

United Hunter Oil & Gas Corp.

Condensed Interim Financial Statements As at and for the three month periods March 31, 2014 and 2013

(expressed in US dollars)

(unaudited)

Management's Comments on Unaudited Interim Financial Statements

These unaudited condensed interim financial statements of United Hunter Oil & Gas Corp. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

United Hunter Oil & Gas Corp.

Statements of Financial Position

(expressed in US dollars)
(unaudited)

		As at March 31, 2014	As at December 31, 2013
	Notes	\$	\$
Assets			
Current			
Cash		19,636	22,488
Receivables		12,948	10,548
Prepaid expenses		6,612	20,649
		<hr/> 39,196	<hr/> 53,685
Investment in Excelaron	4	4,625,561	4,628,193
Investment in Alamo	5	29,180	29,765
Property, plant and equipment	6	-	-
		<hr/> 4,693,936	<hr/> 4,711,643
Liabilities			
Current			
Accounts payable and accrued liabilities		96,683	116,431
Due to joint venture partner		-	-
Loans payable	7	220,907	170,854
Consideration payable	8	800,000	800,000
		<hr/> 1,117,590	<hr/> 1,087,285
Decommissioning liabilities		-	-
		<hr/> 1,117,590	<hr/> 1,087,285
Shareholders' equity			
Share capital	9	7,923,357	7,923,357
Warrants		-	-
Contributed surplus		2,183,106	2,182,315
Deficit		(6,530,117)	(6,481,314)
		<hr/> 3,576,346	<hr/> 3,624,358
		<hr/> 4,693,936	<hr/> 4,711,643
Going-concern	2		

Approved by the Board:

Tim Turner
Director

Jeff Ratcliffe
Director

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

3 months ended March 31

	Notes	2014 \$	2,013 \$
Revenues			
Oil sales		-	79,350
Royalties		-	1,588
Net revenues		-	77,762
Foreign exchange gain		14,923	3,768
		14,923	81,530
Expenses			
Operating and transportation		-	22,589
Depletion	6	-	37,787
Impairment losses	6	-	-
Professional fees		7,312	9,916
Salaries and benefits		18,119	47,878
Consulting fees		10,871	11,900
Share-based compensation	9	791	25,958
General and administrative		7,821	2,294
Public company costs		5,137	6,665
Investor relations		5,073	285
Travel		2,090	-
Interest		3,295	-
Equity loss on Excelaron		2,633	24,624
Equity loss on Alamo		585	500
		63,726	190,396
Net loss and comprehensive loss		(48,803)	(108,866)
Basic and diluted loss per share		(0.00)	(0.00)
Weighted average number of shares outstanding - basic and diluted		120,302,722	120,302,722

United Hunter Oil & Gas Corp.

Statements of Changes in Equity

(expressed in US dollars)

(unaudited)

	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$ (note 16)	Total \$
Balance, December 31, 2013	7,923,357	-	2,182,315	(6,481,314)	3,624,358
Share-based compensation	-	-	791	-	791
Loss	-	-	-	(48,803)	(48,803)
Balance, March 31, 2014	-	-	2,183,106	(6,530,117)	3,576,346
Balance, December 31, 2012	7,923,357	-	2,136,458	(6,095,967)	3,963,848
Share-based compensation	-	-	25,958	-	25,958
Loss	-	-	-	(108,866)	(108,866)
Balance, March 31, 2013	7,923,357	-	2,162,416	(6,204,833)	3,880,940

United Hunter Oil & Gas Corp.

Statements Cash of Cash Flows

(expressed in US dollars)

(unaudited)

		3 Months ended March 31,	
	Notes	2014 \$	2013 \$
Cash flow from operating activities			
Loss		(48,803)	(108,866)
Items not affecting cash			
Depletion		-	37,787
Share-based compensation		791	25,958
Interest not paid		3,295	-
Equity loss on Excelaron	4	2,633	24,624
Equity loss on Alamo	5	585	500
Accounts receivable		(2,400)	(1,489)
Prepaid expenses		14,037	(12,104)
Accounts payable and accrued liabilities		(19,748)	63,311
Decommissioning liabilities		-	(1,116)
		<u>(49,610)</u>	<u>28,606</u>
Cash flow from financing activities			
Loan payable		46,758	-
Cash flow from investing activities			
Property, plant and equipment	6	-	(73,808)
		<u>-</u>	<u>(73,808)</u>
Net change in cash		(2,852)	(45,202)
Cash, beginning of period		22,488	103,366
Cash, end of period		<u>19,636</u>	<u>58,164</u>

United Hunter Oil & Gas Corp.

Notes to Condensed Interim Financial Statements

(expressed in US dollars)
(unaudited)

1. Nature of operations

United Hunter Oil & Gas Corp. (the "Company") is a public company engaged in the exploration and development of oil and gas properties. On January 1, 2012, the Company amalgamated with its wholly-owned subsidiary United Hydrocarbon Corporation. The Company owns a 65% indirect joint venture interest in Excelaron, LLC ("Excelaron"), an exploration stage company based in San Luis Obispo, California; a 25% joint venture interest in Alamo Creek Oil LLC ("Alamo"), an exploration stage company based in San Luis Obispo, California.

The Company was incorporated under the Business Corporations Act of Ontario on February 22, 2008 and its registered office is located at 181 Bay Street, Suite 1800, Toronto, ON M5J 2T9.

2. Going concern

The financial statements were prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has financed its operations through the issue of equity. At March 31, 2014, the Company had a working capital deficit of \$1,078,395 (December 31, 2013 - \$1,033,600) and for the three months ended March 31, 2014, the Company incurred losses of \$48,803 (2013 - \$108,864) and negative cash flows from operations of \$49,610 (2013 - \$90,064). The working capital deficiency and losses limit the Company's ability to fund operations and the exploration and development of oil and gas properties. In addition, there is uncertainty whether the Company will secure conditional use permits for its planned exploration and development of the Huasna property and in the event the conditional use permits are secured, the Company is committed to make a payment of \$800,000. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The continuation of the Company as a going concern is dependent on completing an equity financing and securing conditional use permits for its Huasna property. The Company will work to raise the necessary financing and secure the conditional use permits, but the outcome of these efforts cannot be predicted at this time.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate.

3. Basis of presentation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34. Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim financial statements are consistent with those disclosed in the Company's audited financial statements for the year ended December 31, 2013, except for changes in accounting policies resulting from the adoption of new accounting standards.

These condensed interim financial statements do not include certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2013.

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on May 30, 2014

Functional and presentation currency

These financial statements are presented in US dollars, which is the functional currency of the Company and its joint ventures.

4. Significant accounting policies and future accounting changes

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Changes in accounting standards

On January 1, 2013, the Company adopted the following new standards, amendments to standards and interpretations:

- IFRS 10 *Consolidation*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*
- IAS 27 *Separate Financial Statements*
- IAS 28 *Investments in Associates and Joint Ventures*

Other than the adoption of IFRS 11, the adoption of these accounting standards had no impact on these financial statements.

New standards and interpretations not yet adopted

The effective date of the following amendment to standards and interpretations is to be determined:

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments - Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is expected to have an effect on the financial statements of the Company. The Company has not determined the extent of the impact of these standards and does not plan to early adopt these new standards.

4. Investment in Excelaron LLC

The Company holds an indirect 65% joint venture interest in Excelaron, which holds a 100% interest in an oil and natural gas property consisting of 260 acres on the western edge of the Huasna Basin, an existing California Department of Oil, Gas and Geothermal Resources designated oilfield within the Meridian Anticline located in Arroyo Grande, California. Huasna is subject to a 5% assignable gross overriding royalty payable on all amounts received directly or indirectly by the Company that can be attributed to the Company's 65% joint venture interest in Excelaron.

The planned exploration and development of Huasna requires Excelaron to secure necessary permits from regulatory authorities. On August 21, 2012, the Board of Supervisors of San Luis Obispo County ("County") denied Excelaron's application for conditional use permits ("Notice"). On November 19, 2012, Excelaron filed a petition for writ of mandate, complaint inverse condemnation and damages action ("Complaint") in the Superior Court of the State of California, County of San Luis Obispo ("Superior Court") against the County seeking a writ commanding the County to set aside its decision denying Huasna and either approving or remanding Huasna to the Board of Supervisors for further consideration consistent with the Court's opinion on the merits or to recover just compensation for the value of Huasna, as well as reasonable attorney's fees, expenses, and costs of the suit. As required by County Code and Code of Civil Procedure, Excelaron filed the Complaint within 90 days of the Notice and served the Complaint within 60 days of filing. On January 25, 2013, the County filed a general demurrer to all causes of action in the Complaint, claiming that it was barred by statute of limitations imposed by Government Code, which required the action to be filed and served within 90 days of the Notice.

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

On March 18, 2013, the Superior Court dismissed the Complaint and on April 8, 2013, the Company filed an Appeal of the dismissal. On November 7, 2013, Excelaron filed an Opening Brief setting out its arguments and on March 19, 2014, the County filed a response. Subsequent to the County's filing a Respondent's Brief, Excelaron, as Petitioner, on April 7, 2014, filed with the Court an Appellant's Reply Brief in this matter.

Investment	35,366
Equity loss	-39,662
Balance, December 31, 2013	4,628,193
Equity loss	(2,632.50)
Balance, March 31, 2014	4,625,561

The carrying value of this investment is dependent upon the ability of Excelaron to secure the necessary permits for the planned exploration and development of Huasna.

Summarized financial information

Statements of financial position

	March 31, 2014	December 31, 2013
	\$	\$
Assets		
Current		
Cash	1,203	5,253
Accounts receivable	3,210	3,210
	4,413	8,463
Exploration and evaluation	1,759,303	1,759,303
Property, plant and equipment	818	818
	1,764,534	1,768,584
Liabilities		
Current		
Accounts payable and accrued liabilities	82,776	82,776
Members' equity		
Share capital	4,162,486	4,162,486
Deficit	(2,476,678)	-2,476,678
	1,685,808	1,685,808
	4,413	1,768,584

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Statements of loss and comprehensive loss

	3 months ended March 31,	
	2014	2013
	\$	\$
Expenses		
Professional fees	2,361	29,445
General and administrative	1,163	1,218
Investor relations		0
Permitting	526	7,238
	<u>4,050</u>	<u>37,901</u>
Net loss and comprehensive loss	<u>(4,050)</u>	<u>37,901</u>

5. Investment in Alamo Creek Oil LLC

The Company owns a 25% joint venture interest in Alamo Creek Oil LLC ("Alamo") which has leased 4,068 acres ("Porter Ranch") adjacent to the Santa Maria Basin, which is south east of the Company's Huasna property. Effective June 30, 2012, the Company declined to pay its share of a cash call and its joint venture interest in Alamo was reduced from 45% to 25%.

	\$
Balance, January 1, 2013	38,651
Investment	17,812
Equity loss	(26,698)
Balance, December 31, 2013	<u>29,765</u>
Equity loss	(584.96)
Balance, March 31, 2014	<u>29,180.04</u>

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Summarized financial information

Statements of financial position

	March 31, 2014	December 31, 2013
		\$
Assets		
Current		
Cash	5,378	9,107
Liabilities		
Current		
Accounts payable and accrued liabilities	52,121	52,925
Members' equity		
Share capital	318,962	318,962
Deficit	(362,780)	-362,780
	(46,742)	-43,818
	5,378	9,107

Statements of loss and comprehensive loss

	3 month ended March 31,	
	2014	2013
	\$	\$
Expenses		
Professional fees	2,885	29,445
General and administrative	40	1,218
Leases		7,238
	2,925	37,901
Net loss and comprehensive loss	(2,925)	(37,901)

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

6. Property, plant and equipment

Cost

	\$
Balance, January 1, 2012	1,663,851
Additions	66,844
<hr/>	
Balance, January 1, 2013	1,730,695
Additions	73,808
Disposition	(1,804,503)
<hr/>	
Balance, December 31, 2013	-
<hr/>	
Balance, March 31, 2014	-
<hr/>	

Accumulated depletion and impairment losses

Accumulated depletion and impairment losses

	\$
Balance, January 1, 2012	945,973
Depletion	528,943
Impairment losses	24,807
<hr/>	
Balance, January 1, 2013	1,499,723
Depletion	44,400
Disposition	(1,544,123)
<hr/>	
Balance, December 31, 2013	-
<hr/>	
Balance, March 31, 2013	-
<hr/>	

Carrying amount

	\$
January 1, 2012	717,879
December 31, 2012	230,972
December 31, 2013	-
March 31, 2014	-
<hr/>	

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Loans payable

Loans payable of \$245,358 include the following amount denominated in Canadian dollars:

	Principal	Accrued Interest	Total
	C\$	C\$	C\$
6% unsecured promissory note due on December 31, 2014	100,000	4,241	104,241
10% unsecured promissory note due on the earlier of demand and June 14, 2014	50,000	4,014	54,014
10% unsecured promissory note due on the earlier of demand and July 12, 2014	25,000	1,795	26,795
6% unsecured promissory note due on Demand	30,000	104	30,104
10% unsecured promissory note due on the earlier of demand and March 6, 2015	30,000	205	30,205
	<u>235,000</u>	<u>10,358</u>	<u>245,358</u>

7. Consideration payable

The Company is committed to pay \$800,000 when Excelaron secures its permits for its planned operations on its oil and gas properties. In the event that Excelaron does not secure such permits or the Company does not pay the \$800,000, the Company's 65% joint venture interest in Excelaron will be reduced to a 40% joint venture interest.

8. Share capital

Authorized

An unlimited number of common shares.

Unlimited number of preference shares, issuable in series.

Outstanding

	Share capital Number of common shares	Amount \$
Balance, January 1, 2013	120,302,722	7,519,574
Fair value of expired warrants	–	403,783
Balance, December 31, 2013 and March 31, 2014	<u>120,302,722</u>	<u>7,923,357</u>

Warrants

A summary of the Company's warrants is presented below:

	Number of warrants	Weighted- average exercise price C\$	\$
Balance, January 1, 2012	33,525,000	0.38	403,783
Expired	(33,525,000)	0.38	(403,783)
Balance, December 31, 2012 and December 31, 2013	<u>–</u>	<u>–</u>	<u>–</u>

Stock options

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Under its stock option plan, the Company may grant options to its employees to acquire up to 10% of the issued and outstanding common shares at the time of the grant. As at March 31, 2014, there were 12,030,272 common shares available for issuance under the stock option plan.

A summary of the Company's stock options is presented below:

	Number of options	Weighted-average exercise price C\$
Balance, January 1, 2013	8,975,000	0.15
Granted	1,050,000	0.10
Cancelled	(4,650,000)	0.15
Balance, December 31, 2013	5,375,000	0.14
Cancelled	(2,700,000)	0.14
Balance, March 31, 2014	2,675,000	0.12

A summary of the Company's outstanding stock options at March 31, 2014 is presented below:

<i>Exercise price</i>	<i>Expiry date</i>	<i>Options outstanding</i>	<i>Options exercisable</i>
C\$0.15	May 12, 2015	350,000	350,000
C\$0.15	August 31, 2015	75,000	75,000
C\$0.15	January 18, 2016	650,000	650,000
C\$0.15	May 5, 2016	200,000	200,000
C\$0.10	September 4, 2017	350,000	233,333
C\$0.10	May 30, 2018	350,000	233,334
C\$0.10	November 26, 2018	700,000	233,333
		2,675,000	1,975,000

The weighted average remaining contractual life of outstanding stock options is 2.24 years.

A summary of the stock options granted and the assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

	May 30, 2013	November 26, 2013
Options granted	350,000	700,000
Exercise price	C\$0.100	C\$0.100
Share price	C\$0.005	C\$0.005
Expiry date	May 30, 2018	November 26, 2018
Fair value	\$500	\$1,000
Risk-free interest rate	1.48%	1.73%
Expected volatility	100%	100%
Expected life of options	5 years	5 years
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Vesting	1/3 on date of grant and 1/3 each in 2 annual instalments	

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Expected volatility was based on historical volatility of securities of comparable companies. The weighted-average grant date fair value of stock options granted during year was \$0.001 per stock option (2012 - \$0.01). The weighted-average exercise price of stock options exercisable as of March 31, 2014 was C\$0.12.

9. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts receivable, accounts payable and accrued liabilities, due to joint venture partner, loans payable and consideration payable

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, due to joint venture partner, loans payable and consideration payable are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At March 31, 2014, December 31, 2013 and January 1, 2013, the fair value of these balances approximated their carrying value due to their short term to maturity.

Share-based payments

Share-based payments are measured using a Black-Scholes options pricing model. Measurement inputs include share price on grant date, exercise price, expected volatility (based on historical volatility of securities of comparable companies), weighted average expected dividends and the risk-free interest rate based on government bonds).

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data

10. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances and receivables. The maximum exposure to credit risk is equal to the balances of cash and receivables.

The Company's limits its exposure to credit risk on its cash by holding its cash balances in deposits with a high credit quality Canadian chartered bank.

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities and consideration payable are due in less than one year.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Currency risk

Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the US dollar, the Company's functional currency. As at March 31, 2014, the Company had the following monetary assets and liabilities denominated in Canadian dollars:

	C\$
Assets	
Cash	19,636
Accounts receivable	12,948
	<hr/> 32,583
Liabilities	
Accounts payable and accrued liabilities	96,683
Loans payable	220,907
	<hr/> 317,590

As at March 31, 2014, a 5% change in the exchange rate between the US dollar and Canadian dollar would have resulted in an impact on operations of \$14,250.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop oil and gas properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

11. Revenues

For the year ended March 31, 2014, revenues of \$nil (2013 - \$79,250) were derived from one external customer.

United Hunter Oil & Gas Corp.

Statements of Loss and Comprehensive Loss

(expressed in US dollars)

(Unaudited)

Related party transactions

There were no related party transactions during the 3 months ended March 31, 2014 or 2013.

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	3 months ended March 31,	
	2014	2013
	\$	\$
Salaries	-	47,878
Share-based payments, representing amortization of share-based compensation	167	19,745
	<u>167</u>	<u>67,623</u>

At March 31, 2014, salaries of \$51,500 have not been paid.

12. Legal Contingencies

In the normal course of operations, certain contingencies may arise relating to legal actions undertaken against the Company. In the opinion of management, the outcome of such potential legal actions will not have a material adverse effect on the Company's results of operations, liquidity or its financial position.

13. Subsequent event

On April 28, 2014, the Company received proceeds of a loan of \$25,000. The loan is unsecured, bears interest at the rate of 6% and is due on April 28, 2015.