UNITED HUNTER OIL & GAS CORP.

Condensed Interim Financial Statements

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian dollars)

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 Canadian dollars)

	March 31, 2016 $	December 31, 2015 $
Assets		
Current assets		
Cash	10,157	37,383
Amount receivable	738	171
Prepaid expenses	12,219	11,263
Total assets	23,114	48,817
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	31,886	11,653
Loans payable (Note 6)	12,083	-
Total liabilities	43,969	9
Shareholders' equity		
Share capital	8,883,214	8,883,214
Share-based payment reserve	2,375,862	2,375,841
Deficit	(11,279,931)	(11,221,891)
Total shareholders'equity	(20,855)	37,164
Total liabilities and sharehoders' equity	23,114	48,817

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board on May 13, 2016:

/s/ "Tim Turner" — Tim Turner, President and Director

/s/ "Jeff Ratcliffe" — Jeff Ratcliffe, CFO and Director

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

UNITED HUNTER OIL & GAS CORP.
Statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Three months ended March 31, 2016 $	Three months ended March 31, 2015 $
Expenses		
Consulting fees	-	6,245
Equity loss on Alamo (Note 3)	-	1,419
Equity loss on Excelaron (Note 3)	-	4,255
Foreign exchange loss (gain)	372	(13,343)
General and administrative	5,936	5,921
Professional fees	1,431	34,052
Public company costs	8,766	10,366
Salaries and benefits (Note 5)	41,431	41,815
Share-based compensation (Note 8)	21	2,629
Travel	-	2,408
Total expenses	57,957	95,767
Loss before other expenses	(57,957)	(95,767)
Other expense		
Interest expense	83	-
Total other expense	(83)	-
Net loss and comprehensive loss	(58,040)	(95,767)
Loss per share, basic and diluted	(0.00)	(0.00)
Weighted average shares outstanding	32,485,923	23,652,621

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

UNITED HUNTER OIL & GAS CORP.
Statements of changes in equity
(Expressed in Canadian dollars)

	Share capital		Share-based Payment Reserve	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$
Balance, December 31, 2014	32,430,262	8,875,490	2,373,747	(10,912,772)	336,465
Stock-based compensation	-	-	2,629	-	2,629
Net loss for the period	-	-	-	(95,767)	(95,767)
Balance for March 31, 2015	32,430,262	8,875,490	2,376,376	(11,008,539)	243,328
Balance, December 31, 2015	32,650,957	8,883,214	2,375,841	(11,221,891)	37,164
Stock-based compensation			21		21
Net loss for the period				(58,040)	(58,040)
Balance for March 31, 2016	32,650,957	8,883,214	2,375,862	(11,279,931)	(20,855)

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

UNITED HUNTER OIL & GAS CORP.
Statements of cash flows
(Expressed in Canadian dollars)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Operating activities		
Net loss	(58,040)	(95,767)
Items not affecting cash		
Interest not paid	83	
Share-based compensation	21	2,629
Changes in non-cash operating working capital:		
Accounts receivable	(567)	(4,414)
Prepaid expenses	(956)	(1,579)
Accounts payable and accrued liabilities	20,233	3,750
Net cash used in operating activities	(39,226)	(95,381)
Investing activities:		
Net cash used in investing activities	-	-
Financing activities:		
Loan payable	12,000	-
Net cash provided by financing activity	12,000	-
Net change in cash	(27,226)	(95,381)
Cash, beginning of period	37,383	23,919
Cash, end of period	10,157	(71,462)

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

1. Nature of Operations and Continuance of Business

United Hunter Oil & Gas Corp. (the "Company") is a public company engaged in the exploration and development of oil and gas properties. The Company owns a 65% indirect joint venture interest in Excelaron, LLC ("Excelaron") and owned a 25% joint venture interest in Alamo Creek Oil LLC ("Alamo Creek), both exploration stage companies based in San Luis Obispo, California. Alamo Creek was dissolved December 22, 2015

The Company was incorporated under the Business Corporations Act of Ontario on February 22, 2008 and its registered office is located at Suite 615, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2016, the Company has no assets or operations that generate revenue and has an accumulated deficit of $11,279,931. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basic of Presentation

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 ("ÏFRS") 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, 2015, 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, 2015.

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on May 11, 2016.

(b) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the impairment of investment in joint ventures, measurement of share-based payments, and recognition of deferred income tax assets.

(Expressed in Canadian dollars)

The Company applies the use of judgment in determining the factors relating to its investments in joint ventures, including whether it is likely that future economic benefits would exceed net carrying values. The Company also applies judgment in the inputs used in the calculation of stock-based payments, and in the application of the going concern assumption which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

(f) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the three months ended March 31, 2016, and have not been applied in preparing these financial statements.

IFRS 9, *Financial Instruments* (New)
IFRS 11, *Joint Arrangements* (Amended)
IAS 28, *Investments in Associates and Joint Ventures* (Amended)

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

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Investment in Joint Ventures

	Alamo $	Excelaron $	Total $
Balance, December 31, 2014			
Cash investments	5,674	3,571	9,245
Impairment	(2,990)	(495)	(3,485)
Equity loss for the year	(2,684)	(3,076)	(5,760)
Cash investments	(8,358)	(6,647)	(15,005)
Balance, December 31, 2015	-	-	-
Balance, March 31, 2016	-	-	-

Alamo Creek

As at December 31, 2014, the Company reviewed the investment for indication of impairment and noted continuing equity losses in operations, the decline in market prices for oil and gas, and the market capitalization of Alamo was higher than their net assets. Based on these factors, the Company recorded an impairment loss of $27,675 on their investment in Alamo Creek.

On December 22, 2015, Alamo Creek was subsequently dissolved.

(Expressed in Canadian dollars)

3. Investment in Joint Ventures (continued)

Statements of loss for Alamo:

	Three months ended March 31, 2016 $	Three months ended March 31, 2015 $
General and administrative	-	910
Leases	-	4,400
Professional fees	-	784
Net loss	-	6,094
Company's interest in the joint venture	-	25%
Equity loss	-	1,218

Excelaron

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. As at December 31, 2014, the Company had accrued $928,080 (US$800,000) as consideration payable for amounts that the Company will be required to pay out to Excelaron for future exploration and development cost related to the investment once the required permits have been secured.

Excelaron (continued)

During the year ended December 31, 2014, after several years of Excelaron being denied the required permits and filing unsuccessful legal actions to overturn the denial, the Company has decided to write-down its investment in Excelaron resulting in the Company recognizing an impairment of $3,742,916 which consists of the carrying value of the investment of $4,670,996 offset by a reversal of the consideration payable of $928,080 that will not be required to be paid out as the required permits have not been obtained.

Statements of loss for Excelaron:

	Three months ended March 31, 2016 $	Three months ended March 31, 2015 $
Professional fees	-	11,847
General and administrative	-	5,842
Permitting	-	1,226
Net loss	-	18,915
Company's interest in the joint venture	65%	65%
Net loss and comprehensive loss	-	18,916

4. Accounts Payable and Accrued Liabilities

	As at March 31, 2016	As at March 31, 2015
	$	$
Trade payables	11,416	34,331
Accrued liabilities	20,470	26,331
Total	31,886	60,662

5. Related Party Transactions

(a) During the three months ended March 31, 2016, the amount of $22,500 (2015 – $22,500) was incurred to a company controlled by the President of the Company for salaries and benefits.

(b) During the three months ended March 31, 2016, the amount of $18,000 (2015 – $18,000) was incurred to the Chief Financial Officer of the Company for salaries and benefits.

(c) During the three months ended March 31, 2016, the amount of $21 (2015 - $229) was recognized as stock-based compensation for the vesting of stock options granted to directors and officers of the Company.

6. Loans Payable

Loans payable of $12,083 include the following amount denominated in Canadian dollars:

	Principal	**Accrued Interest**	**Total**
	C$	**C$**	**C$**
12% unsecured promissory note due on demand	12,000	83	12,083
	12,000	83	12,083

7. Share Capital

Authorized: Unlimited number of common shares without par value

Share transactions for the three months ended March 31, 2016:

(a) On December 7, 2015, the Company issued 220,690 common shares with a fair value of $7,724 to settle debt of $16,000 owed to a company controlled by the President of the Company, resulting in a gain on settlement of debt of $8,276.

Share transactions for the year ended December 31, 2014.

(b) On June 30, 2014, the Company effected a share consolidation on the basis of one new common share for ten old common shares. All share and per share numbers have been retroactively restated for all periods presented.

(c) On September 2, 2014, the Company completed a private placement of 20,000,000 common shares at $0.05 per share for gross proceeds of $1,000,000. In connection with the private placement, the Company incurred share issuance costs of $7,100.

(d) On December 15, 2014, the Company issued 400,000 common shares with a fair value of $24,000 to settle debt owed to the President of the Company.

(Expressed in Canadian dollars)

8. Stock Options

The Company has implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares of the Company. The exercise price of each stock option will be equal to the market price at the date of grant but can be discounted as permissible by TSX Venture Exchange policy. Stock options are exercisable over periods up to five or ten years and vesting periods can be imposed at the discretion by the Board of Directors.

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

	Number of options	Weighted average exercise price $
Outstanding, December 31, 2014	250,000	0.59
Granted	-	-
Cancelled	-	-
Outstanding, March 31, 2015 and 2016	250,000	0.59

Additional information regarding stock options outstanding and exercisable as at March 31, 2016 is as follows:

	Outstanding			Exercisable	
Exercise price $	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price $	Number of stock options	Weighted average exercise price $
0.07	110,000	3.4	0.07	110,000	0.07
1.00	140,000	2.4	1.00	128,333	1.00
	250,000	2.8	0.59	238,333	0.57

The fair value of stock options granted was determined using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2016	2015	2014
Risk-free rate	–	–	1.59%
Volatility	–	–	112%
Weighted average expected life (years)	–	–	4

The fair value of stock options vested during the three months ended March 31, 2016 was $21 (2015 - $2,629) which was recorded as stock-based compensation and charged to operations. The weighted average fair value of stock options vested during the year ended March 31, 2016 was $0.05 (2014 – $0.04) per option.

9. Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at March 31, 2016 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, March 31, 2016 $
Cash	10,157	–	–	10,157

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company operates in Canada and United States, but has the majority of its cash held in Canada in Canadian dollars. Future exploration programs may be denominated in US dollars. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations due to the limited number of transactions conducted in the United States dollar. A change of 5% in the exchange rate for the US dollar would result in a change in net loss of $25.

(d) Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

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

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. Capital Management

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

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

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2014.