Unaudited Interim Condensed Consolidated
Financial Statements
[Expressed in Canadian dollars]

San Angelo Oil Limited

March 31, 2015

San Angelo Oil Limited
[the “Company”]
Condensed consolidated interim financial statements
For the third quarter ended March 31, 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

San Angelo Oil Limited

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

[Expressed in Canadian dollars]

	As at March 31, 2015 $	As at June 30, 2014 $
ASSETS		
Current		
Cash	**280,683**	60,246
Short-term investments	**425,000**	—
Funds held in trust	**—**	570,250
Other receivables and prepaid expenses	**49,469**	6,786
Total current assets	**755,152**	637,282
Equipment *[note 3]*	**29,151**	13,434
Exploration and evaluation assets *[note 4]*	**1,237,510**	578,617
Operator's bond *[note 5]*	**31,694**	26,666
	2,053,507	1,255,999
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**34,811**	341,895
Total current liabilities	**34,811**	341,895
Convertible debentures *[note 6]*	**963,453**	798,167
Deferred income taxes	**—**	36,057
Total liabilities	**998,264**	1,176,119
Shareholders' equity		
Share capital *[note 7]*	**1,837,127**	81,068
Warrants	**124,487**	—
Convertible debentures – equity component *[note 6]*	**165,570**	154,660
Contributed surplus	**19,417**	—
Accumulated other comprehensive loss	**92,478**	(8,449)
Deficit	**(1,183,836)**	(147,399)
Total shareholders' equity	**1,055,243**	79,880
	2,053,507	1,255,999

See accompanying notes

On behalf of the Board:

/S/ Michael Arguijo	/S/ John Turner
Michael Arguijo	John Turner
Director	Director

San Angelo Oil Limited

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

[Expressed in Canadian dollars]

	For the nine-month period ended March 31, 2015 $	For the three-month period ended March 31, 2015 $
EXPENSES		
Accretion *[note 6]*	**110,378**	37,953
Amortization *[note 3]*	**8,913**	3,279
Consulting fees	**301,225**	23,973
Insurance	**23,907**	6,358
Legal	**95,261**	9,615
Office and miscellaneous	**94,265**	42,371
Professional fees	**43,743**	7,914
Regulatory fees	**34,084**	23,230
Salary and benefits	**359,140**	76,268
Site investigation costs	**49,618**	(306)
Share-based payments	**3,297**	3,297
Transfer agent	**8,174**	—
Travel	**37,717**	5,103
	1,169,722	239,055
Loss before income taxes	**(1,169,722)**	(239,055)
Recovery of income taxes	**(133,285)**	(66,098)
Net loss for the period	**(1,036,437)**	(172,957)
Other comprehensive income		
Exchange differences of translating subsidiary operations, net of tax of $102,800	**100,927**	58,204
Comprehensive loss for the period	**(935,510)**	(114,753)
Weighted average number of common shares outstanding	**14,056,189**	17,065,417
Loss per share – basic and diluted	**0.07**	0.01

See accompanying notes

San Angelo Oil Limited

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[Expressed in Canadian dollars]

Period from February 11, 2014 [date of incorporation] to March 31, 2015

	Number of issued and outstanding shares \#	Share capital $	Number of issued and outstanding warrants \#	Warrants $	Convertible debentures – equity component $	Contributed surplus $	Deficit $	Accumulated other comprehensive loss $	Total equity $
Initial Subscribers share	1	1	—	—	—	—	—	—	1
Initial Subscribers share cancelled	(1)	(1)	—	—	—	—	—	—	(1)
Common shares, issued at $0.01 *[note 7]*	8,500,000	85,000	—	—	—	—	—	—	85,000
Share issuance expenses	—	(5,174)	—	—	—	—	—	—	(5,174)
Share issuance expenses – deferred tax	—	1,242	—	—	—	—	—	—	1,242
Convertible debentures – equity component	—	—	—	—	213,895	—	—	—	213,895
Convertible debenture – issuance expense	—	—	—	—	(4,766)	—	—	—	(4,766)
Convertible debentures – deferred tax	—	—	—	—	(54,469)	—	—	—	(54,469)
Other comprehensive loss for the period	—	—	—	—	—	—	—	(8,449)	(8,449)
Net loss for the period	—	—	—	—	—	—	(147,399)	—	(147,399)
Balance, June 30, 2014	8,500,000	81,068	—	—	154,660	—	(147,399)	(8,449)	79,880
Units, issued at $0.20 *[note 7]*	7,390,000	1,478,000	3,695,000	—	—	—	—	—	1,478,000
Units, issued at $0.20 *[note 7]*	5,037,500	806,000	5,037,500	201,500	—	—	—	—	1,007,500
Share issuance expenses	—	(537,443)	—	(77,013)	—	16,120	—	—	(598,336)
Share issuance expenses – deferred tax	—	9,502	—	—	—	—	—	—	9,502
Convertible debentures – equity component	—	—	—	—	14,844	—	—	—	14,844
Convertible debentures – deferred tax	—	—	—	—	(3,934)	—	—	—	(3,934)
Other comprehensive loss for the period	—	—	—	—	—	—	—	100,927	100,927
Share-based payments	—	—	—	—	—	3,297	—	—	3,297
Net loss for the period	—	—	—	—	—	—	(1,036,437)	—	(1,036,437)
Balance, March 31, 2015	**20,927,500**	**1,837,127**	**8,732,500**	**124,487**	**165,570**	**19,417**	**(1,183,836)**	**92,478**	1,055,243

See accompanying notes

San Angelo Oil Limited

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

[Expressed in Canadian dollars]

	For the nine-month period ended March 31, 2015 $
OPERATING ACTIVITIES	
Net loss for the period	(1,036,437)
Accretion	110,378
Amortization	8,913
Recovery of deferred income tax	(133,285)
Share-based payments	3,297
Changes in non-cash working capital items	
Other receivables and prepaid expenses	(42,683)
Accounts payable and accrued liabilities	(307,084)
Cash used in operating activities	(1,396,901)
INVESTING ACTIVITIES	
Acquisition of equipment	(20,898)
Investment in short-term investments	(425,000)
Investment in exploration and evaluation assets	(500,945)
Cash used in investing activities	(946,843)
FINANCING ACTIVITIES	
Funds received on issuance of convertible debentures	69,750
Funds received on issuance of share capital	2,485,500
Share issuance expenses	(588,834)
Cash provided by financing activities	1,966,416
Effect of exchange rates on cash	27,515
Decrease in cash during the period	(349,813)
Cash, beginning of period	630,496
Cash, end of period	280,683

Supplemental cash flow information *[note 9]*

See accompanying notes

San Angelo Oil Limited

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

[Expressed in Canadian dollars]

March 31, 2015

1. NATURE OF OPERATIONS

San Angelo Oil Limited [the "Company"] was incorporated under the British Columbia Business Corporations Act on February 11, 2014. The Company is a junior resource company engaged in the identification, and the exploration and development, of both proven and unproven reserves via drilling and/or acquisition with a focus on central Texas.

To date the Company has not earned significant revenues and is considered to be in the exploration stage. The recoverability of the costs incurred for Exploration and Evaluation Assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the projects and upon future profitable production or from the proceeds of disposition. The Company will require additional capital to fund its future property acquisitions and exploration programs as well as for administrative purposes. If management is unable to obtain additional funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharges its liabilities in the normal course of business. The Company incurred a loss of $1,036,437 during the nine month period ended March 31, 2015, and as of that date, the Company had an accumulated deficit of $1,183,836 and net working capital of $720,341. Management has carried out an assessment of the going concern assumption and has concluded that the cash position of the Company is insufficient to finance continued operations for the twelve month period subsequent to March 31, 2015.

These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern.

The continuity of the Company's operations is dependent on raising future financings for working capital, the continued exploration and development of its properties and for the acquisition of development costs of new projects. The Company's failure to raise additional funds could result in a delay in the work to be performed on the Company's existing exploration and evaluation assets and may lead to an impairment charge on the Company's exploration and evaluation asset. Management believes that it will be able to secure the necessary financing through a combination of the issuance of new equity or debt instruments. However, there is no assurance that the Company will be successful in these actions. There can be no assurance that adequate financing will be available, or available at terms favourable to the Company. Should it be determined that the Company is no longer a going concern, adjustments which could be significant, could be required to the carrying value of the assets and liabilities. These unaudited interim condensed consolidated financial statements do not reflect any adjustments to the carrying value of the assets or liabilities or any impact on the unaudited interim condensed consolidated statement of loss and comprehensive loss, and unaudited interim condensed consolidated statement of financial position classifications that that would be necessary should the going concern assumption not be appropriate.

These unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ["IFRS"], on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The unaudited interim condensed consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The address of the Company's head office is located at Suite 1500 - 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ["IAS 34"] as issued by the International Accounting Standards Board ["IASB"]. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2014.

The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRS issued and effective as at May 12, 2015, the date the Board of Directors approved these financial statements for issue and are the same as those applied to the audited consolidated financial statements for the year ended June 30, 2014.

New standards, amendments and interpretations issued

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after July 1, 2014, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the accounting policy for the first period beginning after the effective date of the pronouncement.

The Company continues to evaluate the impact the implementation of these standards will have on the consolidated financial statements.

Accounting standards anticipated to be effective on or after April 1, 2015

Financial instruments

IFRS 9 – *Financial Instruments* is intended to replace IAS 39 – *Financial Instruments: Recognition and Measurement* in the three main phases. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at FVTPL, financial guarantees and certain other exceptions. In July 2014, the IASB issued the final version of *IFRS 9 – Financial Instruments* which reflects all phases of the financial instruments project and replaces *IAS 39 – Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 [2009, 2010 and 2013] is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

[Expressed in Canadian dollars]

3. EQUIPMENT

	Computer $	Equipment $	Total $
Cost			
Additions	1,544	11,890	13,434
Balance, June 30, 2014	1,544	11,890	13,434
Additions	1,299	19,599	20,898
Effect of changes to foreign exchange rate	—	4,535	4,535
Balance, March 31, 2015	**2,843**	**36,024**	**38,867**
Accumulated amortization			
Balance, June 30, 2014	—	—	—
Amortization for the period	711	8,202	8,913
Effect of changes to foreign exchange rate	—	803	803
Balance, March 31, 2015	**711**	**9,005**	**9,716**
Net carrying value			
Balance, June 30, 2014	1,544	11,890	13,434
Balance, March 31, 2015	**2,132**	**27,019**	**29,151**

4. EXPLORATION AND EVALUATION ASSETS

Runnels County, State of Texas, U.S.A.

The Company acquired an undivided fifty-five percent working interest in thirty-five claims covering approximately 2,952 net acres located in Runnels County in the State of Texas.

Cumulative expenditures related to the Runnels County interest consists of the following:

	$
Balance, February 11, 2014	—
Additions	591,318
Translation adjustments	(12,701)
Balance, June 30, 2014	578,617
Additions	500,945
Translation adjustments	157,948
Balance, March 31, 2015	**1,237,510**

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

[Expressed in Canadian dollars]

March 31, 2015

	March 31, 2015 $	June 30, 2014 $
Acquisition costs	**582,625**	582,625
Consulting	**3,645**	—
Drilling	**223,007**	2,027
Lease	**118,488**	5,866
Mapping	**2,238**	—
Permitting	**1,566**	800
Reporting	**71,066**	—
Staking	**4,930**	—
Site preparation	**48,567**	—
Site supplies	**36,131**	—
Translation adjustment	**145,247**	(12,701)
	1,237,510	578,617

A review is carried out at each reporting date to assess whether or not indicators of impairment are present and whether or not an adjustment to the carrying value of the asset is required. As at March 31, 2015, management has concluded that there were no indicators of impairment present.

On October 1, 2014, the Company was appointed as operator for the thirty-five claims in which it has a 55% working interest located in Runnels County, in the State of Taxes.

The Company and the remaining 45% interest holders have agreed to bear their proportionate share of well costs on the farm out interest.

5. OPERATOR'S BOND

The Company is required to provide an operator's bond in respect of its exploration activities in the State of Texas. The bond represents collateral for possible reclamation activities necessary in connection with the permits required for exploration activities.

The bond, in the amount of US$25,000 or CAD$31,694 [June 30, 2014 – CAD$26,666], is fully refundable on discontinuing exploration activities or alternatively putting in place an alternative form of collateral acceptable to the governing authorities as a substitute.

[Expressed in Canadian dollars]

6. CONVERTIBLE DEBENTURES

During the period ended June 30, 2014, the Company undertook a non-brokered private placement of 10% secured subordinated convertible debentures in the aggregate principal amount of $1,100,000. The first tranche of the offering closed on June 30, 2014 resulting in the receipt of $1,030,250 in gross proceeds. The second tranche of the offering closed on July 22, 2014 resulting in the receipt of $69,750 in gross proceeds. The convertible debentures are due five years from their date of issuance, pay interest at the rate of 10% per annum and are convertible into 5,500,000 units of the Company. The debenture holders have the right, at their option, to convert all or part of the principal amount, excluding interest thereon, into units of the Company at a price of $0.20 per unit for a period of five years after the closing date. Each unit is comprised of one common share and one-half of a share purchase warrant entitling the holder to purchase one additional common share for each full warrant tendered at a purchase price of $0.50 per share for a period of five years from the closing date of the offering. On January 21, 2015, the Company repriced the warrants entitling the holder to purchase one additional common share at a reduced price of $0.30 per common share.

Pursuant to a pooling agreement between the holders of the debentures, the Company and the Pooling Agent, the units, which includes the unit shares and unit warrants, issuable upon conversion of the debentures and the unit share warrant shares issuable upon exercise of any unit warrants may not be sold or transferred for three years from the date of closing. The unit pooling period may be altered to allow for an earlier release if the original debenture holders who hold two-thirds or greater of the total Canadian dollar value of the Debenture Offering agree to do so in writing.

The following table reconciles the recorded value of the convertible debentures:

	Liability $	**Equity** $	**Total** $
Subscription proceeds	871,263	228,737	1,100,000
Convertible debenture issuance costs	(18,188)	(4,766)	(22,954)
Deferred income tax on equity component	—	(58,401)	(58,401)
Accretion	110,378	—	110,378
	963,453	165,570	1,129,023

[Expressed in Canadian dollars]

7. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance.

	Number of issued and outstanding shares \#	**Share capital** $
Shares issued for cash pursuant to a private placement	8,500,000	85,000
Less share issuance expense, net of taxes	—	(3,932)
Balance, June 30, 2014	8,500,000	81,068
Shares issued for cash pursuant to a brokered private placement	7,390,000	1,478,000
Shares issued for cash pursuant to an initial public offering	5,037,500	806,000
Less share issuance expenses, net of taxes	—	(527,941)
Balance, March 31, 2015	**20,927,500**	**1,837,127**

On March 10, 2015, the Company completed their initial public offering by issuing 5,037,500 units at a price of $0.20 per Unit for gross proceeds of $1,007,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.30. The warrants expire on March 10, 2017.

The Company also granted 403,000 Agents options entitling the holder to subscribe for and purchase 403,000 common shares at a price of $0.20 per share. The options expire on March 10, 2017.

On August 28, 2014, the Company completed a brokered private placement issuing 7,390,000 units at a price of $0.20 per unit for gross proceeds of $1,478,000. Each unit consists of one common share and one-half of a share purchase warrant. Each whole share warrant will entitle the holder to purchase one additional common share at a price of $0.50 per common share. The warrants expire on March 10, 2017. On January 21, 2015, the Company repriced the warrants entitling the holder to purchase one additional common share at a reduced price of $0.30 per common share.

The Company also granted 591,200 Agents Options entitling the holder to subscribe for and purchase 591,200 common shares at a price of $0.20 per share. These options expire on March 10, 2017.

[Expressed in Canadian dollars]

The common shares and warrants will be subject to seed share resale restrictions with releases of 20% on the listing date and 20% on each of months one through four after the listing date. In addition 165,000 common shares and 82,500 share purchase warrants have been placed into a voluntary pooling arrangement pursuant to which these securities will be restricted for a period of six months following the Listing Date.

On May 20, 2014, the Company completed a private placement issuing 8,500,000 common shares of the Company at a price of $0.01 per share for gross proceeds of $85,000.

Pursuant to the terms of a Voluntary Pooling Agreement between the unit holders subscribing to the May 20, 2014 private placement [the "Shareholders"], the pooling agent, and the Company, the shares were placed on deposit on May 20, 2014. The pooled securities will be held by the pooling agent and released subject to the provisions of the agreement on the date that is three years from the closing date. The release date may be changed to an earlier date or the pooled securities may be released in tranches in such amounts and on such dates as agreed to in writing by two-thirds of the Shareholders on the closing date. As at December 31, 2014, there have been no changes to the Voluntary Pooling Agreement and no shares, warrants, warrant shares or existing shares have been released from the pool.

[a] Stock options

The Company has a stock option plan for the purchase of common shares for its directors, officers and employees [the "2014 Plan"]. The maximum number of shares which may be issuable pursuant to options granted under the plan shall be the number equal to 10% of the Company's issued share capital from time to time or such additional amount as may be approved from time to time by the shareholders of the Company. The options are non-assignable and non-transferable. There is no cash settlement alternative provision for the options. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant, subject to all applicable regulatory requirements.

	Number of stock options	**Weighted average exercise price**
	#	$
Balance, July 1, 2014	—	—
Granted	1,253,600	0.20
Balance, March 31, 2015	**1,253,600**	**0.20**

[Expressed in Canadian dollars]

A summary of the Company's outstanding and exercisable stock options at March 31, 2015 is as follows:

Options outstanding				Options exercisable	
Number of options	**Expiry date**	**Weighted average remaining life** [in years]	**Exercise price** $	**Number of options**	**Exercise price** $
128,600	January, 27 2021	5.83	0.20	12,860	0.20
1,125,000	March 10, 2021	5.95	0.20	—	0.20
1,253,600		5.94		12,860	

On March 10, 2015, the Company granted 1,125,000 incentive options to directors, officers and employees of the Company. The options are exercisable at a price of $0.20 per share and expire on March 10, 2021. The subject options will vest over a three year period, with one third of the Stock Options vesting every 12 months after the grant date.

On January 27, 2015, the Company granted 128,600 incentive options to a consultant. The options are exercisable at a price of $0.20 per share and expire on January 27, 2021. The subject options will vest over an eighteen month period, with 10% of the Stock Options vesting on January 27, 2015 and a further 15% vesting every three months following that date contingent on the consultancy agreement remaining in effect.

[b] Agent's options

The following table summarizes the continuity of agent's options outstanding at March 31, 2015:

	Number of options #	**Weighted average exercise price** $
Balance, July 1, 2014	—	—
Granted	994,200	0.20
Balance, March 31, 2015	**994,200**	**0.20**

[Expressed in Canadian dollars]

Options outstanding

Number of options	Expiry date	Weighted average remaining life [in years]	Exercise price $
591,200	March 10, 2017	1.94	0.20
403,000	March 10, 2017	1.94	0.20
994,200		1.94	

[c] Warrants

The following table summarizes the continuity of warrants outstanding at March 31, 2015:

	Number of warrants #	Weighted average exercise price $
Balance, July 1, 2014	—	—
Granted	8,732,500	0.30
Balance, March 31, 2015	**8,732,500**	**0.30**

Warrants outstanding

Number of options	Expiry date	Weighted average remaining life (in years)	Exercise price $
3,695,000	March 10, 2017	1.94	0.30
5,037,500	March 10, 2017	1.94	0.30
8,732,500		1.94	0.30

[Expressed in Canadian dollars]

[d] Share-based payments

For the period ended March 31, 2015, the Company recorded compensation on the stock options granted to employees, officers, directors and consultants. For the purposes of estimating the fair value of options using the Black-Scholes option pricing model, certain assumptions are made such as expected dividend yield, forfeiture rates, volatility of the market price of the Company's shares, risk free interest rates and expected average life of the options.

The fair value of options granted during the period ended March 31, 2015 was $0.04 per option. The fair value of each option granted was determined using the Black-Scholes option pricing model and used the weighted average assumptions provided in the table below.

	Period ended March 31, 2015
Risk free interest rate	2.00%
Expected life	5.95 years
Estimated forfeiture rates	N/A
Expected volatility	26.70%
Expected dividend yield	N/A

For the period ended March 31, 2015, the Company has recorded to the unaudited interim condensed consolidated statement of loss and comprehensive a total of $3,297 of share-based payment expense.

Nature and purpose of equity reserves

The reserves recorded in equity on the Company's consolidated statement of financial position included contributed surplus, accumulated other comprehensive income (loss) and accumulated deficit.

Contributed surplus is used to recognize the value of options, net of amounts transferred on exercising of the related options and share-based payments recognized.

Accumulated other comprehensive income (loss) is used to recognize the gain and loss from exchange differences on the translation of foreign subsidiaries.

Accumulated deficit is used to record the Company's cumulative results of operations from inception net of any capital distributions.

[Expressed in Canadian dollars]

8. RELATED PARTY TRANSACTIONS

Transactions with related parties were in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

In addition to the related party transactions noted below, the Company has reimbursed these related parties for out of pocket costs incurred on behalf of the Company. Such costs include travel, telephone charges and other office related charges.

Key management personnel compensation, including senior officers and directors of the Company:

	2014 $
Short-term benefits	184,624
Total remuneration	184,624

[a] As at March 31, 2015, convertible debentures held by key management personnel and their close family members totalled $362,500.

[b] For the period ended March 31, 2015, $48,999 has been paid to a company controlled by the CEO and Director of the Company, for consulting services provided.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental disclosure of non-cash activities:

	March 31, 2015 $	**June 30, 2014** $
Other items		
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	—	219,232
	—	219,232

10. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of the unaudited interim condensed consolidated financial statements.