

# ***United Hunter Oil & Gas Corp.***

## ***Condensed Interim Financial Statements***

***As at and for the Six month periods***

***June 30, 2015 and 2014***

*(expressed in Canadian 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 Canadian dollars)

	<b>As at June 30, 2015</b>	<b>As at December 31, 2014</b>
	<b>\$</b>	<b>\$</b>
Assets		
Current		
Cash	217,189	385,409
Receivables	2,141	3,341
Prepaid expenses	3,291	12,791
Total assets	222,620	401,541
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	32,539	65,076
Total liabilities	32,539	65,076
Shareholders' equity		
Share capital	8,875,490	8,875,490
Share-based payment reserve	2,376,439	2,373,747
Deficit	(11,061,847)	(10,912,772)
Total shareholders' equity	190,081	336,465
<b>Total liabilities and shareholders' equity</b>	<b>222,620</b>	<b>401,541</b>

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board on August 20, 2015:

/s/ "Timothy Turner"Timothy 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 June 30,	Three Months ended June 30	Six Months ended June 30	Six Months ended June 30
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Expenses</b>				
Consulting fees	23,912	12,000	30,157	20,000
Exploration expense (Note 4)	9,245	-	9,245	-
Equity loss on Alamo (Note 3)	-	21,260	-	21,906
Equity loss on Excelaron (Note 3)	-	9,694	-	12,602
Foreign exchange loss (gain)	(69,093)	7,898	(76,763)	(7,103)
General and administrative	5,867	8,951	11,788	14,611
Professional fees	20,334	12,082	54,386	20,731
Public company costs	5,671	12,035	16,037	23,681
Salaries and benefits (Note 6)	54,544	34,008	96,359	58,345
Share-based compensation (Note 8)	63	702	2,692	1,062
Travel	2,767	2,624	5,175	4,931
<b>Total expenses</b>	<b>53,311</b>	<b>121,254</b>	<b>149,076</b>	<b>170,766</b>
Loss before other expenses	(53,311)	(121,254)	(149,076)	(170,766)
Other expense				
Interest expense	-	(5,296)	-	(8,897)
<b>Total other expense</b>	<b>-</b>	<b>(5,296)</b>	<b>-</b>	<b>(8,897)</b>
<b>Net loss and comprehensive loss</b>	<b>(53,311)</b>	<b>(126,550)</b>	<b>(149,076)</b>	<b>(179,663)</b>
Loss per share, basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)
Weighted average shares outstanding	28,610,738	12,030,267	28,767,635	12,030,267

(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 \$	\$	\$	\$
	<i>Balance, December 31, 2013</i>	12,030,267	7,858,590	2,368,434	6,626,607
Stock-based compensation	-	-	1,062	-	1,062
Net loss for the period	-	-	-	(179,663)	(179,663)
Balance, June 30, 2014	12,030,267	7,858,590	2,369,496	6,446,944	3,421,816
Balance, December 31, 2014	32,430,267	8,875,490	2,373,747	(10,912,772)	336,465
Stock-based compensation	-	-	2,692	-	2,692
Net loss for the period	-	-	-	(149,076)	(149,076)
Balance, June 30, 2015	<b>32,430,267</b>	<b>8,875,490</b>	<b>2,376,439</b>	<b>(11,061,848)</b>	<b>190,081</b>

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

**UNITED HUNTER OIL & GAS CORP.**

Statements of cash flows

(Expressed in Canadian dollars)

	<b>Six months ended June 30, 2015</b>	<b>Six months ended June 30, 2014</b>
Operating activities		
Net loss	(149,076)	(179,663)
Items not affecting cash		
Effects of foreign exchange loss	-	(10,473)
Share-based compensation	2,692	1,062
Equity loss on Excelaron (Note 3)	-	12,602
Equity loss on Alamo (Note 3)	-	21,906
Changes in non-cash operating working capital:		
Accounts receivable	1,200	7,362
Prepaid expenses	9,500	6,182
Accounts payable and accrued liabilities	(32,535)	4,375
Accrued interest payable	-	8,897
Net cash used in operating activities	(168,218)	(127,750)
Investing activities:		
Investing in Excelaron	-	(11,343)
Investing in Alamo	-	(3,871)
Net cash used in investing activities	-	(15,214)
Financing activities:		
Loan payable	-	143,892
Net cash provided by financing activity	-	143,892
Net change in cash	(168,218)	928
Cash, beginning of period	385,409	23,919
Cash, end of period	217,191	24,847

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

## **UNITED HUNTER OIL & GAS CORP.**

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

### **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 a 25% joint venture interest in Alamo Creek Oil LLC ("Alamo Creek"), both exploration stage companies 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 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 June 30, 2015, the Company currently has no assets or operations that generate revenue and has an accumulated deficit of \$11,061,847. 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) Basis 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 ("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, 2014, 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, 2014.

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on August 20, 2015.

These financial statements are presented in Canadian dollars, which is the functional currency of the Company. Previously, these financial statements were presented in United States dollars. On December 31, 2014, the Company changed its reporting currency to Canadian dollars. Refer to Note 12.

#### **b) Exploration expense**

Costs incurred prior to obtaining the legal right to explore (pre-exploration costs) are expensed in the period in which they are incurred as exploration expense.

Costs incurred after the legal right to explore is obtained, are initially capitalized, if it is determined that the field/project is not technically feasible and commercially viable and the

## UNITED HUNTER OIL & GAS CORP.

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(Expressed in Canadian dollars)

Company decides not to continue the exploration and evaluation activity, the unrecoverable accumulated costs are expensed as exploration and evaluation expenses.

### c) 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 recoverability of amounts receivable, impairment of investment in joint ventures, measurement of share-based payments, and deferred income tax asset valuation allowances.

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.

The application of the Company's accounting policy for Exploration Expense exists when activities have not reached a stage where technical feasibility and commercial viability can be reasonably determined. Factors such as drilling results, future capital programs, future operating costs, as well as estimated economically recoverable reserves are considered. If it is determined that an Exploration and Evaluation asset is not technically feasible and commercially viable and Management decides not to continue the exploration and evaluation activity the unrecoverable costs are charged to Exploration Expense.

### d) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2015, and have not been applied in preparing these financial statements.

- IFRS 9, *Financial Instruments* (New)
- IFRS 10, *Consolidated Financial Statements* (Amended)
- IFRS 11, *Joint Arrangements* (Amended)
- IFRS 12, *Disclosure of Interests in Other Entities* (Amended)
- IAS 16, *Property, Plant, and Equipment* (Amended)
- IAS 27, *Separate Financial Statements* (Amended)
- IAS 28, *Investments in Associates and Joint Ventures* (Amended)
- IAS 32, *Financial Instruments: Presentation* (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.

## UNITED HUNTER OIL & GAS CORP.

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

### 3. Investment in Joint Ventures

	Alamo \$	Excelaron \$	Total \$
Balance, December 31, 2012	38,139	4,675,189	4,713,328
Cash investments	18,342	36,418	54,760
Equity loss for the year	(27,492)	(40,842)	(68,334)
Balance, December 31, 2013	28,989	4,670,765	4,699,754
Cash investments	20,592	12,833	33,425
Reversal of consideration payable	–	(928,080)	(928,080)
Impairment	(27,675)	(3,742,916)	(3,770,591)
Equity loss for the year	(21,906)	(12,602)	(34,508)
Balance, December 31, 2014	–	–	–

#### Alamo Creek

The Company owns a 25% joint venture interest in Alamo Creek 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 Creek was reduced from 45% to 25%.

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 and other factors, the Company recorded an impairment loss of \$27,675 (2013 - \$nil) on their investment in Alamo Creek.

Statements of loss for Alamo:

	Year ended December 31, 2014 \$	Year ended December 31, 2013 \$
General and administrative	2,106	2,077
Leases	71,018	89,757
Professional fees	14,499	18,136
Net loss	87,623	109,970
Company's interest in the joint venture	25%	25%
Equity loss	21,906	27,492

#### 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.



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### 3. Investment in Joint Ventures (continued)

#### Excelaron (continued)

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 payout to Excelaron for future exploration and development cost related to the investment once the required permits have been secured.

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 (2013 - \$nil) 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:

	Year ended December 31, 2014 \$	Year ended December 31, 2013 \$
General and administrative	6,453	7,792
Permitting	580	8,380
Professional fees	12,355	46,662
Net loss and comprehensive loss	19,388	62,834
Company's interest in the joint venture	65%	65%
Equity loss	12,602	40,842

### 4. Exploration Expense

	As at June 30, 2015 \$	As at June 30, 2014 \$
Costs		
As at January 1, 2015	-	-
Exploration expense (1)	(9,245)	-
As at June 30, 2015	(9,245)	nil

Costs are pursuant to continued efforts to acquire legal rights to explore California property interests (25% interest in Alamo Creek and 65% interest in Excelaron) and ongoing commitments during the six months ended June 30, 2015.

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### 5. Accounts Payable and Accrued Liabilities

	June 30, 2015 \$	June 30, 2014 \$
Trade payables	4,389	14,744
Accrued professional fees	10,000	18,227
Accrued liabilities	18,149	32,105
	(32,539)	(65,076)

### 6. Related Party Transactions

- (a) During the six months ended June 30, 2015, the amount of \$50,500 (2014 – \$76,500) was incurred to a company controlled by the President of the Company for salaries and benefits.
- (b) During the six months ended June 30, 2015, the amount of \$36,000 (2014 – \$15,000) was incurred to the Chief Financial Officer of the Company for salaries and benefits.
- (c) During the six months ended June 30, 2015, the amount of \$30,986 (2014 - \$5,986) was incurred to former directors and officers of the Company for consulting fees, salaries, and benefits.
- (d) During the six months ended June 30, 2015, the amount of \$126 (2014 - \$396) was recognized as stock-based compensation for the vesting of stock options granted to directors and officers of the Company.

### 7. Share Capital

Authorized: Unlimited number of common shares without par value

- (a) 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.
- (b) 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.
- (c) 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.

### 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.

## UNITED HUNTER OIL & GAS CORP.

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March 31, 2015 and 2014

(Expressed in Canadian dollars)

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

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2012	897,500	1.50
Granted	105,000	1.00
Cancelled	(465,000)	1.50
Outstanding, December 31, 2013	537,500	1.40
Granted	145,000	0.29
Cancelled	(432,500)	1.46
Outstanding, March 31, 2015	250,000	0.59

### 9. Stock Options (continued)

Additional information regarding stock options outstanding and exercisable as at March 31, 2015 is as follows:

Exercise price \$	Number of stock options	Outstanding		Exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
0.07	110,000	4.2	0.07	110,000	0.07
1.00	140,000	3.2	1.00	93,333	1.00
	250,000	3.7	0.59	203,333	0.50

During the six months ended June 30, 2015, the Company granted stock options with a fair value of \$2,692 (2014 - \$1368) which was charged to operations and recorded as share-based payment reserve. The fair value of stock options granted was determined using the Black-Scholes option pricing model. The weighted average fair value of the options vested during the year ended December 31, 2014 was \$0.04 (2013 - \$0.35) per option. Weighted average assumptions used in calculating the fair value of stock-based compensation expense, assuming no expected dividends or forfeitures are as follows: No stock options have been granted in the six month period ended June 30, 2015.

	2014	2013
Risk-free rate	1.59%	1.95%
Volatility	112%	100%
Weighted average expected life (years)	4.00	3.59

## UNITED HUNTER OIL & GAS CORP.

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

### 10. 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 June 30, 2015 as follows:

	Fair Value Measurements Using			Balance, June 30, 2015 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	217,189	–	–	217,189

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, loans payable, and consideration payable 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 Goods and Sales Tax 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.

#### (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.

## **UNITED HUNTER OIL & GAS CORP.**

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

### **11. 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 six months ended June 30, 2015.

## UNITED HUNTER OIL & GAS CORP.

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

### 12. Change in Reporting Currency

On December 31, 2014, the Company changed its reporting currency from United States dollars to Canadian dollars. In preparing the Company's prior year comparative balances in Canadian dollars, the Company has adjusted amounts previously reported in the financial statements in United States dollars. The changes made to the statement of financial position as at December 31, 2013 and as at June 30, 2014 and the related statements of operations and comprehensive loss, and cash flows for the year ended December 31, 2013 and June 30, 2014 are shown below.

(a) Reconciliation of statement of financial position as at December 31, 2013:

	As previously reported US\$	Effect of change in reporting currency \$	Revised amount Cdn\$
<b>ASSETS</b>			
Current assets			
Cash	22,488	1,431	23,919
Amounts receivable	10,548	671	11,219
Prepaid expenses	20,649	1,313	21,962
Total current assets	53,685	3,415	57,100
Non-current assets			
Investment in Alamo	29,765	(776)	28,989
Investment in Excelaron	4,628,193	42,572	4,670,765
Total non-current assets	4,657,958	41,796	4,699,754
Total assets	4,711,643	45,211	4,756,854
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	116,431	7,405	123,836
Loans payable	170,854	10,867	181,721
Total current liabilities	287,285	18,272	305,557
Non-current liabilities			
Consideration payable	800,000	50,880	850,880
Total liabilities	1,087,285	69,152	1,156,437
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7,923,357	(64,767)	7,858,590
Share-based payment reserve	2,182,315	186,119	2,368,434
Deficit	(6,481,314)	(145,293)	(6,626,607)
Total shareholders' equity	3,624,358	(23,941)	3,600,417
Total liabilities and shareholders' equity	4,711,643	45,211	4,756,854

## UNITED HUNTER OIL & GAS CORP.

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

### 12. Change in Reporting Currency (continued)

- (b) Reconciliation of statement of operations and comprehensive loss for the year ended December 31, 2013:

	As previously reported US\$	Effect of change in reporting currency \$	Revised amount Cdn\$
Oil and gas revenue	94,377	1,501	95,878
Production costs and royalties	(1,888)	(30)	(1,918)
Gross margin	92,489	1,471	93,960
Expenses			
Consulting fees	46,453	1,547	48,000
Depletion and depreciation	44,400	(573)	43,827
Equity loss on Alamo Creek	26,698	794	27,492
Equity loss on Excelaron	39,662	1,180	40,842
Foreign exchange loss (gain)	(3,897)	47,279	43,382
General and administrative	27,504	817	28,321
Operating and transportation	42,185	671	42,856
Professional fees	52,527	1,562	54,089
Public company costs	17,697	526	18,223
Salaries and benefits	95,869	2,851	98,720
Stock-based compensation	45,857	703	46,560
Travel	4,224	126	4,350
Total expenses	439,179	57,483	496,662
Net loss before other expenses	(346,690)	(56,012)	(402,702)
Other expenses			
Interest expense	(6,527)	(194)	(6,721)
Loss on sale of property, plant, and equipment	(32,130)	(594)	(32,724)
Total other expenses	(38,657)	(788)	(39,445)
Net loss and comprehensive loss for the year	(385,347)	(56,800)	(442,147)
Loss per share, basic and diluted	(0.03)	(0.01)	(0.04)

**UNITED HUNTER OIL & GAS CORP.**

Notes to the condensed interim financial statements

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(Expressed in Canadian dollars)

**12. Change in Reporting Currency** (continued)

(c) Reconciliation of statement of cash flows for the year ended December 31, 2013:

	As previously reported US\$	Effect of change in reporting currency \$	Revised amount Cdn\$
<b>Operating activities</b>			
Net loss for the year	(385,347)	(56,800)	(442,147)
Items not involving cash:			
Depletion and depreciation	44,400	(573)	43,827
Effects of foreign exchange loss	–	43,382	43,382
Equity loss on Alamo	26,698	794	27,492
Equity loss on Excelaron	39,662	1,180	40,842
Loss on sale of property, plant, and equipment	32,130	594	32,724
Stock-based compensation	45,857	703	46,560
Changes in non-cash operating working capital:			
Amounts receivable	19,947	(586)	19,361
Prepaid expenses	23,196	(1,190)	22,006
Accounts payable and accrued liabilities	22,184	11,349	33,533
Accrued interest payable	6,527	194	6,721
<b>Net cash used in operating activities</b>	<b>(124,746)</b>	<b>(953)</b>	<b>(125,699)</b>
<b>Investing activities</b>			
Acquisition of property, plant, and equipment	(73,808)	(469)	(74,277)
Investment in Alamo	(17,812)	(530)	(18,342)
Investment in Excelaron	(35,366)	(1,052)	(36,418)
<b>Net cash used in investing activities</b>	<b>(126,986)</b>	<b>(2,051)</b>	<b>(129,037)</b>
<b>Financing activities</b>			
Proceeds from loans payable	170,854	4,146	175,000
<b>Net cash provided by financing activities</b>	<b>170,854</b>	<b>4,146</b>	<b>175,000</b>
Change in cash	(80,878)	1,142	(79,736)
Cash, beginning of year	103,366	289	103,655
Cash, end of year	22,488	1,431	23,919



**UNITED HUNTER OIL & GAS CORP.**

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

**12. Change in Reporting Currency** (continued)

(d) Reconciliation of statement of financial position as at June 30, 2014:

		As previously reported US\$	Effect of change in reporting currency	Revised amount Cdn\$
<b>ASSETS</b>				
Current assets				
Cash		24,206	641	24,847
Amounts receivable		3,631	226	3,857
Prepaid expenses		11,696	4,084	15,780
Total current assets		39,533	4,951	44,484
Non-current assets				
Investment in Alamo		6,703	26,157	32,860
Investment in Excelaron		4,632,536	49,576	4,682,112
Property, plant and equipment				-
Total non-current assets		4,639,239	75,733	4,714,972
Total assets		4,678,772	80,684	4,759,456
<b>LAIBILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities		96,683	31,528	128,211
Loans payable		220,907	104,706	325,613
Total current liabilities		317,590	136,234	453,824
Non-current Liabilities				
Consideration payable		800,000	50,880	850,880
Total liabilities		1,435,180	187,114	1,304,704
<b>SHAREHOLDERS' EQUITY</b>				
Share capital		7,923,357	(64,767)	7,858,590
Share based payment reserve		2,183,106	186,384	2,369,490
Deficit		(6,530,117)	(276,157)	(6,806,274)
Total shareholders' equity		3,576,346	(154,540)	3,421,806
Total liabilities and shareholders' equity		5,011,526	104,014	4,726,510

**UNITED HUNTER OIL & GAS CORP.**

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March 31, 2015 and 2014

(Expressed in Canadian dollars)

**12. Change in Reporting Currency** (continued)

(e) Reconciliation of statement of operations and comprehensive loss for the six months ended June 30, 2014:

	As previously reported US\$	Effect of change in reporting currency	Revised amount Cdn\$
<b>Expenses</b>			
Foreign exchange loss (gain)	(3,210)	(3,893)	(7,103)
Professional fees	18,960	1,771	20,731
Salaries and benefits	53,360	4,984	58,345
Consulting fees	18,291	1,709	20,000
Share-based compensation	1,368	(306)	1,062
General and administrative	13,363	1,248	14,611
Public company costs	21,658	2,023	23,681
Travel	4,509	421	4,931
Equity loss on Excelaron	6,038	6,564	12,602
Equity loss on Alamo	26,625	(4,719)	21,906
<b>Total expenses</b>	<b>160,963</b>	<b>9,803</b>	<b>170,766</b>
Net loss before other expenses	(160,963)	(9,803)	(170,766)
Interest expense	(8,137)	(760)	(8,897)
<b>Total other expenses</b>	<b>(8,137)</b>	<b>(760)</b>	<b>(8,897)</b>
<b>Net loss and comprehensive loss</b>	<b>(169,100)</b>	<b>(10,563)</b>	<b>(179,663)</b>
Basic and diluted loss per share	(0.014)		(0.015)
<b>Weighted average number of shares outstanding - basic and diluted</b>	<b>12,030,267</b>		<b>12,030,267</b>

**UNITED HUNTER OIL & GAS CORP.**

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

**12. Change in Reporting Currency** (continued)

- (f) Reconciliation of statement of operations and comprehensive loss for the three months ended June 30, 2014:

	As previously reported US\$	Effect of change in reporting currency	Revised amount Cdn\$
Expenses			
Foreign exchange loss (gain)	(11,713)	19,611	7,898
Professional fees	11,648	434	12,082
Salaries and benefits	35,241	(1,233)	34,008
Consulting fees	7,420	4,580	12,000
Share-based compensation	577	125	702
General and administrative	8,739	212	8,951
Public company costs	15,276	(3,241)	12,035
Travel	2,419	205	2,624
Equity loss on Excelaron	3,406	6,288	9,694
Equity loss on Alamo	26,040	(4,780)	21,260
Total expenses	99,054	22,200	121,254
Net loss before other expenses	(99,054)	(22,200)	(121,254)
Interest expense	(4,842)	(454)	(5,296)
Total other expenses	(4,842)	(454)	(5,296)
Net loss and comprehensive loss	(103,896)	(22,654)	(126,550)
Basic and diluted loss per share	(0.009)		(0.011)
<b>Weighted average number of shares outstanding - basic and diluted</b>	12,030,267		12,030,267

**UNITED HUNTER OIL & GAS CORP.**

Notes to the condensed interim financial statements

March 31, 2015 and 2014

(Expressed in Canadian dollars)

**12. Change in Reporting Currency** (continued)

(g) Reconciliation of statement of cash flows for the six months ended June 30, 2014:

		As previously reported US\$	Effect of change in reporting currency \$	Revised amount Cdn\$
Operating activities				
Net loss for the year		(169,100)	(10,563)	(179,663)
Items not affecting cash:			-	
Depletion		-	-	-
Effects of foreign exchange loss		-	(10,473)	(10,473)
Share-based compensation		1,368	(306)	1,062
Equity loss on Excelaron		6,038	6,564	12,602
Equity loss on Alamo		26,625	(4,719)	21,906
Changes in non-cash operating working capital:			-	
Accounts receivable		6,917	445	7,362
Prepaid expenses		8,953	(2,771)	6,182
Accounts payable and accrued liabilities		708	3,667	4,375
Accrued interest payable		8,137	760	8,897
Net cssh used in operating activities		(110,354)	(17,396)	(127,750)
Investing activities				
Investment in Excelaron		(10,381)	(962)	(11,343)
Investment in Alamo		(3,563)	(308)	(3,871)
Net cash used in investing activities		(13,944)	(1,270)	(15,214)
Financing activities				
Loan payable		126,015	17,877	143,892
Net cash used in financing activities		126,015	17,877	143,892
Net change in cash		1,718	(790)	928
Cash, beginning of period		22,488	1,431	23,919
Cash, end of period		24,206	641	24,847