UNITED HUNTER OIL & GAS CORP.

Condensed Interim Financial Statements

Six Months Ended June 30, 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)

	June 30, 2016	December 31, 2015
	$	$
Assets		
Current assets		
Cash	13,376	37,383
Amount receivable	1,340	171
Prepaid expenses	3,281	11,263
Total assets	17,997	48,817
Non-current assets		
Exploration and evaluation (Note 3)	13	-
Total non-current assets	13	
Total assets	18,010	-
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	63,879	11,653
Loans payable (Note 6)	42,862	-
Total liabilities	106,741	9
Shareholders' equity		
Share capital	8,883,214	8,883,214
Share-based payment reserve	2,375,884	2,375,841
Deficit	(11,347,829)	(11,221,891)
Total shareholders'equity	(88,731)	37,164
Total liabilities and sharehoders' equity	18,010	48,817

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board on August 22, 2016:

/s/ "Tim Turner"	*/s/ "Jeff Ratcliffe"*
Tim Turner, President and Director	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, 2016 $	Three months ended June 30, 2015 $	Six months ended June 30, 2016 $	Six months ende June 30, 2015 $
Expenses				
Consulting fees	-	23,912	-	30,157
Exploration expense	-	9,245	-	9,245
Foreign exchange loss (gain)	393	(69,093)	765	(76,763
Office andd administration	7,140	5,867	13,077	11,788
Professional fees	19,136	20,334	20,567	54,386
Public company costs	1,085	5,671	9,852	16,037
Salaries and benefits (Note 5)	37,789	54,544	77,219	96,359
Share-based compensation (Note 8)	21	63	42	2,692
Travel	-	2,767	3,554	5,175
Total expenses	65,564	53,310	125,076	149,076
Loss before other expenses	(65,564)	(53,310)	(125,076)	(149,076
Other expense				
Interest expense	779	-	862	-
Total other expense	(779)	-	(862)	-
Net loss and comprehensive loss	(66,343)	(53,310)	(125,938)	(149,076
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01
Weighted average shares outstanding	32,466,788	28,610,738	32,513,379	28,767,635

(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	32,430,267	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 June 30, 2015	32,430,267	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			42		42
Net loss for the period				(125,937)	(125,937)
Balance for June 30, 2016	32,650,957	8,883,214	2,375,884	(11,347,829)	(88,731)

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

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

	Six months ended June 30, 2016	Six months ended June 30, 2015
Operating activities		
Net loss	(125,937)	(149,076)
Items not affecting cash		
Interest not paid	862	
Share-based compensation	42	2,692
Changes in non-cash operating working capital:		
Accounts receivable	(1,169)	1,200
Prepaid expenses	7,982	9,500
Accounts payable and accrued liabilities	52,226	(32,535)
Net cash used in operating activities	(65,994)	(168,218)
Investing activities:		
Acquisition of mineral rights	(13)	-
Net cash used in investing activities	(13)	-
Financing activities:		
Loan payable	42,000	-
Net cash provided by financing activity	42,000	-
Net change in cash	(24,007)	(168,218)
Cash, beginning of period	37,383	385,409
Cash, end of period	13,376	217,191

(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 had owned 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 United Hunter Oil & Gas Corp. (the “Company”) is a public company engaged in the exploration, production and development of oil and gas properties. The Company ***had*** owned 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 jointly owned by the Company and Australian Oil Company, now Sacgasco, LLC, and were based in San Luis Obispo, California. Alamo Creek was dissolved December 22, 2015 and the Managers of Excelaron also elected to dissolve Excelaron and transfer the assets proportionately to the two companies, effective June 8, 2016. The Company is in the process of recording the granting deeds to each respective owner and filing a Certificate of Cancellation with the California Secretary of State’s office.

The Company was incorporated under the Business Corporations Act of Ontario on February 22, 2008 and its head office and mailing address is 710 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7 registered office is located at Suite 1800, 181 Bay Street, Toronto, Ontario, M5J 2T9.

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, 2016, the Company has no assets or operations that generate revenue and has an accumulated deficit of $11,347,829. 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, 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 August 22, 2016.

(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 Company decides not to continue the exploration and evaluation activity, the unrecoverable accumulated costs are expensed as exploration 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 E&E 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 and evaluation expense.

(d) Accounting Standads Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the six months ended June 30, 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.

(Expressed in Canadian dollars)

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	-	-	-

Alamo Creek

On December 22, 2015, Alamo Creek was dissolved.

Excelaron

The Company held 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.

4. Accounts Payable and Accrued Liabilities

	As at June 30, 2016 $	As at June 30, 2015 $
Trade payables	3,879	4,389
Accrued liabilities	60,000	18,149
Total	63,879	60,662

5. Related Party Transactions

(a) During the six months ended June 30, 2016, the amount of $45,000 (2015 – $50,500 was incurred to a company controlled by the President of the Company for salaries and benefits.

(b) During the six months ended June 30, 2016, the amount of $31,000 (2015 – $36,000) was incurred to the Chief Financial Officer of the Company for salaries and benefits.

(c) During the six months ended June 30, 2016, the amount of $42 (2015 - $126) 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 $42,862 include the following amount denominated in Canadian dollars:

	Principal	Accrued Interest	Total
	C$	C$	C$
12% unsecured promissory note due on demand	42,000	862	42,862

7. Share Capital

Authorized: Unlimited number of common shares without par value

Share transactions for the year ended December 31, 2015:

(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.

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, 2015	250,000	0.59
Granted	-	-
Cancelled	110,000-	-
Outstanding, June 30, 2016	140,000	1.00

Additional information regarding stock options outstanding and exercisable as at June 30, 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 $
1.00	140,000	2.3	1.00	128,333	1.00
	250,000	2.3	1.00	238,333	1.00

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 six months ended June 30, 2016 was $42 (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 December 31, 2015 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 June 30, 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, June 30, 2016 $
Cash	37,376	–	–	37,376

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 $5.

(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, 2015.

11. Subsequent Events

On July 26 the Company received an unsecured promissory note of $20,000 at a rate of 12% per annum due on demand.

On July 27 the Company received an unsecured promissory note of $30,000 at a rate of 12% per annum due on demand from a shareholder of the Company.

On July 27, 2016 the Company announce the signing of a binding and exclusive investment agreement whereby the Corporation would acquire certain assets from Due South Energy Limited. A London England based Energy Company that specializes in the development of solar energy projects worldwide.

On August 3, 2016 the Company announces the termination of the exclusive investment agreement, whereby the Corporation would have acquired certain assets from Due South Energy

Limited. A London, England based Energy Company that specializes in the development of solar energy projects worldwide.