officers and promoters of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA, as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

14. CAPITALIZATION

14.1. Issued Capital

After the completion of the Transaction and the Private Placement of \$125,000, the Resulting Issuer will have the following issued and outstanding securities:

	<u>Number of Securities (non-diluted)</u>	<u>Number of Securities (fully-diluted)</u>	<u>% of Issued (non-diluted)</u>	<u>% of Issued (fully diluted)</u>
<u>Public Float</u>				
Total outstanding (A)	71,125,792	71,125,792		
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 10% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 10% voting position in the Issuer upon exercise or conversion of other securities held) (B)	48,000,000	48,000,000	67.5%	67.5%
Total Public Float (A-B)	23,125,792		32.5%	32.5%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	N/A			
Total Tradeable Float (A-C)	71,125,792		100%	100%

14.2. Public Securityholders (Registered):

For the purposes of this Listing Statement, "Public Securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security:

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	82	41,000
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	68	23,084,792
TOTAL:	150	23,125,792

Public Securityholders (Beneficial):

The following includes all: (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	82	41,000
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	68	23,084,792
Unable to confirm	0	0
TOTAL:	150	23,125,792

Notes:

(1) This number includes objecting beneficial holders.

14.3. Non-Public Securityholders (Registered):

For the purposes of this Listing Statement, "Non-Public Securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	2	48,000,000
TOTAL:	2	48,000,000

14.4. Shares reserved for future issuance

There are currently no shares reserved for future issuance.

15. EXECUTIVE COMPENSATION

15.1. Named Executive Officers

No salary or other remuneration has been paid to any executive officer of the Issuer, Shale, or Subco. None of the Issuer, Shale, or Subco has entered into any management contracts with their respective executive officers. However, the Resulting Issuer intends to enter into management agreements with its key executives upon completion of the Transaction to provide for appropriate remuneration and terms commensurate with the executive's role.

The following table summarizes the compensation paid to each Named Executive Officer (“NEO”) of the Issuer, which is defined as:

- (a) a chief executive officer (“CEO”) of the Issuer;
- (b) a chief financial officer (“CFO”) of the Issuer;
- (c) each of the Issuer’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of that financial year.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation ⁽¹⁾ (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Ron Ozols, President of Issuer	2013								
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011								

The following table summarizes the anticipated compensation for the CEO, the CFO and the four most highly compensated officers of the Resulting Issuer for the 12 month period following Completion of the Transaction:

Name and principal position	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive compensation plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Dennis R. Alexander (President & CEO)	36,000	Nil	Nil	Nil	Nil	Nil	Nil	36,000

Joanne Sylvanus (CFO)	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
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- (1) “Non-equity Incentive Plan Compensation” includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (2) “Share-based Awards” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (3) “Option-based Awards” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

The Resulting Issuer will contemplate remuneration for its executive officers depending on such executive's position with the Resulting Issuer and the market rate of remuneration paid to persons performing a similar role with companies similar to the Resulting Issuer. In addition, the Resulting Issuer may grant options to its executive officers from time-to-time under the Stock Option Plan depending on the recipient's position with the Resulting Issuer and that person's contribution to the development of the Resulting Issuer's business. Likewise, the Resulting Issuer will contemplate remuneration for its executive officers depending on such executive's position with the Resulting Issuer and the market rate of remuneration paid to persons performing a similar role with companies similar to the Resulting Issuer.

15.2. Compensation Discussion and Analysis

The board of directors of the Resulting Issuer (the “**Board**”) is responsible for ensuring that the Issuer has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Resulting Issuer’s executive officers. The Board ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Resulting Issuer’s compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Resulting Issuer’s compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long term performance.

The Resulting Issuer’s compensation philosophy is based on the following fundamental principles:

1. *Compensation programs align with shareholder interests* – the Resulting Issuer aligns the goals of executives with maximizing long term shareholder value;
2. *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Resulting Issuer and fluctuate with the performance; and
3. *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Issuer business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive. The Board reviews compensation practices of similarly situated companies in determining compensation policy. Although the board reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Resulting Issuer, it is primarily focused on remaining competitive in the market with respect to total compensation.

The Board reviews data related to compensation levels and programs of various companies that are similar in size to the Resulting Issuer and operate within the oil and gas industry, prior to making its decisions. These companies are used as the Resulting Issuer's primary peer group because they have similar business characteristics or because they compete with the Resulting Issuer for employees and investors. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Resulting Issuer in assessing compensation levels.

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Board's approval.

Base Salary

The Board approves the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Resulting Issuer's peer group is also accumulated from a number of external sources including independent consultants. The Resulting Issuer's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

Annual Incentives

The Resulting Issuer, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Compensation Committee and the Board approve annual incentives.

The success of NEOs in achieving their individual objectives and their contribution to the Resulting Issuer in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Resulting Issuer that arise on a day to day basis. This assessment is used by the Board in developing its determination of annual bonuses for the NEOs.

Compensation and Measurements of Performance

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board, and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

15.3. Pension Plan Benefits

The Issuer and the Target has no retirement plans, pension plans, deferred compensation plans or other forms of funded or unfunded retirement compensation for its directors or employees.

15.4. Termination and Change of Control Benefits

Other than as set forth herein, there is no contract, agreement, plan or arrangement between the Resulting Issuer and a Named Executive Officer that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Issuer or a change in a Named Executive Officer's responsibilities.

15.5. Compensation of Directors

The Issuer has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Issuer for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is a proposed director, a current or former director, executive officer or employee of the Issuer or the Target or any subsidiary, or any associate thereof is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Issuer or the Target or any of its subsidiaries that has not been entirely repaid on or before the date hereof or was indebted to another entity, which such indebtedness is, or was at the time during the most recently completed financial year of the Issuer or the Target, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or the Target or any subsidiary.

17. RISK FACTORS

There are various risks that could have a material adverse effect on among other things, the properties, business, condition (financial or otherwise) and the prospects of the Resulting Issuer. These factors should be reviewed carefully. Set out below are certain risk factors affecting the Resulting Issuer.

17.1. Operating History

The Resulting Issuer has a very limited history of operations, is in the early stage of development and must be considered a start-up. As such, the Resulting Issuer is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial

and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Resulting Issuer has no intention of paying any dividends in the foreseeable future.

17.2. Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Resulting Issuer will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The Resulting Issuer currently has a limited number of specific identified exploration or development prospects. Management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and their past practices. The long-term commercial success of the Resulting Issuer depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Resulting Issuer will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Resulting Issuer may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. The Resulting Issuer has not entered into any contracts relating to the acquisition or participation in any properties other than as set forth herein nor have any letters of intent been executed.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations,

liquidity and financial condition.

17.3. Insurance

The Resulting Issuer's involvement in the exploration for and development of oil and gas properties may result in the Resulting Issuer becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Resulting Issuer will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Resulting Issuer may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Resulting Issuer. The occurrence of a significant event that the Resulting Issuer is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Resulting Issuer's financial position, results of operations or prospects.

17.4. Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Resulting Issuer. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of the Resulting Issuer's oil and gas reserves. The Resulting Issuer might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Resulting Issuer's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Resulting Issuer are in part determined by the borrowing base of the Resulting Issuer. A sustained material decline in prices from historical average prices could limit or reduce the Resulting Issuer's borrowing base, therefore reducing the bank credit available to the Resulting Issuer, and could require that a portion of any existing bank debt of the Resulting Issuer be repaid.

In addition to establishing markets for its oil and natural gas, the Resulting Issuer must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by the Resulting Issuer will be affected by numerous factors beyond its control. The Resulting Issuer will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by the Resulting Issuer. The ability of the Resulting Issuer to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. The Resulting Issuer will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other

aspects of the oil and natural gas business. The Resulting Issuer has limited direct experience in the marketing of oil and natural gas.

17.5. Substantial Capital Requirements

The Resulting Issuer anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Resulting Issuer's revenues or reserves decline, the Resulting Issuer may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Resulting Issuer. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on the Resulting Issuer's financial condition, results of operations or prospects.

17.6. Competition

The Resulting Issuer actively competes for reserve acquisitions, exploration leases, licences and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than the Resulting Issuer. The Resulting Issuer's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The oil and gas industry is highly competitive. The Resulting Issuer's competitors for the acquisition, exploration, production and development of oil and natural gas properties, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Resulting Issuer.

Certain of the Resulting Issuer's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect the Resulting Issuer's ability to sell or supply oil or gas to these customers in the future. The Resulting Issuer's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

17.7. Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to

environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Issuer to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Resulting Issuer's financial condition, results of operations or prospects.

17.8. Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and cash flows to be derived therefrom, including many factors beyond the Resulting Issuer's control. Reserve and associated cash flow information once compiled will represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, any estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Resulting Issuer's actual production, if any, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

17.9. Reserve Replacement

The Resulting Issuer's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Resulting Issuer successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Resulting Issuer may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Resulting Issuer's reserves will depend not only on the Resulting Issuer's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Resulting Issuer's future exploration and development efforts will result in the discovery and development of

additional commercial accumulations of oil and natural gas.

17.10. Title to Assets

Although the Resulting Issuer has reviewed and is satisfied with title for any properties in which it has a material interest, the Resulting Issuer has not obtained title reports on any of its properties and there is no guarantee that title to such properties will not be challenged or impugned. While title reviews will generally be conducted prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the Resulting Issuer's claim which could result in a reduction of the revenue received by the Resulting Issuer.

17.11. Reliance on Operators and Key Employees

The Resulting Issuer may not be the operator of certain oil and gas properties in which it acquires an interest. To the extent the Resulting Issuer is not the operator of its oil and gas properties, the Resulting Issuer will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators. In addition, the success of the Resulting Issuer will be largely dependent upon the performance of its management and key employees. Investors must also rely on the expertise and judgment of management of the Resulting Issuer. Failure to retain key individuals or to attract or retain additional key individuals with recovery skills could have a materially adverse impact upon the Resulting Issuer's success. The Resulting Issuer does not have any key man insurance policies and has no current plans to obtain any; therefore there is a risk that the death or departure of any director, member of management or any key employee could have a material adverse effect on the Resulting Issuer.

17.12. Corporate Matters

To date, the Resulting Issuer has not paid any dividends on its outstanding Common Shares and does not anticipate the payment of any dividends on its Common Shares for the foreseeable future. Certain of the directors and officers of the Resulting Issuer are also directors and officers of other oil and gas companies involved in natural resource exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the BCBCA.

17.13. Permits and Licenses

The operations of the Resulting Issuer may require licenses and permits from various governmental authorities. There can be no assurance that the Resulting Issuer will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

17.14. Additional Funding Requirements and Dilution of Investment

The Resulting Issuer's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Resulting Issuer may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Resulting Issuer to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Resulting Issuer's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Resulting Issuer's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Resulting Issuer's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favourable terms. The terms of any such equity financing may be dilutive to holders of Common Shares.

17.15. Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Resulting Issuer's debt levels above industry standards. Neither the Resulting Issuer's articles nor its by-laws limit the amount of indebtedness that the Resulting Issuer may incur. The level of the Resulting Issuer's indebtedness from time to time could impair the Resulting Issuer's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

17.16. Third Party Credit Risk

The Resulting Issuer is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Resulting Issuer, such failures could have a material adverse effect on the Resulting Issuer and its cash flow from operations.

17.17. Availability of Drilling Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Resulting Issuer and may delay exploration and development activities.

17.18. Exchange Rate Fluctuations

Exchange rates may affect the costs that the Resulting Issuer incurs in its exploration activities. The Resulting Issuer's costs are incurred principally in Canadian dollars. The appreciation of non-Cdn dollar currencies against the Cdn dollar can increase the exploration costs. The Resulting Issuer does not have any currency hedging policy in place. Sudden fluctuation in the Cdn dollar may affect the Resulting Issuer's exploration activities and financial results, and there is no assurance that such fluctuations, in any, will not adversely affect the Resulting Issuer's operations.

17.19. Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Resulting Issuer. The Resulting Issuer is exposed to fair value fluctuations on its investments. The Resulting Issuer's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities) are not subject to price risk.

17.20. Estimation of Asset Carrying Values

The Resulting Issuer will undertake an annual evaluation of its portfolio of exploration projects and other assets. The recoverability of the Resulting Issuer's carrying values of its properties will be assessed by comparing carrying values to estimated future net cash flows from each property.

Factors which may affect carrying values include, but are not limited to, oil and natural gas prices, capital cost estimates, exploration, development, production, drilling, and other operating costs, and timing of production. In the event of a prolonged period of depressed oil and natural gas prices, the Resulting Issuer may be required to take additional material write-downs of its exploration and development projects.

17.21. Volatility of Share Price

The price of the shares of resource companies tends to be volatile. Fluctuations in the world price of oil and natural gas and many other natural resources beyond the control of the Resulting Issuer could materially affect the price of the Common Shares.

17.22. Current global financial condition

Current global financial conditions have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing and bank credit has been negatively impacted by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These and other factors may affect the Resulting Issuer's ability to obtain equity or debt financing in the

future on favourable terms. Additionally, these factors, as well as other related factors, may cause decreases in the Resulting Issuer's asset values that may be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, or if more extensive disruptions of the global financial markets occur, the Resulting Issuer's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

17.23. Short term investment risks

The Resulting Issuer may from time to time invest excess cash balances in short term commercial paper or similar securities. Recent market conditions affecting certain types of short term investments of some North American and European issuers as well as certain financial institutions have resulted in restricted liquidity for these investments. There can be no guarantee that further market disruptions affecting various short term investments or the potential failure of such financial institutions will not have a negative effect on the liquidity of investments made by the Resulting Issuer.

18. PROMOTERS

N/A

19. LEGAL PROCEEDINGS

There are no legal proceedings material to the Issuer to which the Issuer is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Issuer to be contemplated.

There are no legal proceedings material to Shale or to which Shale is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to Shale to be contemplated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No material conflict of interest, either direct or indirect, is currently known to exist with respect to any proposed transaction, or any transaction consummated over the three years before the date of this Listing Statement, that has affected or will materially affect the Issuer or Shale or the Resulting Issuer. Conflicts of interest may arise as a result of the proposed directors and officers of the Resulting Issuer also holding positions as directors or officers of other companies. Some of those individuals have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer.

The directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Resulting Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA, as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1. Auditors

The auditor of the Issuer is Thomas Tong & Co. Inc. Certified General Accountant, 207 - 8680 Cambie Road, Richmond, B.C. Canada V6X 4K1. Thomas Tong will also be the auditors of the Resulting Issuer.

21.2. Transfer Agent and Registrar

The registrar and transfer agent of the Issuer is Computershare Investor Services Inc. at its Vancouver office located at 2nd floor, 510 Burrard Street, Vancouver, B.C., V6C 3B9.

The transfer agent and registrar of the Issuer will remain the transfer agent and registrar of the Resulting Issuer.

22. MATERIAL CONTRACTS

22.1. Material Contracts of the Issuer

The Issuer has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business, except as follows:

- (a) The Amalgamation Agreement; and
- (b) Arrangement Agreement

22.2. Material Contracts of Shale

Shale has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business, except as follows:

- (a) The Amalgamation Agreement;
- (b) Asset Purchase Agreement

- (c) Amended Participation Agreement
- (d) Subscription agreements related to the Private Placement to be completed upon listing.

23. INTEREST OF EXPERTS

23.1. Interest of Experts – Issuer, Shale, and the Resulting Issuer

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included herein other than G. Michael Harper, who prepared the Issuer's independent technical report in accordance with NI 51-101 and Thomas Tong & Co., the Issuer's auditor. G. Michael Harper does not have any registered or beneficial interests, direct or indirect, in any securities or other property of the Issuer or the Target or of the Target's Associates or Affiliates either at the time he prepared the Technical Report or, at any time thereafter or to be received by him. Thomas Tong & Co. is independent of each of the Issuer and Shale in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

24. OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Issuer, Shale, or the Resulting Issuer and their respective securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer, Shale, and the Resulting Issuer and their respective securities.

25. FINANCIAL STATEMENTS

25.1. Financial Statements – Issuer

Enclosed as Schedule "A" is a copy of the audited financial statements for the Issuer for the years ended September 30, 2013 and the unaudited interim financial statements for the quarter ended December 31, 2013. The auditor's consent and comfort letter of Thomas Tong & Co. Inc. Certified General Accountant have also been enclosed.

25.2. Financial Statements – Shale

Enclosed as Schedule "B" is a copy of the audited financial statements for Shale for the period ended March 25, 2014. The auditor's consent and comfort letter of NP LLP, Chartered Accountants, have also been enclosed.

25.3. Financial Statements – Subco

Enclosed as Schedule “C” is a copy of the audited financial statements for Subco for the period ended March 25, 2014. The auditor's consent and comfort letter of NP LLP, Chartered Accountants, have also been enclosed.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, 0922327 B.C. Ltd. hereby applies for the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to 0922327 B.C. Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

This 31st day of March, 2014.

“Dennis Alexander” (signed)

Chief Executive Officer

“Joanne Sylvanus” (signed)

Chief Financial Officer

“Brendan Purdy” (signed)

Director

Promoter (if applicable)

APPENDICES

SCHEDULE “A”
FINANCIAL STATEMENTS – ISSUER

0922327 B.C. Ltd.

Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
0922327 BC Ltd.

I have audited the accompanying financial statements of 0922327 BC Ltd., which comprise the statements of financial position as at September 30, 2013 and September 30, 2012 and the statements of income and comprehensive income, changes in shareholders' deficiency and cash flows for the year ended September 30, 2013 and for the period from the date of incorporation on October 7, 2011 to September 30, 2012 and the related notes including 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 company'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of 0922327 BC Ltd. as at September 30, 2013 and September 30, 2012, and the results of its operations, changes in shareholders' deficiency and cash flows for the year ended September 30, 2012 and for the period from the date of incorporation on October 7, 2011 to September 30, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

CERTIFIED GENERAL ACCOUNTANT

Vancouver, British Columbia
January 28, 2014

0922327 B.C. LTD.

Statements of Financial Position

(Expressed in Canadian dollars)

	September 30, 2013	September 30, 2012
	\$	\$
Assets		
Current		
Cash & cash equivalents	673	-
HST receivable	625	525
Total Assets	1,298	525
Liabilities and Shareholders' Deficiency		
Current Liabilities:		
Accounts payable	13,127	5,281
Accrued liabilities	3,500	70,200
	16,627	75,481
Shareholders' Deficiency:		
Capital stock (Note 5)	2,500	2,500
Deficit	(17,829)	(77,456)
	(15,329)	(74,956)
Total Liabilities and Shareholders' Deficiency	1,298	525

Nature and Continuance of Operations (Note 1)

Commitment (Note 4)

Subsequent Event (Note 13)

Approved and authorized for issue by the Board of Directors on January 28, 2014:

"Ron Ozols"

Ron Ozols, Director

The accompanying notes are an integral part of these Financial Statements

0922327 B.C. LTD.

Statements of Income and Comprehensive Income

(Expressed in Canadian dollars)

	September 30, 2013	From Incorporation Date on October 7, 2011 to September 30, 2012
Expenses		
Bank charges	\$ 20	\$ -
Consulting fee	500	67,700
Professional fees	3,000	5,000
Transfer agent & filing fees	2,053	4,756
Expenses recovery (Note 12)	(65,200)	-
Net income (loss) and total comprehensive income (loss) for the year	59,627	(77,456)
Basic and diluted income (loss) per common share	\$ 0.06	\$ (0.18)
Weighted average number of common shares outstanding	1,025,792	434,319

The accompanying notes are an integral part of these Financial Statements

0922327 B.C. LTD.

Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian dollars except the number of shares)

	Number of Outstanding Shares	Share Capital	Reserves	Deficit	Total Shareholders' Deficiency
		\$	\$	\$	\$
Share issued for cash on incorporation, October 7, 2011 Note (5)	1	1	–	–	1
Cancellation of incorporator Share (Note 5)	(1)	(1)	–	–	(1)
Issuance of shares pursuant to Plan of Arrangement (Note 5)	1,025,792	2,500	–	–	2,500
Net loss and comprehensive loss for the year	–	–	–	(77,456)	(77,456)
Balance, September 30, 2012	1,025,792	2,500	–	(77,456)	(74,956)
Net income and comprehensive income for the year	–	–	–	59,627	59,627
Balance, September 30, 2013	1,025,792	2,500	–	(17,829)	(15,329)

The accompanying notes are an integral part of these Financial Statements

0922327 B.C. LTD.

Statements of Cash Flows

(Expressed in Canadian dollars)

	September 30, 2013	From Incorporation Date on October 7, 2011 to September 30, 2012
Cash (used in) /provided by:		
Operating activities		
Net income (loss) for the year	\$ 59,627	\$ (77,456)
Change in non-cash working capital components		
HST receivable	(100)	(525)
Accounts payable & accrued liabilities	(58,854)	75,481
Net cash provided by (used in) operating activities	673	(2,500)
Financing activities		
Share issuance pursuant to Plan of Arrangement	-	2,500
Net cash provided by financing activities	-	2,500
Investing activity	-	-
Net cash used in investing activities	-	-
Change in cash	673	-
Cash, beginning of the year	-	-
Cash, end of the year	\$ 673	\$ -
<hr/>		
Cash paid during the year for interest expense	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
Recovery of consulting fees accruals	\$ 65,200	\$ -

The accompanying notes are an integral part of these Financial Statements

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

0922327 BC Ltd. (the "Company") was incorporated on October 7, 2011 and, pursuant to a Plan of Arrangement between the Company and Silican Processing Corp. ("Silican") dated October 8, 2011, it will acquire the Letter of Intent signed between Silican and Crystal Peak Abrasives Ltd. ("Crystal Peak LOI") and \$2,500 in cash from Silican as part of the Arrangement Agreement, and will commence operations as a mineral property exploration company. The \$2,500 coming from Silican as part of the Arrangement should provide the Company with the capital necessary to fulfill its short-term needs. As consideration for this asset, the Company will issue 20,515,911 common shares, multiplied by the Conversion Factor, or total of 1,025,792 common shares, as defined in the Plan of Arrangement, which shares will be distributed to the Silican Shareholders who hold Silican Shares on the Share Distribution Record Date. Silican completed the Plan of Arrangement registration filing on November 15, 2011 and transferred \$2,500 cash and assigned the Crystal Peak LOI to the Company on April 12, 2012. The Company initiated the share distribution on May 1, 2012 and issued 1,025,792 common shares to Silican, which were then re-distributed to the shareholders of Silican as of record date of November 17, 2011. The Company's principal business following the Plan of Arrangement is to commence operations as a development stage company with the principal business being the exploration and development of mining properties. The Company may also acquire additional properties and will carry out early stage exploration on such mineral properties and then sell, option or joint venture the properties.

On June 22, 2012 the Company entered into another non-binding Letter of Intent with Railhead Resources Ltd. (See Note 6).

The head office and principal office of the Company are located at 2922 Mt. Seymour Parkway, North Vancouver, BC, V7H 1E9.

These audited financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can discover mineralization and the economic viability of developing any such additional properties.

The discovery of mineralization and the development of mineral properties to the point where they may be sold, optioned or joint ventured may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, the company does not anticipate producing revenues for some time, other than from the sale, optioning or joint venturing of any mineral properties it may acquire and the sales of marketable securities, if any. The sale value of any mineralization discovered by the Company and the value of the Company's investments in marketable securities are not predictable. On September 30, 2013 the Company had not yet achieved profitable operations, had recurring losses, a deficit of \$17,829 (September 30, 2012 - \$77,456), a working capital deficiency of \$15,329 (September 30, 2012 - \$74,956), and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

These audited 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 PRESENTATION

The Company was incorporated on October 7, 2011. These audited financial statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These audited financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These audited financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments and estimates

The preparation of these audited financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Judgments made by management that have the most significant effect on the audited financial statements are discussed in Notes 3d), 3e), 3f), 3i) and 3(m).

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less. As at September 30, 2013, there is \$Nil included as cash equivalents.

c. Shared-based payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

d. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

e. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial instruments (continued)

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities and due to related parties are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire. The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
Accounts payable	Other liabilities
Accrued liabilities	Other liabilities

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial instruments (continued)

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f. Impairment

i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Impairment (continued)

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

g. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

h. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

j) Future changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting years after January 1, 2013 or later years. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9, Financial Instruments, replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Future changes in accounting policies (continued)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

k. Exploration and evaluation

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration and development of mineral claims and crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Exploration and evaluation (continued)

The Company recognizes in income the costs recovered on mineral properties when the amounts received or receivable are in excess of the carrying amount.

Upon transfer of "Exploration and evaluation costs" into "Mine Development", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within "Mine development". After production starts, all assets included in "Mine development" are transferred to "Producing Mines".

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

l. Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the mineral exploration segment.

m. Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the mineral property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to resource assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to resource assets with a corresponding entry to the rehabilitation provision. The Company's estimates are renewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Environmental Rehabilitation (continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charges 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 the income statement in the period incurred.

As at September 30, 2013, the Company, given the early stage of exploration on its mineral property, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

4. COMMITMENT

The Company has no commitment other than the Railhead LOI. As at the date of these audited financial statements, no definitive agreement has yet been entered into with Railhead (see Note 12).

5. CAPITAL STOCK

- a. Authorized: unlimited Common shares without par value
- b. Issued and Outstanding:

	Number of Shares	Amount (\$)
Common shares issued for cash	1	1
Cancellation of incorporator share	(1)	(1)
Shares issuance pursuant to Plan of Arrangement	1,025,792	2,500
Balance as at September 30, 2012 & September 30, 2013	1,025,792	2,500

One common share was issued at \$1 per common share on October 7, 2011 to Silican. The incorporator share was cancelled on May 1, 2012.

As discussed in Note 1, the Company issued 1,025,792 common shares to Silican and Silican re-distributed these shares to its shareholders as of record date of November 17, 2011. The aggregate fair value of these shares in the amount of \$2,500 was based on the fair value estimates of assets transferred from Silican to the Company. On April 12, 2012, Silican transferred \$2,500 cash and assigned the Cystal Peak LOI valued at \$Nil to the Company.

Stock Options:

The Company has 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 the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. As at and during the period ended September 30, 2013, no options were granted or outstanding.

6. MINERAL PROPERTY INTEREST

On September 29, 2011, Silican entered into a Letter of Intent with Crystal Peak Abrasives Ltd. ("Crystal") and the shareholders of Crystal Peak Abrasives Ltd. (the "Vendor"), owners of 100% of the issued and outstanding capital stock of Crystal, with respect to a proposed transaction in which Silican will form a subsidiary (the "Company") to purchase all of the issued and outstanding capital stock of Crystal (the "Shares") from the Vendor. Crystal has a Garnet property, consisting of 2 crown reverted Grants and 2 unpatented map staked claims, is located on Mount Riordan in the Osoyoos Mining Division of British Columbia at Latitude 49°24' North and Longitude 119° 55' West, between Hedley and Penticton British Columbia. The property is located 2 kilometres west of the Apex Ski Village and 7 kilometres east of the Nickel Plate Gold Mine and 300 kilometres east of Vancouver British Columbia. The main access to the site is by a 32 kilometre paved highway from Penticton or a

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

6. MINERAL PROPERTY INTEREST (continued)

24 kilometre gravel road from Hedley. An independent technical report which is NI 43-101 compliant will be completed prior to entering into a definitive agreement. The Company shall purchase the capital stock of Crystal (the "Purchase Price"), subject to the terms and conditions of the Definitive Agreement. The Purchase Price shall be paid on the date of closing by the issuance of approximately 39,000,000 post-consolidated common shares of the capital stock of the Company at a deemed price of \$0.10 per common share to the Vendor. The exact number of shares to be issued by the Company shall be determined prior to entering into the Definitive Agreement.

On April 12, 2012, Silican assigned the Crystal Peak LOI to the Company as part of the Plan of Arrangement discussed above.

On June 22, 2012, the Company entered into another Letter of Intent with Railhead Resources Ltd. ("Railhead") and the shareholders of Railhead Resources Ltd. (the "Vendor"), owners of 100% of the issued and outstanding capital stock of Railhead, with respect to a proposed transaction in which the Company will purchase all of the issued and outstanding of Railhead. Railhead owns 100% of the RHG property in northern British Columbia, Canada and has options to earn a 100% interest in several properties in Nevada, USA namely Quartz Mountain, Downeyville, Ellsworth, San Juan, Troy, Grant, Irwin, Willow. In addition, Railhead has the option to a 100% interest in the San Jose project in Honduras. The RHG property consist of eleven contiguous claims covering 3,501 hectares and lies approximately 115 kilometres southwest of Dease Lake, British Columbia and 35 kilometres west of Telegraph Creek, BC. An independent technical report which is NI 43-101 compliant will be completed on the RHG property prior to entering into a definitive agreement. The Company shall purchase the capital stock of Railhead (the "Purchase Price"), subject to the terms and conditions of the Definitive Agreement. The Purchase Price shall be paid on the date of closing by the issuance of approximately 32,000,000 common shares of the capital stock of the Company at a deemed price of \$0.20 per common share to the Vendor. The exact number of shares to be issued by the Company shall be determined prior to entering into the Definitive Agreement.

7. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of accounts payable and accrued liabilities approximate their carrying values due to their short-term nature of these instruments.

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

Strategic and operational risks are risks that arise if the Company fails to discover mineralization and the economic viability of developing the mineral properties acquired and/or to raise sufficient equity and/or debt financing in financing the exploration and development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

The Company's credit risk was primarily attributable to bank balances and HST receivable. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. HST receivable is due from Canadian Government and management believes that the credit risk to be minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2013, the Company had cash balance of \$673 and current liabilities of \$16,627. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

9. RELATED PARTY TRANSACTIONS

- a. As at September 30, 2013, accrued liabilities include \$Nil (September 30, 2012 - \$1,200) owing to Ron Ozols, the president and a director of the Company. During the year ended September 30, 2013, the Company incurred and accrued (reversed) consulting fees of (\$1,200) (September 30, 2012 - \$1,200) to Ron Ozols.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

These transactions above are in the normal course of operations and are measured at the exchange value which represents the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

During the year ended September 30, 2013, the Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral property located in one geographical segment, Canada.

11. INCOME TAXES

The Company has accumulated non-capital losses expire as follows: Tax attributes are subject to revision and potential adjustment by tax authorities. The non-capital losses will expire as follows:

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

	September 30, 2013	September 30, 2012
Income (loss) for the year before income taxes	\$ 59,627	\$ (77,456)
Expected income tax recovery at 25% (2012 - 26.00%)	14,907	(20,139)
Tax effects of:		
Change in statutory tax rate	(179)	775
Change in unrecognized deferred income tax assets	(14,728)	19,364
Deferred income tax recovery	\$ -	\$ -

The significant components of the Company's deferred income tax assets are as follows:

	September 30, 2013	September 30, 2012
Substantively enacted tax rate	26%	25%
Deferred income tax assets:		
Non-capital losses	\$ 4,636	\$ 19,364
Valuation allowance	(4,636)	(19,364)
Net deferred income tax assets	\$ -	\$ -

12. RECOVERY OF EXPENSES

During the year of 2012, the Company accrued a total of \$65,200 consulting fees to various external consultants and a director who all had assisted the Company in spinning away from Silican. During the year of 2013, these external consultants and the only director of the Company had agreed to waive these consulting fees and reversed the entire consulting fees accrued of \$65,200.

0922327 B.C. LTD.

Notes to the Financial Statements

September 30, 2013

(Expressed in Canadian dollars)

13. SUBSEQUENT EVENT

On January 22, 2014, the Company entered into a binding letter of intent with Shale Corp. (“Shale”) to acquire all of the issued and outstanding capital stock of Shale. The final structure of the acquisition is subject to final determination by both parties upon consideration of securities law and regulations, in addition to being subject to any necessary approvals. Shale is in the business of exploring, acquiring and operating Oil and Gas assets principally within the United States of America. Shale is currently operating within Texas and has a compliant NI 51-101 Reserve Estimate.

0922327 B.C. Ltd.

Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

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MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of 0922327 B.C. Ltd. [the "Company"] are the responsibility of the management and Board of Directors of the Company. The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Ron Ozols
Chief Executive Officer

Vancouver, BC
February 22, 2014

NOTICE TO READERS

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements for three months period ended December 31, 2013 have not been reviewed by the Company's auditors.

0922327 B.C. LTD.

Unaudited Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2013	September 30, 2013
	\$	\$
Assets		
Current		
Cash & cash equivalents	164	673
HST receivable	625	625
Total Assets	789	1,298
Liabilities and Shareholders' Deficiency		
Current Liabilities:		
Accounts payable	12,615	13,127
Accrued liabilities	4,000	3,500
	16,615	16,627
Shareholders' Deficiency:		
Capital stock (Note 5)	2,500	2,500
Deficit	(18,326)	(17,829)
	(15,826)	(15,329)
Total Liabilities and Shareholders' Deficiency	789	1,298

Nature and Continuance of Operations (Note 1)

Commitment (Note 4)

Subsequent Event (Note 11)

Approved and authorized for issue by the Board of Directors on February 22, 2014:

"Ron Ozols"

Ron Ozols, Director

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements

0922327 B.C. LTD.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012
Expenses		
Bank charges	\$ (3)	\$ 19
Consulting fee	500	-
Transfer agent & filing fees	-	1,565
Net loss and total comprehensive loss for the period	497	1,584
Basic and diluted loss per common share	\$ (0.0005)	\$ (0.002)
Weighted average number of common shares outstanding	1,025,792	1,025,792

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements

0922327 B.C. LTD.

Unaudited Condensed Interim Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian dollars except the number of shares)

	Number of Outstanding Shares	Share Capital	Reserves	Deficit	Total Shareholders' Deficiency
		\$	\$	\$	\$
Balance, September 30, 2012	1,025,792	2,500	–	(77,456)	(74,956)
Net loss and comprehensive loss for the period	–	–	–	(1,584)	(1,584)
Balance, December 31, 2012	1,025,792	2,500	–	(79,040)	(76,540)
Net income and comprehensive income for the period	–	–	–	61,211	61,211
Balance, September 30, 2013	1,025,792	2,500	–	(17,829)	(15,329)
Net loss and comprehensive loss for the period	–	–	–	(497)	(497)
Balance, December 31, 2013	1,025,792	2,500	–	(18,326)	(15,826)

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements

0922327 B.C. LTD.Unaudited Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)

	Three Months Ended December 31, 2013		Three Months Ended December 31, 2012	
Cash (used in) /provided by:				
Operating activities				
Net loss for the period	\$	(497)	\$	(1,584)
Change in non-cash working capital components				
HST receivable		-		290
Accounts payable & accrued liabilities		(12)		1,732
Net cash provided by (used in) operating activities		(509)		438
Financing activities				
Net cash provided by financing activities		-		-
Investing activity				
Net cash used in investing activities		-		-
Change in cash		(509)		438
Cash, beginning of the period		673		-
Cash, end of the period	\$	164	\$	438
Cash paid during the year for interest expense				
	\$	-	\$	-
Cash paid during the year for income taxes				
	\$	-	\$	-

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

2. NATURE AND CONTINUANCE OF OPERATIONS

0922327 BC Ltd. (the "Company") was incorporated on October 7, 2011 and, pursuant to a Plan of Arrangement between the Company and Silican Processing Corp. ("Silican") dated October 8, 2011, it will acquire the Letter of Intent signed between Silican and Crystal Peak Abrasives Ltd. ("Crystal Peak LOI") and \$2,500 in cash from Silican as part of the Arrangement Agreement, and will commence operations as a mineral property exploration company. The \$2,500 coming from Silican as part of the Arrangement should provide the Company with the capital necessary to fulfill its short-term needs. As consideration for this asset, the Company will issue 20,515,911 common shares, multiplied by the Conversion Factor, or total of 1,025,792 common shares, as defined in the Plan of Arrangement, which shares will be distributed to the Silican Shareholders who hold Silican Shares on the Share Distribution Record Date. Silican completed the Plan of Arrangement registration filing on November 15, 2011 and transferred \$2,500 cash and assigned the Crystal Peak LOI to the Company on April 12, 2012. The Company initiated the share distribution on May 1, 2012 and issued 1,025,792 common shares to Silican, which were then re-distributed to the shareholders of Silican as of record date of November 17, 2011. The Company's principal business following the Plan of Arrangement is to commence operations as a development stage company with the principal business being the exploration and development of mining properties. The Company may also acquire additional properties and will carry out early stage exploration on such mineral properties and then sell, option or joint venture the properties.

On June 22, 2012 the Company entered into another non-binding Letter of Intent with Railhead Resources Ltd. (See Note 6).

On January 22, 2014, the Company entered into another binding Letter of Intent with Shale Corp. (See Note 6)

The head office and principal office of the Company are located at 2922 Mt. Seymour Parkway, North Vancouver, BC, V7H 1E9.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can discover mineralization and the economic viability of developing any such additional properties.

The discovery of mineralization and the development of mineral properties to the point where they may be sold, optioned or joint ventured may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, the company does not anticipate producing revenues for some time, other than from the sale, optioning or joint venturing of any mineral properties it may acquire and the sales of marketable securities, if any. The sale value of any mineralization discovered by the Company and the value of the Company's investments in marketable securities are not predictable. On December 31, 2013 the Company had not yet achieved profitable operations, had recurring losses, a deficit of \$18,326 (September 30, 2013 - \$17,829), a working capital deficiency of \$15,826 (September 30, 2013 - \$15,329), and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

2. NATURE AND CONTINUANCE OF OPERATIONS (continued)

These unaudited condensed interim 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 PRESENTATION

The Company was incorporated on October 7, 2011. These unaudited condensed interim financial statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These unaudited condensed interim financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments and estimates

The preparation of these unaudited condensed interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Judgments made by management that have the most significant effect on the unaudited condensed interim financial statements are discussed in Notes 3d), 3e), 3f), 3i) and 3(m).

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less. As at December 31, 2013, there is \$Nil included as cash equivalents.

c. Shared-based payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

d. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

e. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial instruments (continued)

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities and due to related parties are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
Accounts payable	Other liabilities
Accrued liabilities	Other liabilities

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial instruments (continued)

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f. Impairment

i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Impairment (continued)

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

g. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

h. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

j) Future changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting years after January 1, 2013 or later years. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9, Financial Instruments, replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Future changes in accounting policies (continued)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

k. Exploration and evaluation

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration and development of mineral claims and crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Exploration and evaluation (continued)

The Company recognizes in income the costs recovered on mineral properties when the amounts received or receivable are in excess of the carrying amount.

Upon transfer of "Exploration and evaluation costs" into "Mine Development", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within "Mine development". After production starts, all assets included in "Mine development" are transferred to "Producing Mines".

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

l. Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the mineral exploration segment.

m. Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the mineral property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to resource assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to resource assets with a corresponding entry to the rehabilitation provision. The Company's estimates are renewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Environmental Rehabilitation (continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charges 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 the income statement in the period incurred.

As at December 31, 2013, the Company, given the early stage of exploration on its mineral property, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

0922327 B.C. LTD.

Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

4. COMMITMENT

The Company has no commitment other than the Railhead LOI. As at the date of these unaudited condensed interim financial statements, no definitive agreement has yet been entered into with Railhead (see Note 11).

5. CAPITAL STOCK

c. Authorized: unlimited Common shares without par value

d. Issued and Outstanding:

	Number of Shares	Amount (\$)
Common shares issued for cash	1	1
Cancellation of incorporator share	(1)	(1)
Shares issuance pursuant to Plan of Arrangement	1,025,792	2,500
Balance as at September 30, 2012, September 30, 2013 & December 31, 2013	1,025,792	2,500

One common share was issued at \$1 per common share on October 7, 2011 to Silican. The incorporator share was cancelled on May 1, 2012.

As discussed in Note 1, the Company issued 1,025,792 common shares to Silican and Silican re-distributed these shares to its shareholders as of record date of November 17, 2011. The aggregate fair value of these shares in the amount of \$2,500 was based on the fair value estimates of assets transferred from Silican to the Company. On April 12, 2012, Silican transferred \$2,500 cash and assigned the Cystal Peak LOI valued at \$Nil to the Company.

Stock Options:

The Company has 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 the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. As at and during the period ended December 31, 2013, no options were granted or outstanding.

6. MINERAL PROPERTY INTEREST

On September 29, 2011, Silican entered into a Letter of Intent with Crystal Peak Abrasives Ltd. ("Crystal") and the shareholders of Crystal Peak Abrasives Ltd. (the "Vendor"), owners of 100% of the issued and outstanding capital stock of Crystal, with respect to a proposed transaction in which Silican will form a subsidiary (the "Company") to purchase all of the issued and outstanding capital stock of Crystal (the "Shares") from the Vendor. Crystal has a Garnet property, consisting of 2 crown reverted Grants and 2 unpatented map staked claims, is located on Mount Riordan in the Osoyoos Mining Division of British Columbia at Latitude 49°24' North and Longitude 119° 55' West, between Hedley and Penticton British Columbia. The property is located 2 kilometres west of the Apex Ski Village and 7 kilometres east of the Nickel Plate Gold Mine and 300 kilometres

east of Vancouver British Columbia. The main access to the site is by a 32 kilometre paved highway from Penticton or a

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Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

6. MINERAL PROPERTY INTEREST (continued)

24 kilometre gravel road from Hedley. An independent technical report which is NI 43-101 compliant will be completed prior to entering into a definitive agreement. The Company shall purchase the capital stock of Crystal (the "Purchase Price"), subject to the terms and conditions of the Definitive Agreement. The Purchase Price shall be paid on the date of closing by the issuance of approximately 39,000,000 post-consolidated common shares of the capital stock of the Company at a deemed price of \$0.10 per common share to the Vendor. The exact number of shares to be issued by the Company shall be determined prior to entering into the Definitive Agreement.

On April 12, 2012, Silican assigned the Crystal Peak LOI to the Company as part of the Plan of Arrangement discussed above.

On June 22, 2012, the Company entered into another Letter of Intent with Railhead Resources Ltd. ("Railhead") and the shareholders of Railhead Resources Ltd. (the "Vendor"), owners of 100% of the issued and outstanding capital stock of Railhead, with respect to a proposed transaction in which the Company will purchase all of the issued and outstanding of Railhead. Railhead owns 100% of the RHG property in northern British Columbia, Canada and has options to earn a 100% interest in several properties in Nevada, USA namely Quartz Mountain, Downeyville, Ellsworth, San Juan, Troy, Grant, Irwin, Willow. In addition, Railhead has the option to a 100% interest in the San Jose project in Honduras. The RHG property consist of eleven contiguous claims covering 3,501 hectares and lies approximately 115 kilometres southwest of Dease Lake, British Columbia and 35 kilometres west of Telegraph Creek, BC. An independent technical report which is NI 43-101 compliant will be completed on the RHG property prior to entering into a definitive agreement. The Company shall purchase the capital stock of Railhead (the "Purchase Price"), subject to the terms and conditions of the Definitive Agreement. The Purchase Price shall be paid on the date of closing by the issuance of approximately 32,000,000 common shares of the capital stock of the Company at a deemed price of \$0.20 per common share to the Vendor. The exact number of shares to be issued by the Company shall be determined prior to entering into the Definitive Agreement.

On January 22, 2014, the Company entered into another binding Letter of Intent with Shale Corp. ("Shale") to acquire all the issued and outstanding capital stock of Shale. Shale is in the business of exploring, acquiring and operating oil & gas assets principally within the United States of America. Shale is currently operating within Texas and has a compliant NI 51-101 Reserve Estimate (See Note 11)

7. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the

additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

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Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of accounts payable and accrued liabilities approximate their carrying values due to their short-term nature of these instruments.

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

Strategic and operational risks are risks that arise if the Company fails to discover mineralization and the economic viability of developing the mineral properties acquired and/or to raise sufficient equity and/or debt financing in financing the exploration and development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

The Company's credit risk was primarily attributable to bank balances and HST receivable. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. HST receivable is due from Canadian Government and management believes that the credit risk to be minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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, 2013, the Company had cash balance of \$164 and current liabilities of \$16,615. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

9. RELATED PARTY TRANSACTIONS

- b. As at December 31, 2013, accrued liabilities include \$Nil (September 30, 2013 - \$Nil) owing to Ron Ozols, the president and a director of the Company. During the period ended December 31, 2013, the Company incurred and accrued (reversed) consulting fees of \$Nil (December 31, 2012 - \$Nil) to Ron Ozols.

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Notes to the Unaudited Condensed Interim Financial Statements

December 31, 2013

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

These transactions above are in the normal course of operations and are measured at the exchange value which represents the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

During the year ended December 31, 2013, the Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral property located in one geographical segment, Canada.

14. SUBSEQUENT EVENT

On January 22, 2014, the Company entered into a binding letter of intent with Shale Corp. ("Shale") to acquire all of the issued and outstanding capital stock of Shale. The final structure of the acquisition is subject to final determination by both parties upon consideration of securities law and regulations, in addition to being subject to any necessary approvals. Shale is in the business of exploring, acquiring and operating Oil and Gas assets principally within the United States of America. Shale is currently operating within Texas and has a compliant NI 51-101 Reserve Estimate.

SCHEDULE "B"
FINANCIAL STATEMENTS – SHALE

Shale Corp.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 25, 2014

Management's Responsibility for Financial Reporting

The financial statements are the responsibility of the management of Shale Corp. and have been prepared in accordance with International Financial Reporting Standards.

Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements and other financial information presented elsewhere in this annual report.

To discharge its responsibilities for financial reporting and safeguarding of assets, management depends on the Company's systems of internal accounting control. These systems are designed to provide reasonable cost effective assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and for review and approving the financial statements. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board.

The Audit Committee meets periodically with management and the auditors to satisfy itself that each is properly discharging its responsibilities, to review significant accounting and reporting matters and to review the financial statements. The Audit Committee reports its findings and recommends the approval of the consolidated financial statements to the Board.

The financial statements have been audited on behalf of the shareholders by the independent auditor, ND LLP, in accordance with Canadian Generally Accepted Auditing Standards.

Dennis Alexander
CEO
Shale Corp.
March 11, 2015

**Independent Auditor's Report
To the Shareholders of Shale Corp.**

We have audited the accompanying financial statements of Shale Corp., which comprise of the statement of financial position as of March 25, 2014, the statement of operations and net loss, the statements of changes in shareholders' equity and the statement of cash flows for the period 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.

Auditor's 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 audits 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Shale Corp. as at March 25, 2014 and its financial performance and its cash flow for the period then ended in accordance with International Financial Reporting Standards.

Toronto, Ontario
March 11, 2015

ND LLP
Chartered Professional Accountants
Licensed Public Accountants

Shale Corp.

Statement of Operations and Net Loss

For the Period from incorporation on January 20, 2014 to March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

	Period ended March 25, 2014
Revenue	
Revenue	\$ 32,541
Expenses	
Lease costs	30,137
Professional and consulting fees	27,590
Interest and late fees	34,743
Foreign exchange	7,580
Depreciation	1,206
	101,256
Net loss	\$ (68,715)
Net loss per share (basic and diluted)	\$ (0.00)
Weighted average number of shares	70,000,000

The accompanying notes are an integral part of these financial statements

Shale Corp.

Statement of Financial Position

As at March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

	As at March 25, 2014
Assets	
Current assets	
Restricted cash (note 9)	\$ 69,188
Due from related parties (note 8)	13,799
Total current assets	82,987
Other assets	
Oil and gas lease, net of depletion (note 6)	1,371,167
Well equipment, net of depreciation (note 7)	32,572
Total other assets	1,403,739
Total assets	\$ 1,486,726
 Liabilities	
Long term liabilities	
Accounts payable	\$ 1,036
Long term liabilities	
Notes payable (note 4)	481,203
 Shareholders' Equity	
Capital stock (note 5)	7,000
Paid up capital (note 5)	1,066,202
Retained earnings (Deficit)	(68,715)
Total Shareholders' Equity	1,004,487
Total Liabilities and Shareholders' Equity	\$ 1,486,726

Approved by the Board:

Director "Dennis Alexander"

The accompanying notes are an integral part of these financial statements

Shale Corp.

Statement of Changes in Shareholders' Equity

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

	Number of Outstanding Shares	Share Capital	Paid up Capital	Net Loss	Total Equity
Balance at January 20, 2014	-	\$ -	\$ -	\$ -	\$ -
Shares issued for cash	21,000,000	2,100	-	-	2,100
Shares issued for cash	2,000,000	200	99,800	-	100,000
Shares issued for oil and gas assets	47,000,000	4,700	966,402	-	971,102
Net loss for the period	-	-	-	(68,715)	(68,715)
Balance at March 25, 2014	70,000,000	7,000	1,066,202	(68,715)	1,004,487

The accompanying notes are an integral part of these financial statements

Shale Corp

Statement of Cash Flows

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

	Period ended March 25, 2014
Cash provided by (used in)	
Operating Activities:	
Net loss	\$ (68,715)
Amortization	1,206
Increase in restricted cash	(69,188)
Increase in due from related parties	(13,799)
Increase in accounts payable	1,036
Funds used in operating activities	(149,460)
Investing Activities:	
Increase in oil and gas lease asset	(1,371,167)
Increase in well equipment	(33,778)
Funds used in investing activities	(1,404,945)
Financing Activities:	
Proceeds from sale of stock	1,073,202
Increase in notes payable	481,203
Funds provided by financing activities	1,554,405
Net change in cash	-
Cash balance, beginning of period	-
Cash balance, end of period	\$ -

The accompanying notes are an integral part of these financial statements

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

1. BASIS OF PREPARATION**Statement of Compliance:**

These financial statements are prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

2. NATURE OF OPERATIONS AND GOING CONCERN

Shale Corp. ("the Company") is a private corporation organized under the laws of Ontario, Canada with a principal place of business located at 365 Bay St. Suite 400, Toronto Ontario. Shale Corp. has purchased several claims of Oil and Gas assets in Texas, USA. The purchase of these oil and gas assets involves significant financial risk.

The accompanying financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying consolidated financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company has experienced substantial losses, maintains a negative working capital and capital deficits, which raise significant doubt about the Company's ability to continue as a going concern.

The success of any of the Company's further exploration or development programs cannot be assured, and if successful if the assets contain reserves that are economically recoverable. If the Company's exploration and development programs are successful, additional funds may be required, and the Company may not have sufficient funds to conduct the full extent of exploration, development or other programs required. The primary source of future funds available to the Company is through the sale of additional capital, which may dilute the interests of existing shareholders.

The Company is working to manage its current liabilities while it continues to make changes in operations to improve its cash flow and liquidity position. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon the Company's ability to generate revenue from the sale of its services and the cooperation of the Company's note holders to assist with obtaining working capital to meet operating costs in addition to our ability to raise funds.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company was incorporated on January 20, 2014. These consolidated financial statements are prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

a. Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

b. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

c. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Revenue and cost recognition

Oil and gas revenue is recognized from oil and gas sales in the period of delivery. Settlement on sales occurs anywhere from two weeks to two months after the delivery date. The Company recognizes revenue when an arrangement exists, the product has been delivered, the sale price has been fixed or determinable, and collectability is reasonably assured.

e. Financial instruments at fair value through profit or loss (FVTPL).

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

f. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

g. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss). Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

i. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

j. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense.

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Future changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting years after January 1, 2013 or later years. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9, Financial Instruments, replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

l. Exploration, development and evaluation

The Company is in the exploration and development stage with respect to its investment in oil and gas properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration and development of oil and gas interest claims crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related interests. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned oil and gas wells and or properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a oil and gas property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. The recoverability of amounts shown for

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Exploration, development and evaluation (continued)

exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income the costs recovered on oil and gas properties when the amounts received or receivable are in excess of the carrying amount. Upon transfer of "Exploration and evaluation costs" into "Oil and Gas Development", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within "Oil and Gas development". After production starts, all assets included in "Oil and Gas development" are transferred to "Producing Assets".

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the oil and exploration and development segment.

m. Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the oil and gas property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to resource assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pretax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as oil and gas assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to resource assets with a corresponding entry to the

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Environmental Rehabilitation (continued)

rehabilitation provision. The Company's estimates are renewed 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 charges 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 the income statement in the period incurred.

As at March 31, 2014, the Company, given the early stage of exploration on its mineral property, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

n. Fixed Assets

Fixed assets are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset. The following is a summary of the estimate useful lives used in computing depreciation expense.

o. Well Equipment - 5 Years

Expenditures for major repairs and renewals that extend the useful life of the asset are capitalized. Minor repair expenditures are charged to expense as incurred.

p. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

4. COMMITMENTS

The Company's Subsidiary has entered into two promissory note agreements the total aggregate amount of \$438,880 effective January 1, 2014 as follows:

- a) Assumption of \$366,331 pro rata portion with identical terms as of the date of even, of an Agreement effective as of July 1, 2012 by and between EGPI Firecreek, Inc., a Nevada corporation, and its wholly owned subsidiary Energy Producers Inc., also a Nevada corporation, and TWL Investments a LLC, ("TWL") an Arizona limited liability company, each a "Party" and collectively (the "Parties"). The material terms of the note are 18% interest only, compounded monthly, and 2.5% late payment penalties due per the terms of each of the underlying collective agreements, as amended, or on demand. The debt is secured by the oil and gas interests related to the JB Tubb Leasehold Estate only, held by the subsidiary. The term of the assumed debt is based on an extension of the term of the TWL Investments, a LLC Note to Thirty Six (36) months from July 1, 2012, the last amended date thereof, and adjust the total monthly payment due each month by increasing the amortization period from the current 24 months to one hundred twenty (120) months with a balloon payment due in Thirty Six months (36) in the amount of any remaining amounts owed TWL including principal, interest, fees, damages, penalties or any other amounts then due.
- b) Assumption of \$114,872 pro rata portion with identical terms as of the date of even, of an Agreement effective as of December 31, 2013 by and between EGPI Firecreek, Inc., a Nevada corporation, 85253 and its wholly owned subsidiary Energy Producers Inc., also a Nevada corporation, and Mr. Thomas J. Richards, an individual residing in Mesa, Arizona, each a "Party" and collectively (the "Parties"). The material terms of the note are 18% interest only, compounded monthly, and due per the terms of each of the underlying collective agreements, as amended, or on demand. The debt is secured by the oil and gas interests related to the JB Tubb Leasehold Estate only, held by the Company.

5. CAPITAL STOCK

- a) Authorized: unlimited Common shares without par value
- b) Issued and Outstanding:

	Number of Shares	Amount (\$)
Common shares issued for cash	23,000,000	102,100
Shares issuance for purchase of asset	47,000,000	971,102
Balance as at March 25, 2014	70,000,000	1,073,202

Two thousand one hundred common shares were issued at \$0.0001 per common share on January 20, 2014.

Two million common shares were issued at \$0.05 per common share on January 21, 2014 in a private placement.

Forty seven million common shares were issued in exchange for oil and gas lease assets net of notes payable registered against the assets. The fair market value estimate for the issue of these common shares was \$971,102 on January 21, 2014

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

6. OIL AND GAS ASSET

On January 21, 2014 Shale Corp. acquired a 50.0% Working Interest and 37.5% corresponding Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves for all depths below the surface to 8500 ft. The field is located in the Permian Basin and the Crawar Field in Ward County, Texas (12 miles west of Monahans & 30 miles west of Odessa in West Texas).

Included in the transaction, the Company will also acquire 50.0% Working Interest and 37.5% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft. As consideration for the transaction the Company agreed to authorize, and issue to Mondial Ventures, Inc. 47,000,000 shares of common stock, for the assets, and assumption of \$438,880 in related debt. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired. The acquired leases and the property to which they relate are identified below:

North 40 acres: J.B. TUBB "18-1", being the W1/2 of the NW1/4 of Section 18, Block B-20, Public School Lands, Ward County, Texas, containing Forty (North 40) acres only.

Well-bore located on South 40 acres: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

The following wells are located on the leases identified, above:

1. Crawar #1
2. Tubb #18-1
3. Highland Production Company(Crawar) #2 well-bore only, with depth of ownership 4700' to 4900'ft. in well bore, described as: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

Listing for the Equipment items related to the wells on the leases on the J.B. Tubb Leasehold Estate (RRC #33611) Amoco/ Crawar field are as follows:

The following is the current & present equipment list that the Company will acquire 50.0% ownership rights, on the J.B. Tubb property: 2 (Two) 500 barrels metal tanks, 1(One) 500 barrel cement salt water tank- (open top), 1 (One) heater treater/oil & gas separator, all flow lines, on the north forty acres, well-heads, 2 (two) Christmas tree valve systems on well-heads, 3 (Three) well heads, three wells (well-bores). Model 320D Pumpjack Serial No. E98371M/456604, One (1) Fiberglass lined heater-treater, One (1) Test pot, Tubing string Rods and down hole pump. Additionally, pursuant the Company has acquired the full assignment and transfer of Mondial Ventures, Inc. interests in:

- (1) Participation Agreement with Success Oil Co., Inc. for turnkey drilling, re-entry, and multiple wells, with all extensions and amendments located therein; and
- (2) Definitive Short Form Agreement with Energy Producers, Inc., a wholly owned subsidiary of EGPI Fire Creek, Inc. and CUBO Energy, PLC, both related parties, for the evaluation and potential acquisition for up to 100% oil and gas working interests in Callahan, Stephens, and Shakelford Counties, Texas.

Under the terms of the Participation agreement, the Company shall acquire the option to provide \$1.6 million on a best efforts basis for Capital Expenditures (CAPEX) development fund for drilling an Ellenburger Well on the South 40 acreage to 8,300' foot depth on a turnkey basis with Success Oil as the Operator and Co-Owner, through completion of the well to the tanks. Accordingly, the Company will receive 75% Working Interests and a corresponding 56.5% Net

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

6. OIL AND GAS ASSET (continued)

Revenue Interests until payout, and thereafter upon payout will receive 50% Working Interest and a corresponding 37.5 Net Revenue Interest. Additionally, under the terms of the Definitive Short Form Agreement, Shale shall acquire 50% working interests and corresponding 32% net revenue interest in oil and gas leases representing an aggregate total of 240 acre leases, reserves, three wells, and equipment located in Callahan, Stephens, and Shakelford Counties, West Central Texas.

7. WELL EQUIPMENT

	<u>Well Equipment</u>
Balance January 20, 2014	\$ -
Acquisition	33,778
Depreciation	(1,206)
	\$ 32,572

8. RELATED PARTY TRANSACTIONS

Due from related party as of March 25, 2014 totaled \$13,799. The amounts arose from normal course and is receivable from companies under common control.

On January 21, 2014 the company acquired a 50.0% Working Interest and 37.5% corresponding Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves for all depths below the surface to 8500 ft. The field is located in the Permian Basin and the Crawar Field in Ward County, Texas (12 miles west of Monahans & 30 miles west of Odessa in West Texas).

Included in the transaction, the Company will also acquire 50.0% Working Interest and 37.5% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft. As consideration for the transaction the Company agreed to authorize, and issue to Mondial Ventures, Inc. 47,000,000 shares of common stock, for the assets, and assumption of \$438,880 in related debt. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired. The acquired leases and the property to which they relate are identified below:

North 40 acres: J.B. TUBB "18-1", being the W1/2 of the NW1/4 of Section 18, Block B-20, Public School Lands, Ward County, Texas, containing Forty (North 40) acres only.

Well-bore located on South 40 acres: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

The following wells are located on the leases identified, above:

1. Crawar #1
2. Tubb #18-1
3. Highland Production Company (Crawar) #2 well-bore only, with depth of ownership 4700' to 4900'ft. in well bore, described as: The Highland Production Company (Crawar) #2 well-bore, API

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

8. RELATED PARTY TRANSACTIONS (continued)

No. 42- 475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

Listing for the Equipment items related to the wells on the leases on the J.B. Tubb Leasehold Estate (RRC #33611) Amoco/ Crawar field are as follows: The following is the current & present equipment list that the Company will acquire 50.0% ownership rights, on the J.B. Tubb property: 2 (Two) 500 barrels metal tanks, 1(One) 500 barrel cement salt water tank- (open top), 1 (One) heater treater/oil & gas separator, all flow lines, on the north forty acres, well-heads, 2 (two) Christmas tree valve systems on well-heads, 3 (Three) well heads, three wells (well-bores). Model 320D Pumpjack Serial No. E98371M/456604, One (1) Fiberglass lined heater-treater, One (1) Test pot, Tubing string Rods and down hole pump. Additionally, pursuant the Company has acquired the full assignment and transfer of Mondial Ventures, Inc. interests in:

(1) Participation Agreement with Success Oil Co., Inc., the Company's partner and operator, a related party, for turnkey drilling, re-entry, and multiple wells, with all extensions and amendments located therein; and

(2) Definitive Short Form Agreement with Energy Producers, Inc., a wholly owned subsidiary of EGPI Fire Creek, Inc. and CUBO Energy, PLC, both related parties, for the evaluation and potential acquisition for up to 100% oil and gas working interests in Callahan, Stephens, and Shakelford Counties, Texas.

Under the terms of the Participation agreement, the Company shall acquire the option to provide \$1.6 million on a best efforts basis for Capital Expenditures (CAPEX) development fund for drilling an Ellenburger Well on the South 40 acreage to 8,300' foot depth on a turnkey basis with Success Oil as the Operator and Co-Owner, through completion of the well to the tanks. Accordingly, the Company will receive 75% Working Interests and a corresponding 56.5% Net Revenue Interests until payout, and thereafter upon payout will receive 50% Working Interest and a corresponding 37.5 Net Revenue Interest. Additionally, under the terms of the Definitive Short Form Agreement, Shale shall acquire 50% working interests and corresponding 32% net revenue interest in oil and gas leases representing an aggregate total of 240 acre leases, reserves, three wells, and equipment located in Callahan, Stephens, and Shakelford Counties, West Central Texas.

9. RESTRICTED CASH

Cash held in trust are represented as restricted cash which are not available for general use. Restricted cash is held in a trust account by Irwin Lowy LLP.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of accounts payable. The fair values of accounts payable approximate their carrying values due to their short-term nature of these instruments.

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

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 25, 2014 the Company had current liabilities of \$1,036. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Shale Corp.

Notes to Financial Statements

For the Period Ended March 25, 2014

(Expressed in Canadian dollars unless otherwise indicated)

10. FINANCIAL INSTRUMENTS (continued)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

11. CUSTOMERS

During the period ended March, 2014, related party revenue generated under the top two customers accounted for 100% of the Company's revenue. Concentration with a single or a few customers may expose the Company to the risk of substantial losses if a single dominant customer stops conducting business with the Company. Moreover, the Company may be subject to the risks faced by these major customers to the extent that such risks impede such customer's ability to stay in business and make timely payments.

12. INCOME TAXES

The Company has accumulated non capital losses which expire as follows. Tax attributes are subject to revisions and potential adjustments by tax authorities. The non-capital losses expire as follows:

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

		March 25, 2014
Income (loss) for the year before income taxes	\$	(68,715)
Expected income tax recovery at 25%		(17,179)
Tax effects of:		
Change in unrecognized deferred income tax asset		17,179
Deferred income tax recovery	\$	-

13. SUBSEQUENT EVENT

Subsequent to period end, on March 26, 2014, the Company amalgamated with 2301840 Ontario Inc., a corporation organized in the province of Ontario. Shareholders of the company received, in exchange for their shares, one share of Boomerang Oil Inc. on a one to one basis. Subsequent to amalgamation the new company will carry on as 1913564 Ontario Inc.

SCHEDULE "C"
FINANCIAL STATEMENTS – SUBCO

2301840 Ontario Inc.

Financial Statements

As at and for the period ended March 25, 2014

Management's Responsibility for Financial Reporting

The financial statements are the responsibility of the management of 2301840 ONTARIO INC. and have been prepared in accordance with International Financial Reporting Standards.

Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements and other financial information presented elsewhere in this annual report.

To discharge its responsibilities for financial reporting and safeguarding of assets, management depends on the Company's systems of internal accounting control. These systems are designed to provide reasonable cost effective assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and for review and approving the consolidated financial statements. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board.

The Audit Committee meets periodically with management and the auditors to satisfy itself that each is properly discharging its responsibilities, to review significant accounting and reporting matters and to review the consolidated financial statements. The Audit Committee reports its findings and recommends the approval of the consolidated financial statements to the Board.

The financial statements have been audited on behalf of the shareholders by the independent auditor, ND LLP, in accordance with Canadian generally accepting auditing standards.

Brendan Purdy
Director
2301840 ONTARIO LIMITED
March 11, 2015

**Independent Auditor's Report
To the Shareholders of 2301840 Ontario Inc.**



We have audited the accompanying financial statements of 2301840 Ontario Inc., which comprise of the statement of financial position as of March 25, 2014, the statement of comprehensive net loss, the statements of changes in shareholders' equity, and the statement of cash flows for the period 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.

Auditor's 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 audits 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 2301840 Ontario Inc. as at March 25, 2014 and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

ND LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 11, 2015

2301840 Ontario Inc.

Audited

Statement of Financial Position As at March 25, 2014

	March 25 2014
Assets	
Current	
Cash	\$ 1
Liabilities	
Total liabilities	\$ -
Shareholders' Equity	
Capital stock (Note 3)	1
Retained earnings (Deficit)	-
Total Shareholders' Equity	1
Total Liabilities and Shareholders' Equity	\$ 1

Approved on behalf of the Board "Brendan Purdy" Director

2301840 Ontario Inc.

Audited

Statements of Comprehensive Loss For the period January 1, 2014 to March 25, 2014

	<u>Period ended March 25, 2014</u>
Revenue	
Total revenue	\$ -
Expenses	
Total expenses	-
	<hr/>
Net income (loss)	-
Other comprehensive income (loss)	-
	<hr/>
Total comprehensive income (loss)	<u>\$ -</u>
Net income (loss) per share (basic and diluted)	<u>\$ -</u>
Weighted average number of shares	<u>1</u>

2301840 Ontario Inc.

Audited

Statement of Changes in Equity For the period January 1, 2014 to March 25, 2014

	Number of Outstanding Shares	Share Capital	Net Loss	Total Equity
Balance at January 1, 2014	-	\$ -	\$ -	\$ -
Shares issued for cash	1	1	-	1
Net income (loss) for the period	-	-	-	-
Balance at March 25, 2014	<u>1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>

2301840 Ontario Inc.

Audited

Statements of Cash Flows

For the period January 1, 2014 to March 25, 2014

	<u>Period ended March 25, 2014</u>
Cash provided by (used in)	
Operating Activities:	
Net income (loss)	\$ -
Funds used in operating activities	-
Financing Activities:	
Proceeds from sale of stock	1
Funds provided by financing activities	1
Net change in cash	1
Cash balance, beginning of period	-
Cash balance, end of period	<u>\$ 1</u>

Notes to Financial Statements

As at and for the period ended March 25, 2014

1. GENERAL

Statement of compliance

The financial statements of the Company comply with International Financial Reporting Standards.

Basis of preparation

The financial statements are presented in Canadian dollars.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments held for trading and financial instruments classified as available-for-sale.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions and to use judgment that affects the reported amounts of assets, liabilities, revenues and expenses. Estimates and judgments 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. Accordingly, actual results may differ from those estimated amounts and differences may be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the weighted average number of common and potential common shares outstanding during the year. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options using the treasury stock method.

Cash and Cash Equivalents

Cash and cash equivalents include cash on account and demand deposits.

Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results would differ from those estimates.

Notes to Financial Statements

As at and for the period ended March 25, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Stock Based Compensation**

The Company accounts for its stock option plan using the fair value method. The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes option pricing model and expensed over the service period which equals the vesting period. There were no stock options outstanding as at March 25, 2014.

3. CAPITAL STOCK

The Company is authorized to issue an unlimited number of voting common shares. Common shares issued and fully paid are as follows:

	Number of shares	Amount
Balance as at March 25, 2014	<u>1</u>	<u>\$ 1</u>

4. Subsequent Events

Subsequent to the end of the period, the Company amalgamated with Shale Corp. on March 26, 2014 to form a new corporation 1913564 Ontario Inc.