Versus Systems Inc.
(formerly, Opal Energy Corp.)

Suite 302
1620 West 8th Avenue
Vancouver, British Columbia
V6J 1V4

CSE FORM 2A
LISTING STATEMENT

July 5, 2016

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FORWARD LOOKING STATEMENTS

This Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Opal or Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) expectations regarding the Resulting Issuer's ability to raise capital, (B) the intention to grow the business and operations of the Resulting Issuer, (C) the business objectives and milestones of the Resulting Issuer, and (D) the proposed use of available funds by the Resulting Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Resulting Issuer to obtain necessary financing; satisfy the requirements of the CSE with respect to the Acquisition; the economy generally; obtaining requisite licenses or governmental approvals to conduct business; changes in and the effect of government policies with respect to online gaming; consumer interest in the products of the Resulting Issuer; competition; anticipated and unanticipated costs; potential environmental issues and liabilities associated with previous exploration and development and mining claims, interests or activities; reliance on management; competition; claims and legal proceedings; conflicts of interest; and market price and volatility of the common shares. These forward-looking statements should not be relied upon as representing the Resulting Issuer's views as of any date subsequent to the date of this Listing Statement. Although the Resulting Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Resulting Issuer. Additional factors are noted under "Risk Factors" in this Listing Statement. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and the Resulting Issuer undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

MARKET AND INDUSTRY DATA

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Resulting Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

CONVENTIONS

Certain terms used herein are defined in the "Glossary of Terms". Unless otherwise indicated, references to $ or "CAD" are to Canadian dollars and references to "USD$" are to United States dollars.

GLOSSARY

"**Acquisition**" means the acquisition by Newco of all of the issued and outstanding Versus Units from the Selling Members pursuant to the Acquisition Agreement;

"**Acquisition Agreement**" means acquisition agreement dated March 16, 2016 among Opal, NewCo, Versus and the Selling Members;

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an "**Affiliate**" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of a company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of a company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Business Day**" means any day other than a Saturday, Sunday, or a statutory or civic holiday in the City of Vancouver, British Columbia;

"**Closing**" means the closing of the Acquisition on the Closing Date;

"**Closing Date**" means the date of the Closing, being June 30, 2016;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Computershare**" means Computershare Investor Services Inc.;

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange;

"**CSE Listing**" means the listing of the Resulting Issuer Shares on the CSE;

"**Escrow Agent**" means Computershare, in its capacity as escrow agent for the common shares held in escrow under the New Escrow Agreement to be entered into prior to Closing;

"**IFRS**" means the International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, effective January 1, 2011;

"**Listing Date**" means the date of the CSE Listing;

"**Listing Statement**" means this listing statement;

"**MD&A**" means management's discussion and analysis;

"**New Escrow Agreement**" means the escrow agreement to be entered into between the Escrow Agent, the Resulting Issuer, NewCo and certain Selling Members, pursuant to which NewCo Shares equivalent to 12,431,791 Resulting Issuer Shares and 6,215,896 Resulting Issuer common share purchase warrants upon the exchange of securities pursuant to the Acquisition Agreement will be held in escrow pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* of the Canadian Securities Administrators ("**NP 46-201**");

"**NewCo**" means Opal Energy (Holdco) Corp., a direct, wholly-owned subsidiary of Opal incorporated under the laws of Nevada on March 14, 2016 for the sole purpose of effecting the Acquisition;

"**NewCo Shares**" means all of the outstanding shares of common stock of NewCo;

"**Opal**" or the "**Company**" means Versus Systems Inc. (as of June 14, 2016, formerly, Opal Energy Corp.), a company incorporated under the BCBCA, its common shares listed on the CSE under the stock symbol "VS";

"**Opal Financial Statements**" means the audited annual consolidated financial statements of Opal as at December 31, 2015, 2014 and 2013 and the statements of comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, which are attached to this Listing Statement as Schedule "A";

"**Opal Shares**" means the common shares of Opal;

"**Performance Warrants**" means the aggregate 10,003,776 warrants to purchase Resulting Issuer Shares at a deemed price of CAD $0.25 per share purchase warrant issued to certain of the Selling Members in connection with the Acquisition;

"**Person**" means a company or individual;

"**Placement Units**" means the units sold under the Private Placement, each consisting of one Opal Share and one-half of one transferable Opal share purchase warrant, with each whole warrant being exercisable into one Opal Share at an exercise price of CAD$0.40 per share for a period of 24 months from the closing date of the Private Placement;

"**Private Placement**" means the equity financing by way of a non-brokered private placement relying on the prospectus exemptions pursuant to National Instrument 45-106 - *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 45-106**") and other applicable laws, rules and regulations for aggregate gross proceeds of CAD$5,040,000, at a price of CAD$0.25 per Placement Unit;

"**Pro-Forma Financial Statements**" means the unaudited *pro forma* consolidated statement of financial position for the Resulting Issuer as at March 31, 2016 and the unaudited *pro forma* consolidated income statement and earnings per share of the Resulting Issuer for the year ended December 31, 2015 and for the three months ended March 31, 2016, which give effect to the Transaction and are attached to this Listing Statement as Schedule "C";

"**Resulting Issuer**" means the Company after giving effect to the Acquisition;

"**Resulting Issuer Shares**" means the common shares of Opal after the Acquisition;

"**Selling Members**" means the members of Versus, LLC as at the Closing Date;

"**Transaction**" means the (i) Acquisition and (ii) Private Placement;

"**Versus**" means Versus, LLC, a limited liability company formed under the laws of Nevada, USA; and

"**Versus Units**" means the Class A membership units and the Class B membership units of Versus.

2. Corporate Structure

2.1 – Corporate Name and Head Office and Registered Office

The head office and registered and records office of Opal is located at suite 302 – 1620 west 8th Avenue, Vancouver, B.C., V6J 1V4. In connection with the Acquisition, Opal changed its name to "Versus Systems Inc." on June 14, 2016.

The registered and records office and head office of Versus is located at 10990 Wilshire Blvd., Los Angeles, CA 90024.

The registered and records office and head office of the Resulting Issuer is located at suite 302 – 1620 west 8th Avenue, Vancouver, B.C., V6J 1V4. The Resulting Issuer's name will remain "Versus Systems Inc.".

2.2 – Jurisdiction of Incorporation

Opal was formed by way of an amalgamation under the name McAdam Resources Inc. in the Province of Ontario on December 1, 1988 and thereafter was extraprovincially registered in British Columbia on February 2, 1989. The Company changed its name to Boulder Mining Corporation on May 9, 1995 in Ontario and September 25, 1996 in British Columbia. The Company continued into British Columbia on January 2, 2007 and concurrently changed its name to "Opal Energy Corp."

Prior to the Closing, Opal's principal business activity was the exploration and evaluation of mineral properties.

Versus, a limited liability company, was formed under the laws of the State of Nevada, USA on August 21, 2013.

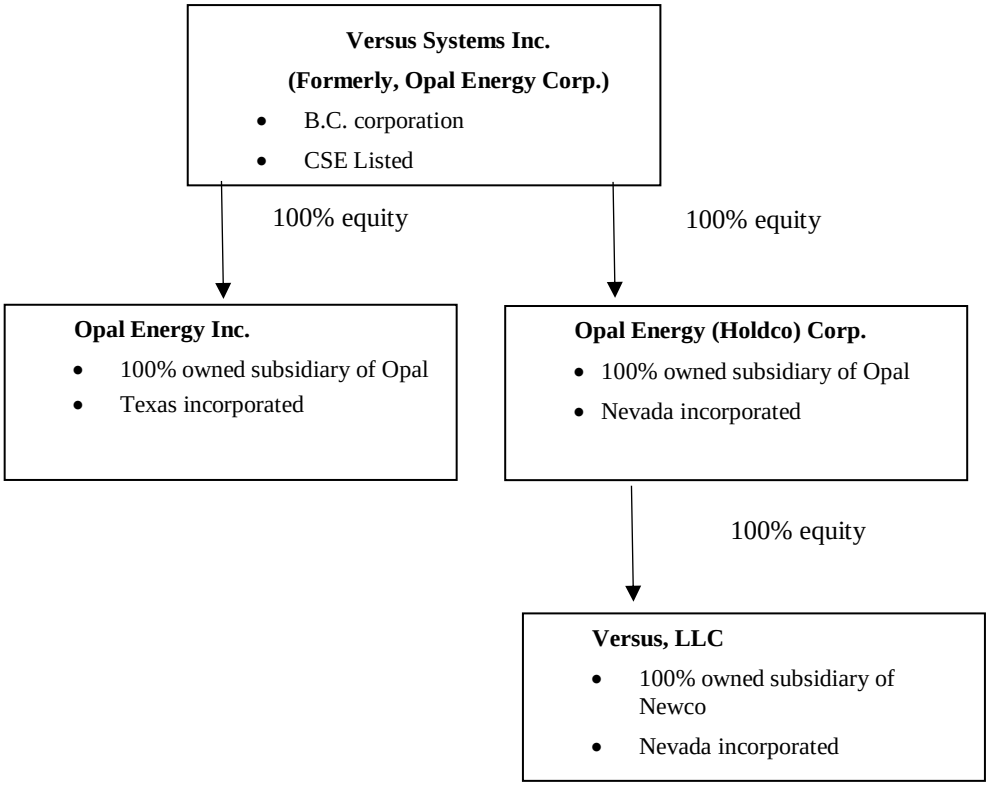
2.3 – Intercorporate Relationships

The Resulting Issuer has two direct, wholly-owned subsidiaries: (i) NewCo, incorporated under the laws of Nevada on March 14, 2016 for the sole purpose of effecting the Acquisition; and (ii) Opal Energy Inc., incorporated under the laws of the State of Texas, USA.

On March 16, 2016 Opal entered into the arm's length Acquisition Agreement with Versus, NewCo and the Selling Members. As of the Closing, NewCo has one wholly-owned subsidiary, Versus, and until the date on which the Selling Members elect to exchange their NewCo Shares for Warrants (as hereinafter defined) and Payment Shares (as hereinafter defined) in accordance with the Acquisition Agreement, Versus will be an indirect, wholly-controlled subsidiary of the Resulting Issuer and NewCo will be a direct, wholly-controlled subsidiary of the Resulting Issuer, and after the date on which the Selling Members elect to exchange their NewCo Shares for Warrants and Payment Shares, Versus will become an indirect, wholly-owned subsidiary of the Resulting Issuer. All references herein to the Resulting Issuer, refer to the Resulting Issuer immediately following the Closing and include: its wholly-owned subsidiary (Opal Energy Inc.); its indirect, wholly-controlled subsidiary (Versus) and its direct, wholly-controlled subsidiary (NewCo), unless indicated otherwise.

The following chart sets forth the inter-corporate relationship between the Resulting Issuer and its subsidiaries immediately following the Closing. Following the Closing, Versus became a wholly-controlled subsidiary of NewCo and the Resulting Issuer acquired voting control of the NewCo Shares, and the Selling Members (or their designees) have the right to exchange the NewCo Shares (issued pursuant to the exchange of Versus Units) for Warrants and Payment Shares in accordance with the Acquisition Agreement.

The following chart indicates the inter-corporate relationship between the Resulting Issuer and its subsidiaries assuming the all Selling Members have exchanged their NewCo Shares for Warrants and Payment Shares. See "General Development of Business – The Acquisition" below.



2.4 – Fundamental Change

Opal is requalifying for listing on the CSE following the Acquisition, which constitutes a "Fundamental Change" under Policy 8 of the CSE. Following the Closing, Versus, is an indirect wholly-owned/wholly-controlled subsidiary of the Resulting Issuer (as applicable), which will conduct the principal business of the Resulting Issuer (see above, "Intercorporate Relationships" and "General Development of Business – The Acquisition" below for details regarding the relationship between the Resulting Issuer and Versus post-Closing).

2.5 – Non-corporate Issuers and Issuers incorporated outside of Canada

This section is not applicable.

3. General Development of the Business

3.1 General Development of the Business

Opal

Before the Closing Date, Opal was a company engaged in the identification, evaluation, acquisition and exploration of strategic mineral properties. During the three most recently completed financial years, Opal engaged in evaluating mineral properties and oil and gas properties. In light of the ongoing challenges, risks, and uncertainties faced by the junior mining industry, Opal decided to pursue a change of business into the technology industry through the Acquisition.

The Company entered into an option agreement dated September 23, 2014 (the "**Option Agreement**"), forming a two party joint venture, which granted the Company the exclusive right to acquire up to a 75% interest in the Firebag

Property, with Declan Resources Inc. ("**Declan**"), retaining the outstanding interest. On February 24, 2016 the Company and Declan agreed in writing to extend the date on which the Company was obligated to (under the Option Agreement) issue to Declan 1,000,000 Opal Shares and an additional $100,000 in cash or Opal Shares from March 2, 2016 to June 2, 2016, in order to keep the Option Agreement in good standing while the Company and Versus proceed toward Closing. In light of the proposed Acquisition and "fundamental change", the Company and Declan entered into a termination agreement in respect of the Option Agreement, dated for reference May 30, 2016, which becomes effective following final Exchange approval of the Acquisition. See "Trends, Commitments, Events or Uncertainties" for further discussion regarding the Option Agreement and the termination thereof.

The Company held a mining patent to an undivided 100% freehold interest in the Tashota Nipigon mine in Ontario (the "**Mining Patent**"). On May 30, 2016, pursuant to a purchase and sale agreement between the Company and Bueller Gold Inc. ("**Bueller**"), a private company incorporated under BCBCA, the Company sold, transferred and assigned all of the right, title and interest of the Company in and to the Mining Patent to Bueller and Bueller agreed to assume, pay, satisfy, discharge, perform and fulfill any obligations and liabilities of the Company pertaining to, relating or arising from the Tashota Nipigon mine.

Versus

Versus is a software company headquartered in Los Angeles, California. Versus has spent the last year working with software engineers from Originate, Inc. ("**Originate**") and attorneys from Manatt Phelps and Phillips LLP ("**Manatt**") pursuant to an incubation agreement with OLabs Ventures, LLC ("**OLabs**"), which is the initial investor in Versus.

Versus is developing a business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players.

Versus filed the first United States provisional patent in July 2014 and a full United States patent and an international PCT patent in June 2015 for player identification, match and tournament management, and prize distribution.

Versus has been building an application programming interface and a set of software development kits that can integrate into single player asynchronous games, as well as multiplayer synchronous games, on several different platforms and across multiple software stacks including iOS, Android, Windows, Unity, Unreal Engine, Python, Java, Ruby on Rails, and the software platform is compatible with XBox, Playstation, PC, and mobile games. The Windows game demo for asynchronous single player play was completed in October 2014 and the Unity demo for synchronous multiplayer games, including a Paypal integration in April 2015. The platform is integrated into location verification tools as well as third party payment processing tools. Versus has built versions of the platform that we have already integrated into two different demo games - one Windows and one Unity - and Versus is building a larger, more robust version that is integrating into a third demo game.

<u>The Acquisition</u>

At Closing, NewCo acquired from the Selling Members, 100% of the Versus Units issued and outstanding immediately prior to the Closing, as further described below.

On the Closing Date, the Company completed the Acquisition pursuant to the Acquisition Agreement among the Company, Versus, NewCo and the Selling Members, whereby the Company acquired 37.5% of the Versus Units, pro rata, from the Selling Members for an aggregate cash payment of USD$1,500,000 (the "**Initial Payment**"). Immediately thereafter, all of the Selling Members contributed and exchanged each issued and outstanding Versus Unit held by such members for one (1) fully paid and non-assessable NewCo Share and each Versus Unit and the certificates representing such Versus Unit were cancelled and replaced with NewCo Shares and certificates in respect of the same issued in the name of NewCo. Versus then became a wholly-owned subsidiary of NewCo.

Immediately after the aforementioned Initial Payment and exchange of securities, the Company acquired voting control of the NewCo Shares, and the Selling Members (or their designees) were granted the right to exchange the NewCo Shares (issued pursuant to the exchange of Versus Units mentioned above) for such number of fully paid and

non-assessable Resulting Issuer Shares equal to a total value of USD$2,500,000[1] (the "**Payment Shares**") at a deemed price of CAD$0.20 per Resulting Issuer Share, and Resulting Issuer common share purchase warrants equal to a total value of USD$1,250,000[2] (the "**Warrants**"). Each whole Warrant will be exercisable into one Resulting Issuer Share at an exercise price of CAD$0.20 per Resulting Issuer Share for a period of 36 months from the Closing Date, with a forced conversion if the Resulting Issuer Shares trade on the Exchange at a price greater than CAD$0.60 for more than 30 days.

Each NewCo Share and any certificates representing such NewCo Shares that are exchanged for Payment Shares and Warrants will be cancelled upon the completion of such exchange and NewCo will be a wholly-owned subsidiary of the Company, and Versus will be a wholly-owned subsidiary of NewCo.

After the exchange of all NewCo Shares for Payment Shares and Warrants, the Company will have issued 24,187,500 Resulting Issuer Shares to the Selling Members (on a fully-diluted basis). In connection with the Acquisition, the Company changed its name to "Versus Systems Inc." on June 14, 2016.

In connection with the Acquisition and as part of the compensation for services rendered to the Resulting Issuer, certain of the Selling Members, and Scott Sebelius, Vice President of Engineering, in addition to their base salary(ies)/fee(s), received variable equity compensation in the form of (i) an aggregate 10,003,776 Performance Warrants, which become exercisable in accordance with the achievement of certain performance milestones or by reaching certain dates (the "**Performance Milestones**"), and (ii) an aggregate 4,000,471 options to purchase Resulting Issuer Shares (the "**Stock Options**") at a price of CAD$0.27 per Resulting Issuer Share, exercisable for a five year term, which will vest in accordance with the following vesting schedule: 1/3 at Closing; 1/3 one year from Closing; and 1/3 two years from Closing, all as more particularly described in each eligible Selling Member's agreement of employment/contract with the Resulting Issuer.

The Performance Milestones are set out in the table below.

	Milestones/Dates of Vesting of Performance Warrants	Number & Price of Performance Warrants	Expiry Date of Performance Warrants
1.	**Milestone**: filing of any new intellectual property on behalf of the Company after March 1, 2016 - this includes patent filings with the USPTO or PCT filing. It also includes new provisional patents, or continuation(s)-in-part for the existing filing Systems and Methods for Creating and Maintaining Real Money Tournaments for Video Games. **Date:** June 30, 2016	Vest 1,667,296 common share purchase warrants at CAD$0.25	5 years from the date of issuance
2.	**Milestone**: Sign a licensing or development contract including master service contract, master service agreement, binding letter of intent, joint venture agreement, partnership agreements or similar contract with any company in the business of manufacturing, developing, publishing, or distributing video games. **Date:** September 30, 2016	Vest 1,667,296 common share purchase warrants at CAD$0.25	5 years from the date of issuance
3.	**Milestone**: Sign a licensing or development contract including master service contract, master service agreement, binding letter of intent, joint venture agreement, partnership agreements or similar contract with a "top tier" company that is in the business of manufacturing, developing, publishing, or distributing video games.	Vest 1,667,296 common share purchase warrants at CAD$0.25	5 years from the date of issuance

[1] This is based upon an exchange rate of 1.29 Canadian dollars for one U.S. dollar.
[2] This is based upon an exchange rate of 1.29 Canadian dollars for one U.S. dollar.

	Milestones/Dates of Vesting of Performance Warrants	Number & Price of Performance Warrants	Expiry Date of Performance Warrants
	Date: March 31, 2017		
4.	**Milestone**: The receipt of the first dollar of top line revenue resulting from any business activity including but not limited to pay-to-play match gameplay, technology licensing, advertising, partnership agreements, or other revenue.	Vest 1,667,296 common share purchase warrants at CAD$0.25	5 years from the date of issuance
	Date: September 30, 2017		
5.	**Milestone**: The completion of the first one million (1,000,000) matches, in aggregate, in all games, across all platforms, using the Versus system. This includes matches featuring any prizing including downloadable content, consumer packaged goods, and/or real-money. This also includes any matches completed by Versus or by publishers and developers that license or in any other way use the Versus system to create, operate, or distribute prizes in their games.	Vest 1,667,296 common share purchase warrants at CAD$0.25	5 years from the date of issuance
	Date: March 31, 2018		
6.	**Milestone**: The receipt of $2.5 million dollars (USD) in top-line revenue resulting from any business activity including but not limited to pay-to-play match gameplay, technology licensing, advertising, partnership agreements, or other revenue.	Vest 833,648 common share purchase warrants at CAD$0.25	5 years from the date of issuance
	Date: September 30, 2018		
7.	**Milestone**: The receipt of $10 million dollars (USD) in top-line revenue resulting from any business activity including but not limited to pay-to-play match gameplay, technology licensing, advertising, partnership agreements, or other revenue.	Vest 833,648 common share purchase warrants at CAD$0.25	5 years from the date of issuance
	Date: March 31, 2019		

In connection with the Acquisition, the Resulting Issuer paid a finder's fee by issuing Resulting Issuer Shares to Ventis Ltd., a company controlled by David Zammit, (the "**Finder's Fee Shares**"), in the aggregate amount of 1,000,000 Resulting Issuer Shares at a deemed price of CAD$0.25 per common share, subject to the applicable statutory hold period.

Prior to completing of the Acquisition, Opal completed the Private Placement relying on the prospectus exemptions pursuant to NI 45-106 and other applicable laws, for gross proceeds CAD$5,040,000, consisting of Placement Units at a price of CAD$0.25 per Placement Unit. Each Placement Unit consists of one Resulting Issuer Share and one-half of one transferable Resulting Issuer common share purchase warrant, with each whole warrant entitling the holder to purchase, for a period of 24 months from the date of issue, one additional Resulting Issuer common share at an exercise price of CAD$0.40 per share.

On December 3, 2015, pursuant to a letter of intent entered into by Opal and Versus on November 23, 2015 in respect of the Acquisition, Opal advanced to Versus the sum of USD$250,000 (the "**Advance**"). Pursuant to the Acquisition Agreement, Opal agreed to advance to Versus the sum of USD$250,000 in addition to the Advance (the "**Additional Advance**"), to be advanced in three equal tranches of $83,333: the first tranche sent to Versus on April 15, 2016; the second on May 6, 2016. Opal and Versus agreed to forgo advancement of the third tranche of the Additional Advance, therefore as of the date of this Listing Statement, Opal advanced to Versus USD$166,666 of the Additional Advance.

On May 26, 2016, at Opal's annual and special meeting of shareholders (the "**Opal Meeting**"), Opal's shareholders approved: (i) the fixing of the number of directors of Opal at five; (ii) the election of the directors of Opal for the ensuing year, or until the new slate of directors in connection with the Acquisition replaces such directors to occur at Closing (the "**Change of Board Time**"); (iii) the election of the directors of the Resulting Issuer to serve from Closing until the close of the next annual meeting of shareholders of the Resulting Issuer or until their successors are elected or appointed; (iv) the appointment of the auditors of Opal for the ensuing year and to authorize the directors of Opal, or the Resulting Issuer, as applicable, to determine the remuneration to be paid to the auditors; (v) the stock option plan of Opal; (vi) by special resolution, an alteration of Opal's Articles to give the board of directors the authority to change the name of Opal in connection with the Acquisition; and (vii) by Majority of Minority Approval (as defined below), the Acquisition (the "**Acquisition Resolution**").

Pursuant to CSE requirements, a "fundamental change" for an issuer that has been listed for a period of less than 12 months on the CSE will not be approved by the CSE, unless the issuer obtains approval of the transaction constituting a "fundamental change" from a majority of the minority of uninterested shareholders ("**Majority of Minority Approval**") at a special meeting of shareholders. Pursuant to the requirement that the Acquisition Resolution be approved by the Majority of Minority Approval, the following shareholders were deemed to be interested persons and were excluded from voting on the Acquisition Resolution at the Opal Meeting: (a) a Related Entity (as defined in the policies of the CSE) of the Company; (b) a partner, director or officer of the Company or Related Entity; (c) a promoter of or person who performs Investor Relations Activities for the Company or Related Entity; and (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.

For greater certainty, Brandon Boddy (Boddy & Co. Investments Ltd.), Wayne Tisdale (Arrandale Financial Corp., Caledonia Capital Corp. and Galloway Financial Services Inc.), David Hughes, Michael Curtis, Gerald Tuskey and Leah Martin abstained from voting on the Acquisition Resolution, which was passed at the Opal Meeting by a Majority of Minority Approval pursuant to CSE requirements.

The board of directors and senior officers of the Resulting Issuer were reconstituted in conjunction with the Closing. The board of directors of the Resulting Issuer is comprised of five members, being Matthew Pierce, Keyvan Peymani, Brian Tingle, Michelle Gahagan, and Paul Vlasic. The Resulting Issuer's senior management consists of Matthew Pierce as the Chief Executive Officer and Craig Finster as the Chief Financial Officer. See "Directors and Officers".

As of the date of this Listing Statement, the Resulting Issuer has 79,226,015 common shares issued and outstanding (assuming the exchange of all Newco Shares for Resulting Issuer Shares). See "Consolidated Capitalization," below. Certain of the Resulting Issuer Shares and/or NewCo Shares, as the case may be, held by certain of the Selling Members are subject to the terms of the New Escrow Agreement, as applicable. See "Escrowed Securities – Resulting Issuer" under the heading "Escrowed Securities."

Additional information pertaining to Opal and the Resulting Issuer, including financial information, is contained in the various disclosure documents of Opal filed with applicable securities commissions and made available through the Internet on the SEDAR website at www.sedar.com.

3.2 – Significant Acquisitions and Dispositions

Other than as described in sections 3.1 and 4.1 in this Listing Statement, no significant acquisitions or significant dispositions have been completed by the Company during the last three financial years or are contemplated.

3.3 – Trends, Commitments, Events or Uncertainties

Other than as described in this section 3.3, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Resulting Issuer's business, financial condition or results of operations. However, there are significant risks associated with the Resulting Issuer's business, as applicable, as described in "Part 17 – Risk Factors".

Prior to the Acquisition, Opal had been a mineral exploration company. As discussed above under "General Development of Business", Opal entered into the Option Agreement with Declan, pursuant to which Opal had the option (the "**Option**") to earn up to a 75% interest in the Firebag Property located southwest of the Athabasca Basin

in northeast Alberta. With the significant downturn in the junior mining sector, management elected to commence entertaining other business opportunities in an effort to protect and increase shareholder value, with a view to potentially divest of any and all of its mineral projects in the future if deemed appropriate. Opal had maintained the Option in good standing, but in light of the Acquisition and "fundamental change", and although Opal had made significant expenditures with the intent of securing the 75% interest in the Firebag Property, Opal and Declan entered into a termination agreement in respect of the Option Agreement, dated for reference May 30, 2016, which becomes effective following final Exchange approval of the Acquisition, whereby Opal's outstanding rights and interests under and pursuant to the Option Agreement terminated, and therewith, was relieved from any requirements and liabilities whatsoever under and pursuant to, or otherwise relating to the Option Agreement.

4. Narrative Description of the Business

4.1 General

Upon Closing, Versus became an indirect, wholly-controlled subsidiary of the Resulting Issuer and a direct, wholly-owned subsidiary of NewCo, and after the date on which the Selling Members elect to exchange their NewCo Shares for Warrants and Payment Shares in accordance with the terms if the Acquisition Agreement, Versus will become an indirect, wholly-owned subsidiary of Resulting Issuer. The primary business of the Resulting Issuer is the business of Versus.

Versus is a software company headquartered in Los Angeles, California. Versus has spent the last year working with software engineers from Originate, Inc. ("**Originate**") and attorneys from Manatt Phelps and Phillips LLP ("**Manatt**") pursuant to an incubation agreement with OLabs Ventures, LLC ("**OLabs**"), which is the initial investor in Versus.

Versus is developing a business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players. The Versus platform will facilitate several types of multiplayer matches for prizes that include real-money, consumer packaged goods (CPG) and downloadable content (DLC). Versus plans to partner with existing video game developers and publishers to offer pay-to-play tournaments and matches of popular games, sharing a certain portion of the pay-to-play buy-in amount with the publisher/developers. Versus believes that the market for real-money video game matches will be very large, just as sports betting, daily fantasy sports, and e-sports have all become large and continue to be growing markets.

Versus is also in the process of prosecuting a number of patents in the areas of player verification and authentication, so that players' identities, ages, and locations can be assessed accurately prior to any real-money game is played. Versus is also in the process of prosecuting patents in the area of conditional prize distribution, such that each player can receive prizes that are intended to be legal in his or her jurisdiction. Versus intends to make its platform legal for all players, of all ages, everywhere that Versus-enabled games are played.

While Versus is in negotiations with a number of video game publisher/developers, the Versus platform is not currently available in any games and as such, Versus has never generated any revenue from operations.

The market for Versus-enabled games will initially be the United States and Canada, followed by expansion into Asia and Europe, according to the release schedules of the prospective Versus developer/publisher partners. As Versus will be integrated directly into the developers' and publishers' video games, the majority of the marketing spend/customer acquisition costs will be borne by the publisher developers when they release their games.

Discussions with potential publisher/developer partners have contemplated a revenue-sharing model that will allow Versus to receive approximately 2%, on average, of the top-line buy-in amount for matches where real money is the prize, 10%, on average, of the top-line buy-in amount for matches where CPG is the prize, and approximately 20%, on average, of the top-line buy-in amount for matches where DLC is the prize.

The Versus publisher/developer dashboard, the primary way that publisher/developer partners will interact with the Versus system, will allow such partners to "turn on" or "turn off" features, game types, and regions as the technology, business, and legal/regulatory environments evolve. For example, a publisher may choose to release only DLC prize tournaments in the United States initially before turning on real money gaming in the United States, or turning on DLC matches in Canada or the United Kingdom. They can also turn off features and regions selectively if business

demands require it. That said, publishers and developers will not be allowed to “turn on” real money gaming in any region where that prize type is not legal.

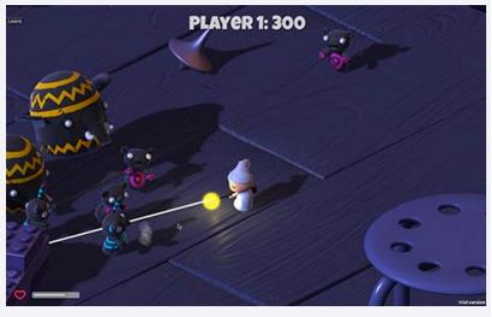
The current Versus technology is in alpha/demo phase. The business has secured letters of intent from multiple international publisher/developers and plans to begin technical integration with publisher/developers this year (2016) with the intention of releasing a Versus-enabled game within twelve (12) months of the Closing.

Demo Examples

3D Ball Toss – an asynchronous single player game (like Tetris or PacMan)

- Platform allows multiplayer “matches” for 2 to unlimited players;
- Developers can create tournaments with multiple winners and multiple win conditions (high score, fastest, fewest misses, etc.);
- Players can choose from multiple buy-in amounts and multiple prize types (downloadable content, real money, physical goods);
- Interface is via overlayed webviews (not integrated directly into the game);
- Built on windows platform for PC and Xbox.

Nightmare – a synchronous multiplayer game (such as Madden, Halo or League of Legends)



- Developers can choose to offer matches for individual players, teams, or groups of teams;
- Matches can have multiple winners, and multiple prize types can be distributed to multiple players, even players on the same team;
- The Versus interface is integrated directly into the game, as invisibly as possible to maintain game-world integrity; and

- Versus platform is developed in a rails architecture that can interface with games built in Unity, Unreal, Python, or any other stack.

Business Objectives and Milestones

Business Objectives

The Resulting Issuer intends to use the proceeds from the Private Placement for technical development, integration with publishers/developers, and the filing of additional patents and intellectual property. The funds from the Private Placement will be deployed to promote both software and business development, such that there will be Versus-enabled games in the United States and Canadian markets in the next twelve to eighteen months. The funding will enable Versus to hire full time employees immediately and over the following six months. The majority of these hires will be software engineers who can assist the Resulting Issuer complete the technical work on the first version of the product before beginning integration into video games.

Funds Available

Prior to completion of the Acquisition, the Resulting Issuer completed the Private Placement through the sale of Placement Units.

At Closing, the Resulting Issuer estimates that it will have consolidated working capital of approximately CAD$2,536,000, which includes CAD$5,040,000 from the gross proceeds of the Private Placement, less the Initial Payment (USD$1,500,000).

Milestones and Use of Proceeds

The available funds will be used to fund the estimated expenditures for the 12 months after Closing, which the Resulting Issuer has budgeted for as follows:

TIMELINE	DESCRIPTION	ESTIMATED MONTHLY EXPENDITURES
Month One	• Complete contracts with external developers • Complete contracts CEO, CTO and VP Business Development	Monthly expenditure: USD$50,000
Month Two	• Attend E3 conference, and other developers' conferences • Hire two additional engineers	Monthly expenditure: USD$53,000
Month Three	• Secure office space • File additional intellectual property applications	Monthly expenditure: USD$57,000
Month Four	• Hire an additional engineer • Feature completion (technology ready for integration)	Monthly expenditure: USD$78,000
Month Five	• Hire two additional engineers • Hire business development/developer relations • Execute Master Service Agreement ("MSA") with first developer/publisher	Monthly expenditure: USD$88,000

Month Six	• Begin integration with developer/publisher according to MSA • Pay annual licensing fee for location verification	Monthly expenditure: USD$97,000
Month Seven	• Execute MSA with second developer/publisher	Monthly expenditure: USD$86,000
Month Eight	• Add additional 2-factor authentication services • Hire dedicated security director	Monthly expenditure: USD$86,000
Month Nine	• Hire one additional engineer for a total of approximately 10 full time employees • Alpha test with first publisher/developer • Execute MSA with third publisher/developer • Execute MSA with consumer packaged goods prize provider	Monthly expenditure: USD$94,000
Month Ten	• Close beta test with first publisher/developer	Monthly expenditure: USD100,000
Month Eleven	• Alpha test with second publisher/developer • Open beta with first publisher (public test) • Hire customer support • Annual licensing for security, player verification	Monthly expenditure: USD$111,000
Month Twelve	• Initial Versus-enabled game released to the public • First revenue • Close beta with second publisher	Monthly expenditure: USD$100,000
		TOTAL: USD$1,000,000

In addition to the above monthly expenditures, the Resulting Issuer estimates that it will also have general and administrative costs (including audit fees, legal fees, CSE fees, insurance, and transfer agent fees) for the 12 months after Closing of approximately $50,000. It is estimated that the Resulting Issuer will have approximately $1,182,000 of unallocated working capital after Closing.

The Resulting Issuer intends to spend the funds available as stated in this Listing Statement. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of proceeds will be subject to the discretion of management.

Overview of the Industry

The video game industry is over a $100-billion-dollar market according to industry research[3] and has seen enormous growth in the last ten years. In particular, the last five years have seen an explosion of the category of paid DLC where players purchase items and game elements online and they are downloaded into their PC, gaming console, or mobile device. Multiple publisher/developers made in excess of $1 billion dollars of revenue in 2015 by having their players purchase in-game upgrades and content. King Digital Entertainment plc ("King") was purchased by Activision Blizzard Inc. in November of 2015 for $5.9 billion due in large part to King's history of creating games with significant DLC revenue streams.

There are multiple games that have over one million daily active users, including several competitive multiplayer games that have developed their own professional electronic sports (e-sports) communities. These e-sports competitions regularly draw spectators, both in-person and online, in the millions. The 2015 world championships of Defense of the Ancients ("DOTA"), a multiplayer online battle arena modification for the video game "Warcraft III" and its expansions, were held at Madison Square Garden in New York, and more people watched the 2015 League of Legends world championship online than watched all of the 2015 Stanley Cup Finals combined. ESPN Inc. and its affiliates now carry news of major e-sports events. Nearly one-half of the most-viewed YouTube channels are video game oriented, and Twitch, a live streaming platform specifically designed for video gamers, was sold to Amazon in August 2014 for nearly $1 billion.

The Resulting Issuer believes there is an enormous appetite for competitive video gaming, and unlike fantasy gaming models where players wager on the performance of famous athletes, the Resulting Issuer's platform will allow players to play against their friends directly or challenge others to showcase their skills in order to compete for money and prizes. The Resulting Issuer has developed a technology that allows players to play their favorite games, legally, for real money, DLC and prizes.

The Market

The global video game market exceeds $100 billion per year and the online real-money gaming market according to H2 Gambling Capital and Statista is over $40 billion per year. In addition, according to Newzoo and Superdata, the e-sports market is projected to have a 20% + compound annual growth rate over the next three years.

The Resulting Issuer believes that it works for every demographic. According to the Entertainment Software Association, over 45% of active US gamers in 2013 were women, and almost 70% were over 18, including 36% over age 35. Research suggests that there are over 90 million gamers in the US alone who are eligible (both by age and state of residence) for real-money video game tournaments, and according to Mintel, at least 25% of that number are eager to play for real money.

Market Plans and Strategies

The Resulting Issuer will work directly with video game publisher developers to integrate its platform directly into games so that players can access the pay-to-play match functionality whenever they play their favorite games. The Resulting Issuer believes that this enterprise sales/business to business approach, whereby the Resulting Issuer is directly integrated into video games, may take longer to execute than building a third party site where players log in to the game as well as the Resulting Issuer's site. However, the Resulting Issuer believes that this approach will yield a higher quality experience for players. The Resulting Issuer believes that will also lower the customer acquisition cost for the Resulting Issuer platform, as it will be readily available to the millions of regular players of the participating publisher/developers' games, as opposed to a third party site where the Resulting Issuer would have to advertise directly to players to convince them that they should not only buy the game, but join its platform as well.

The Resulting Issuer has already entered into non-binding letters of intent with multiple publisher developers to begin due diligence on direct-integration into such publisher developers' games. It is estimated that the Resulting Issuer will

[3] Newzoo 2015 Global Games Report

integrate into its first game in the next twelve months, although additional capital could speed up development and allow the Resulting Issuer to integrate into multiple games simultaneously.

Competition

The Resulting Issuer will face competition as a service provider in the PC, console and physical tournament markets. These markets vary by publisher as the Resulting Issuer's provides integrated and licensed business-to-business (B2B) services. Every publisher/developer partner of the Resulting Issuer prioritizes select markets based upon its individual titles released on one or more of the following platforms: PC, console and physical tournaments.

The Resulting Issuer will focus on establishing its service offerings in North America with publishers that have a global audience first, serving game developers and publisher's audiences in additional regions based upon mutual priorities as the Resulting Issuer's business scales with such publisher/developer partners. The Resulting Issuer believes that Global publishers at present appear to emphasize North America, Europe, and Asia (specifically South Korea, Taiwan and China, where PC eSports are mature).

The Resulting Issuer believes that there is limited direct competition with the company at present, but competition will likely increase as the business of eSports around both professional and amateur gaming competition matures. While the Resulting Issuer believes that the Resulting Issuer is unique in that it is a white-labeled B2B service, providing in-game features that serve publisher/developer partners' pre-existing player bases, companies such as World Gaming (previously Virgin Gaming), Major League Gaming (MLG) and the ESL (Electronic Sports League) provide physical professional tournaments and around-game tournament services for amateurs, which presently include stakes and prizing.

Unikrn, Inc. offers an eSports wagering service where users can watch and bet on eSports such as League of Legends, Counter-Strike and DOTA 2. The Resulting Issuer believes that it is different in that it allows its players to play the games for real money and other prizes, rather than simply watching and wagering on professional players. Unlike fantasy sports, the Resulting Issuer allows its players a chance to play their friends, or play against all-comers, to better satisfy their competitive passions.

There are a number of other companies that are considering the pay-to-play tournament space, but the Resulting Issuer believes that none have focused on the legal and regulatory elements of pay-to-play tournaments in the same way that the Resulting Issuer has. Further, the Resulting Issuer's intellectual property portfolio includes international patent applications that, if granted, would potentially cover a number of key areas for prize-based video games, including player identification and conditional prizing, two elements that the Resulting Issuer believes makes its platform legal for all players, everywhere.

While potentially categorically competitive with the Resulting Issuer, many of these around-game offerings, which are not integrated directly into video games, create "player friction" as players must register with third party services outside of the game, play assigned matches and self-report win/loss records. The Resulting Issuer believes that these services are also brand centric to third party providers, not developer/publisher centric like the Resulting Issuer business model, which is designed to address the maturation of eSport across the gaming industry. The Resulting Issuer believes that this is because the game industry is expanding from the traditional games-as-product or consumer packaged goods (CPG) model to a games-as-service models. Versus believes that previously, tournament competitions and eSports related activity were promotional events focused on supporting launch window sales of game releases, but then tournament structures evolved as major game titles adopted annualized release schedules, which permit the activity structured across a "season" of player events like traditional sport. In more recent years, the Resulting Issuer speculates that as free-to-play (F2P) game titles have seen explosive growth, eSports has shifted from a promotion at launch to become core to the strategy of marketing "games-as-service" models. The Resulting Issuer believes that it benefits from this as developer/publisher partners are taking more direct planning and ownership of eSports activity at the pro level and the services provided facilitate daily opportunities for amateur players.

Mobile games, with the largest addressable market of players, have seen early experimentation from competitors offering stakes with mixed results. Skillz, Gamblit, bSpot and others provide stakes for simple mobile games at present. The Resulting Issuer' core focus will be to work with developers/publishers to manage games and new

intellectual property in genres with established cultures, in which the players value increased engagement when stakes elevate their experiences, in contrast to games that would otherwise be ignored without the inclusion of stakes.

Future roadmap

Beyond the development of the pay-to-play platform and the integration of this platform into popular, global PC and console games, the Resulting Issuer is preparing additional intellectual property and software roadmaps for its next stage of development. The Resulting Issuer plans to take advantage of the large and growing video game spectator market by working with multiple distribution channels, including YouTube, Twitch, and even the traditional media of television. The Resulting Issuer believes that viewers who already consume video game content at astonishing rates will be even more engaged with the addition of gaming stakes.

The Resulting Issuer is also pursuing a number of patents in and around the potential gaming space that could make its patent portfolio easier to license or more valuable to any number of potential licensees in the entertainment vertical. The Private Placement will enable Versus to prosecute additional patents, develop new technologies, and become a part of the large, and growing e-sports marketplace.

Lending and Investment Policies and Restrictions

This is not applicable to Opal or Versus.

Bankruptcy and Receivership

Neither Opal nor Versus has been the subject of any bankruptcy or any receivership or similar proceedings or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by Opal, Versus or its subsidiaries, since its incorporation.

Material Restructuring

There have been no material restructuring transactions for either Opal or Versus in the last three financial years.

4.2 – Asset Backed Securities

The Resulting Issuer does not have any asset backed securities.

4.3 – Companies with Mineral Properties

There are no resource properties that are material to the Resulting Issuer.

4.4 – Companies with Oil and Gas Operations

The Resulting Issuer does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1 – Annual Information

The following table is a summary of selected financial information for Opal for the financial years ended December 31, 2015, 2014 and 2013. Refer to Schedule "A" for the complete set of the Opal Financial Statements.

Summary Financial Information	For the Year Ended December 31, 2015 (audited) ($)	For the Year Ended December 31, 2014 (audited) ($)	For the Year Ended December 31, 2013 (audited) ($)

Total Revenues (including interest and other revenues)	6,053	3,958	5,316
Loss for the year	895,396	345,708	113,954
Basic and diluted loss per common share	0.03	0.03	0.01
Total assets	957,382	165,614	4,669
Total Long-Term Financial Liabilities	236,000	-	-
Dividends	-	-	-

Annual Information – Versus

The following table is a summary of selected financial information for Versus for the financial years ended December 31, 2015, 2014 and 2013. Refer to Schedule "B" for the complete set of the Versus financial statements.

Summary Financial Information	**For the Year Ended December 31, 2015 (audited) (USD$)**	**For the Year Ended December 31, 2014 (audited) (USD$)**	**For the Year Ended December 31, 2013 (audited) (USD$)**
Total Revenues	-	-	-
Net Income (Loss)	(249,344)	(536,562)	-
Basic and diluted loss per membership unit	(28.10)	(60.80)	-
Total assets	236,580	300	88
Total Long-Term Financial Liabilities	250,000	-	-
Dividends	-	-	-

5.2 – Quarterly Information

See Schedule "A" – Management's Discussion and Analysis – Opal.

See Schedule "A" – Management's Discussion and Analysis – Versus.

Summary Pro Forma Financial Information – Resulting Issuer

The following table is a summary of the selected *pro forma* financial information of the Resulting Issuer as at March 31, 2016 which give effect to the Transaction:

Pro-forma Information	**Three Months Ended March 31, 2016 (unaudited) ($)**
Total Revenues	-
Net Income (Loss)	(1,539,207)
Basic and diluted loss per common share	(0.02)
Working Capital	1,657,962
Total assets	10,556,148
Total Long-Term Financial Liabilities	-
Stockholders' Equity	10,302,699
Dividends	-

See attached Schedule "C" for the *pro forma* consolidated statement of financial position for the Resulting Issuer as at March 31, 2016 and the unaudited *pro forma* consolidated income statement and earnings per share of the Resulting

Issuer for the year ended December 31, 2015 and for the three months ended March 31, 2016, which give effect to the Transaction.

5.3 – Dividends

Dividends can be declared by the Resulting Issuer's board of directors when deemed appropriate from time to time. As of the date of this Listing Statement, the Resulting Issuer has not declared any dividends on the Resulting Issuer Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

5.4 – Foreign GAAP

Not applicable.

6. Management's Discussion and Analysis

Opal's annual MD&A for the year ended December 31, 2015 should be read in conjunction with Opal's audited financial statements for the year ended December 31, 2015, attached to this Listing Statement at Schedule "A". Opal's MD&A for the three-months ended March 31, 2016 should be read in conjunction with Opal's interim financial statements for the three-months ended March 31, 2016, attached to this Listing Statement at Schedule "A".

Versus' annual MD&A for the year ended December 31, 2015 should be read in conjunction with Versus' audited financial statements for the year ended December 31, 2015, attached to this Listing Statement at Schedule "B". Versus' MD&A for the three-months ended March 31, 2016 should be read in conjunction with Versus' interim financial statements for the three-months ended March 31, 2016, attached to this Listing Statement at Schedule "B".

7. Market for Securities

The Resulting Issuer's securities are listed on the CSE under the stock symbol "VS".

In connection with the Closing, the Resulting Issuer changed its name from "Opal Energy Corp." to "Versus Systems Inc.". Shareholder approval of the name change was obtained at the Opal Meeting.

8. Consolidated Capitalization

The following table sets out the capitalization of the Company as at December 31, 2015, and the consolidated share capital of the Resulting Issuer following Closing:

Capital	Amount Authorized	Outstanding as of December 31, 2015	Outstanding as of the date of this Listing Statement (Post-Transaction)
Common Shares	Unlimited	35,591,016	79,226,015[(1)(2)(4)]
Warrants	N/A	18,399,999[(7)]	40,196,276[(3)(5)(6)(8)]
Class A Series I	N/A	5,057	5,057[(9)]
Stock Options	10% stock option plan	950,000[(10)]	4,950,471[(10)(11)]

(1) 20,160,000 common shares issuable pursuant to the Private Placement.

(2) 16,125,000 common shares issuable pursuant to the Acquisition, upon the conversion of all NewCo common shares held by the Selling Members into Resulting Issuer Shares.

(3) 10,003,776 Performance Warrants issued to certain of the Selling Members in connection with the Performance Milestones pursuant to the Acquisition.

(4) 1,000,000 common shares issuable pursuant to the Finder's Fee.

(5) 8,062,500 common share purchase warrants in connection with the Acquisition, upon the conversion of all NewCo warrants held by the Selling Members into Resulting Issuer common share purchase warrants, with each whole warrant exercisable into one common share of the Resulting Issuer at an exercise price of CAD$0.20 per common share for a period of 36 months. The warrants have an acceleration clause whereby if the closing price of the Resulting Issuer Shares is greater than $0.60 for a period of thirty (30) consecutive trading days, the Resulting Issuer will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants by news release or other form of notice permitted by the certificate representing the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than thirty (30) days from the date notice is given.

(6) 10,080,000 common share purchase warrants in connection with the Private Placement with each whole warrant exercisable into one Resulting Issuer Share at an exercise price of CAD$0.40 per share for a period of 24 months. The warrants issued under the Private Placement have an acceleration clause whereby if the closing price of the Resulting Issuer Shares is greater than $0.65 for a period of thirty (30) consecutive trading days, the Resulting Issuer will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants by news release or other form of notice permitted by the certificate representing the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than thirty (30) days from the date notice is given.

(7) 6,599,998 warrants at an exercise price of $0.12 per common share expiring March 16, 2016 and 12,050,000 warrants at an exercise price of $0.15 per common share expiring February 27, 2020.

(8) 12,050,000 warrants at an exercise price of $0.15 per common share expiring February 27, 2020.

(9) The Class A shares, Series I, are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class A Series I share held.

(10) Granted stock options to acquire up to 850,000 common shares on April 29, 2015, exercisable for a five year term expiring on April 29, 2020 and exercisable until such date at a price of $0.10 per common share. Granted stock options to acquire up to 100,000 common shares on July 31, 2015, exercisable for a five year term expiring on July 31, 2020 and exercisable until such date at a price of $0.10 per common share.

(11) 4,000,471 Stock Options issued to certain directors, employees and consultants of the Resulting Issuer at Closing.

9. Option to Purchase Securities

The following summarizes the stock options of Opal outstanding immediately prior to the Closing (total of 950,000 options outstanding):

- On Aril 29, 2015, Opal granted stock options to acquire up to 850,000 Opal Shares, exercisable for a five year term expiring on April 29, 2020 and exercisable until such date at a price of $0.10 per common share.
- On July 31, 2015, Opal granted stock options to acquire up to 100,000 Opal Shares, exercisable for a five year term expiring on July 31, 2020 and exercisable until such date at a price of $0.10 per common share.

The following table summarizes the options of Opal outstanding as of the date of the Listing Statement (pre-Closing):

Group	No. of Options(1)	Securities under option	Grant date	Expiry date	Exercise price per common share	Market value of the common shares on the grant date	Market value of the common shares as of the date of this Listing Statement
Executive Officers (2 persons)	200,000	Common shares	April 29, 2015	April 29, 2020	$0.10	$0.08	$0.12
Directors and Officers (not Executive Officers) (4 persons)	400,000	Common shares	April 29, 2015	April 29, 2020	$0.10	$0.08	$0.12
Consultants (4 persons)	350,000	Common shares	April 29, 2015 July 31, 2015	April 29, 2020 July 31, 2020	$0.10 $0.10	$0.07 $0.08	$0.12 $0.12

Total:	**950,000**						

(1) Stock options expire within 90 days of an officer, director or consultant leaving the Resulting Issuer.

In connection with the Acquisition, the Resulting Issuer granted:

a. Mr. Pierce, chief executive officer and director of the Resulting Issuer, stock options to acquire up to 2,824,000 common shares at $0.27 per share, exercisable for a five year term;
b. John O'Connell, an advisor to the Resulting Issuer, stock options to acquire up to 705,882 common shares at $0.27 per share, exercisable for a five year term received; and
c. Scott Sebelius, vice-president of engineering of the Resulting Issuer, stock options to acquire up to 470,589 common shares at $0.27 per share, exercisable for a five year term.

All of the options have been granted pursuant to the terms of the stock option plan (the "**Stock Option Plan**") that was ratified, approved and adopted by the shareholders of Opal at the annual and special meeting of the shareholders on December 4, 2014. The purpose of the Stock Option Plan is to enable the Resulting Issuer and its subsidiaries or affiliates to attract and retain directors, officers, employees, consultants and advisors who will contribute to the Resulting Issuer's success by their ability, ingenuity and industry, and to enable such persons to participate in the long-term success and growth of the Resulting Issuer by giving them a proprietary interest in the Resulting Issuer in the form of options to purchase common shares of the Resulting Issuer. The Stock Option Plan provides that the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan will be 10% of the number of common shares of the Resulting Issuer issued and outstanding at any given time.

The Stock Option Plan will be administered by the board of directors of the Resulting Issuer, which will have full and final authority with respect to the granting of all options thereunder.

10. Description of the Securities

10.1 – Description of the Company's Securities

The authorized share capital of the Resulting Issuer is an unlimited number of common shares without par value and 5,057 Class A Shares, Series I issued and outstanding. The Class A shares, Series I, are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class A Series I share held.

The holders of the common shares are entitled to vote at all meetings of shareholders of the Resulting Issuer, to receive dividends, if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Resulting Issuer. The common shares are not subject to any future call or assessments and do not have any pre-emptive rights or redemption rights.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Company.

10.7 – Prior Sales of Common Shares

The following Resulting Issuer Shares were issued within the last 12 months prior to the date of this Listing Statement:

Date	Type of Security	Number	Issue Price Per Security
November 30, 2015	Common Shares	83,333 (1)	$0.12
December 16, 2015	Common Shares	166,666 (2)	$0.12
March 4, 2016	Common Shares	301,666 (3)	$0.12
March 9, 2016	Common Shares	198,333 (4)	$0.12
March 16, 2016	Common Shares	5,850,000 (5)	$0.12

June 24, 2016	Common Shares	20,160,000[6]	$0.25
June 30, 2016	Common Shares	1,000,000[7]	$0.25

(1) Opal issued a total of 83,333 common shares pursuant to the exercise of 83,333 share purchase warrants at $0.12 per share for gross proceeds of $9,999.96.
(2) Opal issued a total of 166,666 common shares pursuant to the exercise of 16,666 share purchase warrants at $0.12 per share for gross proceeds of $19,999.92.
(3) Opal issued a total of 301,666 common shares pursuant to the exercise of 301,666 share purchase warrants at $0.12 per share for gross proceeds of $36,199.92.
(4) Opal issued a total of 198,333 common shares pursuant to the exercise of 198,333 share purchase warrants at $0.12 per share for gross proceeds of $23,799.96.
(5) Opal issued a total of 5,850,000 common shares pursuant to the exercise of 5,850,000 share purchase warrants at $0.12 per share for gross proceeds of $702,000.
(6) 20,160,000 common shares issued pursuant to the Private Placement.
(7) In connection with the Transaction, the Resulting Issuer issued 1,000,000 common shares to Ventis Ltd. as a finder's fee.

Stock Exchange Price – Opal

The Resulting Issuer Shares are listed on the CSE as of the date of this Listing Statement under the symbol "VS". The following table sets out the high and low trading price and volume of trading of Opal Shares on the CSE during the periods indicated.

Period	**High ($)**	**Low ($)**	**Volume**
June 2016	-	-	-
May 2016	-	-	-
April 2016	-	-	-
Q1 2016[1]	$0.275	$0.125	6,064,183
Q4 2015[2]	$0.26	$0.11	3,174,480
Q3 2015	$0.105	$0.085	636,603
Q2 2015	$0.13	$0.095	508,766
Q1 2015	$0.14	$0.10	1,207,555
Q4 2014	$0.26	$0.12	1,864,996
Q3 2014	$0.19	$0.065	308,373

(1) The Opal Shares were halted on March 14, 2016 at the request of Opal in connection with the announcement of the Acquisition.
(2) The share price data is only available from November 18, 2015 to December 31, 2015 for this Quarter.

11. Escrowed Securities

Escrowed Securities – Opal

Prior to the Closing Date, Opal had the following securities held in escrow:

Designation of class held in escrow[1]	Number of securities held in escrow	Percentage of class[2]
Common Shares	5,000	0.00014148%

(1) The escrow agent is Computershare Trust Company of Canada.
(2) Based on 41,941,016 issued and outstanding Opal Shares as of the date of this Listing Statement.

Escrowed Securities – Resulting Issuer

The following securities of the Resulting Issuer are subject to escrow pursuant to the New Escrow Agreement in accordance with NP 46-201 and subject to the escrow release schedule set out therein:

Designation of class	Number held in escrow	Percentage of class
Common Shares	12,431,791[(1)]	15.7%[(2)]

(1) Assuming exchange of all NewCo Shares for Resulting Issuer Shares.

(2) Based on 79,226,015 issued and outstanding Resulting Issuer Shares on a non-diluted basis (assuming exchange of securities in accordance with note 1 above has completed).

12. Principal Shareholders

As of the date of this Listing Statement, there is no principal shareholder who owns more than 10% of the issued and outstanding Opal Shares. Upon Closing, it is expected that the following shareholder will, beneficially and of record, own more than 10% of the issued common shares of the Resulting Issuer:

Name	Number of Resulting Issuer Shares Held	Percentage of Resulting Issuer Shares
Originate, Inc.	9,687,110	12.2%[(1)]

(1) Based on 79,226,015 issued and outstanding Resulting Issuer Shares (assuming exchange of all NewCo Shares for Resulting Issuer Shares).

12.1. Voting Trusts

To the knowledge of the Resulting Issuer, no voting trust exists within the Resulting Issuer such that more than 10 percent of any class of voting securities of the Resulting Issuer are held, or are to be held, subject to any voting trust or similar agreement.

12.2. Associates and Affiliates

The Resulting Issuer has no Associates or Affiliates.

13. Directors and Officers

13.1 – 13.3 Directors and Officers

Directors and Officers

The name, municipality of residence, position or office held with the Resulting Issuer and principal occupation of each director and executive officer of the Resulting Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, excluding common shares issued on the exercise of convertible securities, are as follows:

Name, place of the residence and position with Resulting Issuer	Principal occupation during the last five years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon Closing

Matthew Pierce Los Angeles, California Chief Executive Officer & Director	Founder and CEO of OLabs, a joint-venture of Manatt and Originate that creates, funds, and develops technology companies	Closing Date	2,744,681[3] 3.5%
Craig Finster San Francisco, California Chief Financial Officer	Managing Director of Originate Strategic Advisory Group working with venture stage companies on strategic and financial issues	Closing Date	Nil
Brian Tingle[1] Vancouver, British Columbia Director	Self-employed Businessman; Principal of Tingle Resource Management since 1996. Director of various Public Companies including Ryland Oil Corp. from 2006 until its takeover from Crescent Point in 2010, Mena Hydrocarbons and predecessor Skana Capital Corp. (2006-2012). President and Director of E-shippers Management (2007-present)	Closing Date	6,570,500 6.8%
Michelle Gahagan[1] Vancouver, British Columbia Director	Currently a principal of a privately-held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking seven years ago, Ms. Gahagan graduated from Queens University Law School and practiced corporate law for 20 years	Closing Date	200,000 0.3%
Keyvan Peymani Los Angeles, California Director	Self-employed Businessman; Previously Managing Director of ICM Partners' Digital Strategy Division	Closing Date	Nil
Paul Vlasic[1] Detroit, Michigan Director	Mr. Vlasic, serves as a Vice-President and Manager at Vlasic Investments, L.L.C. Mr. Vlasic is a Founding Partner at RSVP Capital. He served as the Chief Executive Officer of Amplifinity, LLC, and has been its Member of the Board of Directors since 2009.	Closing Date	7,880,500[4] 8.1%

(1) Member of the Audit Committee.

(2) Based on 79,226,015 issued and outstanding Resulting Issuer Shares (assuming exchange of all NewCo Shares for Resulting Issuer Shares).

(3) Held through the Sandoval Pierce Family Trust, Est.

(4) 1,000,000 of the Resulting Issuer Shares are held through Paul A. Vlasic Revocable Trust. 5,200,000 of the Resulting Issuer Shares are held indirectly by 1079295 B.C. Ltd.

13.4 – Board Committees of the Company

The Resulting Issuer currently has the following committee:

Audit Committee

The overall purpose of the Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor.

13.5 – Principal Occupation of Directors and Officers

See table 13.1 – 13.3 above.

13.6 – Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.7 - 13.8 - Penalties Sanctions and Settlements

Other than as disclosed herein, no director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of the Resulting Issuer's securities to affect materially the control of the Resulting Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

Except as disclosed herein, no director or executive officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer , or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 – Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer also holding positions as directors and/or officers of other companies and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer.

13.11 – Directors and Officers

The following sets out details respecting the directors and executive officers of the Resulting Issuer:

Matthew Pierce – Founder, Chief Executive Officer and Director (Age 38)

Mr. Pierce has over 15 years of experience working in entertainment and technology. He is currently the founder and chief executive officer of OLabs, a joint-venture between Manatt and Originate that creates, funds, and develops technology companies. Versus is a portfolio company of OLabs. Prior to founding OLabs, Mr. Pierce was Vice President of Strategy at Originate, working with early-stage technology companies. He has also worked at Warner Bros and the Boston Consulting Group. Mr. Pierce is a Lecturer at the University of Southern California, Los Angeles ("UCLA") Anderson School of Management and in the Economics department at UCLA, where he teaches entrepreneurship.

Mr. Pierce is a graduate of Stanford University and he earned his MBA from UCLA. Mr. Pierce entered into a non-competition or confidentiality agreement with the Resulting Issuer. He will be a full time employee of the Resulting Issuer, fulfilling his role as CEO.

Craig Finster – Chief Financial Officer (Age 39)

Mr. Finster has over 15 years of experience in finance, accounting, and corporate development for technology companies. He currently serves as the Managing Director of Originate's Strategic Advisory Group, working with venture stage companies on strategic and financial issues. He previously spent four years leading the investment team at Originate, focusing on seed and early stage companies. Mr. Finster is the former CEO of a venture capital backed technology start-up, which was sold to strategic buyer. He holds bachelor's degrees in economics and finance from the University of Arizona and an MBA from the UCLA Anderson School of Management. Mr. Finster has not entered into a non-competition or confidentiality agreement with the Company. It is expected that he will devote approximately 25% of his time to the business of the Resulting Issuer to effectively fulfill his duties as CFO. Mr. Finster is an independent contractor of the Resulting Issuer.

Brian Tingle – Director (Age 43)

Mr. Tingle began his career in the Canadian banking sector, and has been involved in the capital markets for the past 20 years as an advisor, and also as a director, for both private and public companies. Brian is experienced in a range of corporate transactions including acquisitions, mergers, takeovers and financings; his speciality being the effective delivery of the due diligence process. Mr. Tingle has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 20% of his time to the business of the Resulting Issuer to effectively fulfill his duties as Director. Mr. Tingle is an independent contractor of the Resulting Issuer.

Michelle Gahagan – Director (Age 57)

Ms. Gahagan is currently a principal of a privately-held merchant bank based in Vancouver, British Columbia and London, England. Prior to the commencement of her involvement in merchant banking seven years ago, Ms. Gahagan graduated from Queens University Law School and practiced corporate law for 20 years. Ms. Gahagan has extensive experience advising companies with respect to international tax-driven structures, mergers and acquisitions.

Ms. Gahagan has not entered into a non-competition, or confidentiality agreement with the Resulting Issuer. It is expected that Ms. Gahagan will devote approximately 20% of her time to the business of the Resulting Issuer to effectively fulfill her duties as a Director. Ms. Gahagan is an independent contractor of the Resulting Issuer.

Keyvan Peymani – Director (Age 39)

Mr. Peymani has over 15 years of experience in media, technology, strategy and operations. He was most recently the Managing Director of ICM Partners' Digital Strategy Division and oversaw all venture capital, corporate development and digital activities for the firm. Mr. Peymani has a BA in Religious Studies and a BA in Neurobiology with concentrations in Neuroscience from Northwestern University. He holds an MBA from the Anderson School of Business at UCLA.

Mr. Peymani has not entered into a non-competition, or confidentiality agreement with the Resulting Issuer. It is expected that he will devote less than 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a Director. Mr. Peymani is an independent contractor of the Resulting Issuer.

Paul Vlasic – Director (Age 45)

Mr. Vlasic, serves as a Vice-President and Manager at Vlasic Investments, L.L.C. Mr. Vlasic is a Founding Partner at RSVP Capital. He founded Amplifinity, LLC. He co-founded RSVP Capital in 2007. In addition to his activities at RSVP, Mr. Vlasic serves as the Chief Executive Officer and Chairman of uRefer and as a Manager at Vlasic Investments (VILLCo). He also actively invests in new startups. He is a veteran entrepreneur who has led several companies in the technology space. He served as the Chief Executive Officer of Amplifinity, LLC, and has been its Member of the Board of Directors since 2009. Mr. Vlasic served as the Chairman of O/E Automation and Head of Operations at O/E Systems. He began his career at Reynolds Metals Company, working in their sales organization. Mr. Vlasic serves on multiple boards within the Henry Ford Health System, The Henry Ford Foundation, and the University of Michigan College of Engineering's Center for Entrepreneurship. He is a graduate of Rollins College and earned his M.B.A. with Distinction from the University of Michigan Ross School of Business.

Mr. Vlasic has not entered into a non-competition, or confidentiality agreement with the Resulting Issuer. It is expected that he will devote less than 10% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a Director. Mr. Vlasic is an independent contractor of the Resulting Issuer.

Advisory Board

John O'Connell – Advisor, Head of Developer Relations (Age 34)

Mr. O'Connell has over 12 years of experience working in the videogame industry. He is currently the founder and President of Knight's Path, a consultancy that provides business development strategy for clients in the gaming space, including PlayStation, Riot Games, and Camy International's TIER1. Prior to advising Versus, John co-founded a media and promotions startup which served EA, Turtle Beach, Respawn and more. Prior to founding his consultancy, John built up Omnicom Group, Inc.'s practice managing strategy and programming for AT&T, Cisco, Doritos, Duracell, GameStop, Gillette, Hewlett-Packard and Nintendo. As a producer, John established Tecmo's stateside mobile division, bringing Tecmo Bowl and Ninja Gaiden to North America.

Mr. O'Connell is a graduate of Emerson College with a double major in Digital Media Studies/Interface Design and Advertising & Marketing. Mr. O'Connell entered into a non-competition and confidentiality agreement with the Resulting Issuer. He will be a part time consultant to the Resulting Issuer, fulfilling his role as Advisor, Head of Developer Relations.

14. Capitalization

14.1 – Capitalization

Issued Capital[4]
(common shares)

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	63,101,016 [5]	123,906,493 [6]	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	30,969,451	38,462,781	Approximately 49.87%	Approximately 31.04%
Total Public Float (A-B)	32,131,565	85,443,712	Approximately 50.92%	Approximately 68.96%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	32,591,791	48,887,687	Approximately 51.65%	Approximately 39.45%

[4] The numbers on this table reflect post-Transaction number of common shares on a non-diluted and fully- diluted basis.
[5] 63,101,016 common shares are outstanding as of the date of this listing statement, which excludes the conversion of 16,125,000 NewCo common shares held by the Selling Members into an equivalent number of Resulting Issuer Shares at their election.
[6] Assumes the exercise of 37,211,276 warrants into 37,211,276 common shares, the conversion of 5,057 Class A Series I shares into common shares (at a rate of 6.67 common shares per Class A Series I shares) for a total of 33,730 common shares, 4,950,471 options to 4,950,471 common shares, and the conversion of 16,125,000 NewCo common shares held by the Selling Members into an equivalent number of Resulting Issuer Shares.

Total Tradeable Float (A-C)	30,509,225	75,018,806	Approximately 48.35%	Approximately 60.54%

Public Securityholders (Registered)[7]

Class of Security (common shares)

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	1,182	1,007,619
100 – 499 securities	45	10,508
500 – 999 securities	10	7,014
1,000 – 1,999 securities	11	12,882
2,000 – 2,999 securities	2	4,000
3,000 – 3,999 securities	2	7,132
4,000 – 4,999 securities	2	8,280
5,000 or more securities	83	31,074,130
Total	**1,337**	**32,131,565**

[7] The numbers in this section reflect the number of common shares issued and outstanding and the number of shareholders related to the indicated shareholdings, reflecting a total of 63,101,016 common shares issued and outstanding but excluding non-public securityholders as disclosed below.

Public Securityholders (Beneficial)[8]

Class of Security
(common shares)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	266	6,513
100 – 499 securities	232	56,369
500 – 999 securities	94	62,580
1,000 – 1,999 securities	80	96,512
2,000 – 2,999 securities	57	122,661
3,000 – 3,999 securities	15	49,558
4,000 – 4,999 securities	14	57,560
5,000 or more securities	162	15,393,524
Unable to confirm	Not Known	16,286,288
Total		**32,131,565**

[8] The numbers in this section reflect the number of common shares issued and outstanding and the number of shareholders related to the indicated shareholdings , reflecting a total of 63,101,016 common shares issued and outstanding but excludes non-public securityholders.

Non-Public Securityholders (Registered)[9]

Class of Security
(common shares)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	8	30,969,451
Total	**8**	**30,969,451**

14.2 – Convertible/Exchangeable Securities

The following table sets out information regarding and securities convertible or exchangeable into Resulting Issuer Shares as of the date of this Listing Statement:

Description of Security	Number of Convertible / Exchangeable Securities Outstanding	Number of Listed Securities Issuable Upon Conversion / Exercise
Stock Options(1)	4,950,471	4,950,471
Warrants(2)	40,196,276	40,196,276
Class A Series I(3)	5,057	33,730
NewCo Shares(4)	16,125,000	16,125,000

(1) Granted stock options to acquire up to 850,000 common shares on April 29, 2015, exercisable for a five year term expiring on April 29, 2020 and exercisable until such date at a price of $0.10 per common share. Granted stock options to acquire up to 100,000 common shares on July 31, 2015, exercisable for a five year term expiring on July 31, 2020 and exercisable until such date at a price of $0.10 per common share. 4,000,471 Stock Options issued to certain directors, employees and consultants of the Resulting Issuer at Closing.

(2) 10,003,776 Performance Warrants issued to certain of the Selling Members in connection with the Performance Milestones pursuant to the Acquisition. 8,062,500 common share purchase warrants in connection with the Acquisition, upon the conversion of all NewCo Shares held by the Selling Members into Resulting Issuer common share purchase warrants, with each whole warrant exercisable into one common share of the Resulting Issuer at an exercise price of CAD$0.20 per common share for a period of 36 months. The warrants have an acceleration clause whereby if the closing

[9] The numbers in this section reflect the number of common shares issued and outstanding related to persons enumerated in Section (B) of the issued capital chart above.

price of the Resulting Issuer Shares is greater than $0.60 for a period of thirty (30) consecutive trading days, the Resulting Issuer will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants by news release or other form of notice permitted by the certificate representing the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than thirty (30) days from the date notice is given. 10,080,000 common share purchase warrants in connection with the Private Placement with each whole warrant exercisable into one Resulting Issuer Share at an exercise price of CAD$0.40 per share for a period of 24 months. The warrants issued under the Private Placement have an acceleration clause whereby if the closing price of the Resulting Issuer Shares is greater than $0.65 for a period of thirty (30) consecutive trading days, the Resulting Issuer will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants by news release or other form of notice permitted by the certificate representing the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than thirty (30) days from the date notice is given. 12,050,000 warrants at an exercise price of $0.15 per common share expiring February 27, 2020.

(3) The Class A shares, Series I, are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class A Series I share held.

(4) 16,125,000 common shares issuable pursuant to the Acquisition, upon the conversion of all NewCo common shares held by the Selling Members into Resulting Issuer Shares.

14.3 – Other Listed Securities

The Resulting Issuer has no other listed securities reserved for issuance.

15. Executive Compensation

15.1 – Compensation of Executive Officers and Directors

Opal

The Opal's Statement of Executive Compensation for the most recent financial year (December 31, 2015), is attached hereto as Schedule "D".

Resulting Issuer

Compensation Discussion and Analysis

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be determined by the Board of Directors of the Resulting Issuer and are expected to be substantially similar to how Opal compensated its executive officers. See Opal's "Statement of Executive Compensation" attached as Schedule "D" to this Listing Statement.

The NEOs of the Resulting Issuer consist of Matthew Pierce, the CEO of the Resulting Issuer, and Craig Finster, the CFO of the Resulting Issuer, Scott Sebelius, a Vice President of Engineering of the Resulting Issuer and John O'Connell, an advisor to the Resulting Issuer.

In connection with the Closing, the Resulting Issuer entered into employment agreements with Matthew Pierce and Scott Sebelius and a consulting agreement with John O'Connell. Mr. Pierce received an initial grant of 2,824,000 options to purchase Resulting Issuer Shares and an annual base salary of US$160,000. Mr. Sebelius received an initial grant of 470,589 options to purchase Resulting Issuer Shares and an annual base salary of US$160,000. Mr. O'Connell received an initial grant of 705,882 options to purchase Resulting Issuer Shares and an annual base salary of US$120,000. Mr. Finster will be providing CFO services, through Originate Inc., to the Resulting Issuer at US$5,000 per month.

Option Based Awards

The Resulting Issuer Stock Option Plan will remain the current Stock Option Plan of Opal. See Opal's "Statement of Executive Compensation" attached as Schedule "D" to this Listing Statement for information regarding the Resulting Issuer Stock Option Plan.

To briefly summarize, under the Resulting Issuer Stock Option Plan, the Options are non-assignable and may be granted for a term not exceeding 10 years from the date of grant. Options may be granted under the Resulting Issuer Stock Option Plan to directors, executive officers, employees, consultants and management company employees.

The Resulting Issuer Stock Option Plan reserves a "rolling" maximum of 10% of the issued and outstanding Resulting Issuer Shares (determined at the time of the stock option grant) for issuance upon the exercise of stock options granted pursuant to the Resulting Issuer Stock Option Plan.

Pension Plan Benefits

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

Matthew Pierce

Pursuant to the employment agreement between the Resulting Issuer and Mr. Pierce (the "**Pierce Agreement**"), in the event of a Change of Control (as defined below), immediately effective as of the date of such Change of Control, Mr. Pierce shall be fully and immediately vested in his unvested Stock Options, Performance Warrants and any other options or equity awards granted by the Resulting Issuer to Mr. Pierce, that are unvested as of such date so that such Stock Options, and other options and equity awards are fully and immediately exercisable by Mr. Pierce. Furthermore, the Resulting Issuer shall pay Mr. Pierce immediately upon the date of the Change of Control the maximum Performance Cash Bonus (as defined below) provided in the Pierce Agreement for the then-current fiscal year, in addition to any amounts that Mr. Pierce may be entitled to receive as a result of his termination of employment or any other event.

The Pierce Agreement provides for a severance payment to Mr. Pierce in the event of termination by him for Good Reason (as defined below) or termination by the Company without cause. In the event of termination by Mr. Pierce for Good Reason or by the Resulting Issuer without cause, Mr. Pierce is entitled to be paid or provided with (a) any Accrued Benefits (as defined below); (b) a severance amount equal to the sum of (i) twelve (12) months of his then current Base Salary (as defined below); (ii) his maximum Discretionary Bonus (as defined below) for the then-current fiscal year; (iii) his Annual Bonus (as defined below) for the prior fiscal year; and (iv) the maximum Performance Cash Bonus provided in accordance with the terms of the Pierce Agreement for the then-current fiscal year; which sum shall be paid to Mr. Pierce in full in a single lump sum cash payment; (c) and Mr. Pierce shall be fully and immediately vested in his unvested Stock Options, Performance Warrants and any other options or equity awards granted by the Resulting Issuer to him so that such Stock Options, options and equity awards are fully and immediately exercisable by Mr. Pierce.

"Accrued Benefits" means all other payments, benefits or fringe benefits to which Mr. Pierce, Mr. Sebelius and Mr. O'Connell, as applicable, may be entitled subject to and in accordance with the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant, if any;

"Annual Bonus" means an annual cash bonus of twenty-five percent (25%) of Base Salary;

"Base Salary" means USD$160,000 under the Pierce Agreement and the Sebelius Agreement and USD$120,000 under the O'Connell Agreement, or such adjusted amount determined by the Resulting Issuer and Mr. Pierce, Mr Sebelius, or Mr. O'Connell from year to year, as applicable;

"Change of Control" means the occurrence of any of the following events: (i) the receipt by the Resulting Issuer of an insider report or other statement filed in accordance with the applicable securities legislation of a relevant jurisdiction indicating that any person: (a) has become the beneficial owner, directly or indirectly, of securities of the Resulting Issuer representing more than 50% of the Common Shares; or (b) has sole and/or shared voting, or dispositive, power over more than 50% of the Common Shares; or (ii) a change in the composition of the Board occurring within a two-year period prior to such change, as a result of which fewer than a majority of the Directors

are Incumbent Directors. "Incumbent Directors" shall mean Directors who are either: (a) Directors of the Resulting Issuer as of the Effective Date; or (b) elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Directors who had been Directors at the Effective Date or two (2) years prior to such change and who were still in office at the time of such election or nomination; or (iii) the solicitation of a dissident proxy, or any proxy not approved by the Incumbent Directors, the purpose of which is to change the composition of the Board with the result, or potential result, that fewer than a majority of the Directors will be Incumbent Directors; or (iv) the consummation of a merger, amalgamation or consolidation of the Resulting Issuer with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, amalgamation, consolidation or reorganization are owned by persons who were not shareholders of the Resulting Issuer immediately prior to such merger, amalgamation, consolidation or reorganization; or (v) the commencement by an entity, person or group (other than the Resulting Issuer or a wholly owned subsidiary of the Resulting Issuer) of a tender offer, an exchange offer or any other offer or bid for more than 50% of the Common Shares; or (vi) the consummation of a sale, transfer or disposition by the Resulting Issuer of all or substantially all of the assets of the Resulting Issuer; or (vii) the commencement of any proceeding by or against the Resulting Issuer seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of the Resulting Issuer or its debts, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or for the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property; or (viii) the approval by the shareholders of the Resulting Issuer of a plan of complete liquidation or dissolution of the Resulting Issuer.

"Discretionary Bonus" means additional variable cash compensation in an amount determined in accordance with any bonus, profit sharing or short term incentive compensation program which may be established by the Board either for Mr. Pierce, Mr. O'Connell, Mr. Sebelius or for other senior officers of the Resulting Issuer;

"Good Reason" means, without the written consent of Mr. Pierce, Mr. O'Connell or Mr. Sebelius, as applicable, the occurrence of any of the following events: (i) any material reduction or diminution (except temporarily during any period of physical or mental incapacity or disability of Mr. Pierce, Mr. O'Connell or Mr. Sebelius, as applicable) in his authority, duties or responsibilities with the Resulting Issuer (including any position or duties as a Director of the Resulting Issuer and the failure to re-elect Mr. Pierce as a Director and to the Board), it being acknowledged that, in the event any entity becomes the owner, directly, indirectly, beneficially or otherwise of more than fifty percent (50%) of the Resulting Issuer Shares, it shall be Good Reason if such executive does not occupy his prior position within such resulting entity; (ii) a breach by the Resulting Issuer of any material provision of the Pierce Agreement or any failure to timely pay any part of Mr. Pierce's compensation or issue any part of the his incentive equity awards thereunder, including, without limitation, his Base Salary, Annual Bonus, Discretionary Bonus, Stock Options, Performance Warrants, Performance Cash Bonus and any other bonuses payable to him or to materially provide, in the aggregate, the level of benefits contemplated therein; (iii) the failure of the Resulting Issuer to obtain and deliver to Mr. Pierce a written agreement, in the form satisfactory to him acting reasonably, to be entered into with any successor, assignee or transferee of the Resulting Issuer to assume and agree to perform under the Pierce Agreement, Sebelius Agreement or O'Connell Agreement, as applicable, in accordance with the assignability provisions therein; and (iv) the relocation of Mr. Pierce, Mr. O'Connell or Mr. Sebelius, as applicable, by the Resulting Issuer to a place other than that is more than thirty-five (35) miles from the location at which he performed his duties for the Resulting Issuer immediately prior to such relocation, except for required travel on the Resulting Issuer's business to an extent substantially consistent with the his business obligations to the Resulting Issuer; and

"Performance Cash Bonus" means an annual cash bonus in accordance with earnings before interest, taxes, depreciation and amortization achievement in the relevant fiscal year.

Scott Sebelius

The terms and conditions of the Pierce Agreement disclosed above are substantially the same as the terms and conditions of the employment agreement between the Resulting Issuer and Mr. Sebelius (the "**Sebelius Agreement**").

John O'Connell

The terms and conditions of the Pierce Agreement disclosed above are substantially the same as the terms and conditions of the consulting agreement between the Resulting Issuer and Mr. O'Connell (the "**O'Connell Agreement**"), other than the definition of "Good Reason" which in the O'Connell Agreement means: without the written consent of Mr. O'Connell, the occurrence of any of the following events: (i) any material reduction or diminution (except temporarily during any period of physical or mental incapacity or disability of Mr. O'Connell) in his duties or responsibilities to the Resulting Issuer; and (ii) a breach by the Resulting Issuer of any material provision of the O'Connell Agreement or any failure to timely pay any part of Mr. O'Connell's compensation or issue any part of Mr. O'Connell's equity awards thereunder, including, without limitation, Mr. O'Connell's Fee, Annual Bonus, Discretionary Bonus, Stock Options, Performance Warrants, Performance Cash Bonus and any other bonuses payable to him or to materially provide, in the aggregate, the level of benefits contemplated therein.

Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Resulting Issuer or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Resulting Issuer or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

DIRECTORS COMPENSATION

Summary Compensation for Directors

The Resulting Issuer may decide to grant option-based awards to its directors during the 12 month period following the Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

The Resulting Issuer expects to compensate directors primarily through the grant of Stock Options and reimbursement of expenses incurred by such persons acting as directors of the Resulting Issuer.

Pension Plan Benefits for Directors

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors, other than NEOs, at, following, or in connection with retirement.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of Opal or Versus, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to Opal or Versus at any time.

INVESTOR RELATIONS ARRANGEMENTS

No written or oral agreement or understanding has been reached with any person to provide promotional or investor relations services for the Resulting Issuer.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The following table provides information as to options to purchase Resulting Issuer Shares that, as of the date of this Listing Statement, are outstanding.

Category of Optionholder	Number of Options to Acquire Resulting Issuer Shares Held as a Group
1. All Proposed Senior Officers of the Resulting Issuer	2,924,000
2. All Directors of the Resulting Issuers who are not also Proposed Officers	Nil
3. All other employees as a group	470,589
4. All consultants as a group who are not also Officers or Directors	705,882

(1) 4,950,471 options to purchase Resulting Issuer Shares are outstanding as of the date of this Listing Statement.

16. Indebtedness of Directors and Executive Officers

No director or officer of Opal or person who acted in such capacity in the last financial year of Opal, or director or officer of the Resulting Issuer, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of Opal, indebted to Opal nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Opal.

17. Risk Factors

17.1 – Description of Risk Factors

General

The following are certain factors relating to the business of the Resulting Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Resulting Issuer. The Resulting Issuer will face a number of challenges in the development of its business. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Resulting Issuer or which are currently deemed immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below.

Limited Operating History

The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There can be no assurance that the Resulting Issuer's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements. To date, Versus has had no revenues. Even if the Resulting Issuer does achieve profitability, it cannot predict the level of such profitability. If the Resulting Issuer sustains losses over an extended period of time, it may be unable to continue our business.

Regulatory Risks

The activities of the Resulting Issuer will be subject to intense regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements

enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale and use of its products and services. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The business of the Resulting Issuer is subject to rapid regulatory changes. Failure to keep up with such changes may adversely affect the business of the Resulting Issuer.

The Resulting Issuer's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered with companies whose businesses are regulated by various federal, state and local governments. Video game, online gaming, e-sports and similar companies are subject to a variety of regulatory requirements and the regulatory environment is ever changing. Failure to follow regulatory requirements will have a detrimental impact on the business. Changes in legislation cannot be predicted and could irreparably harm the business.

Change in Laws, Regulations and Guidelines

The Resulting Issuer's operations will be subject to a variety of laws, regulations and guidelines relating to the offering of prize-based tournaments including laws and regulations relating to e-sports, online gaming and gambling. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects to the Resulting Issuer's operations.

Internet websites are accessible everywhere, not just in jurisdictions where the activities described therein are considered legal. The Resulting Issuer may face legal action from a state or other jurisdiction for engaging in activity that is illegal in that state or jurisdiction by way of its website.

The Resulting Issuer currently does not require any government approvals to carry out its business plan. Legislation regarding fantasy sports and online gambling is in a flux and not uniform. Changes in applicable laws or regulations or evolving interpretations of existing law could, in certain circumstances, result in increased compliance costs or capital expenditures, which could affect the Resulting Issuer's profitability, or impede the Company's ability to carry on its business which could affect its revenues.

Changes in existing gaming regulations or industry standards may hinder or prevent the Resulting Issuer from continuing to operate in those jurisdictions where it currently carries on business, which would harm its operating results and financial condition. In particular, the enactment of unfavourable legislation or government efforts affecting or directed at fantasy sports or gaming operators, such as taxing or attempts to restrict the content or access to fantasy sports products may have a negative impact on the Resulting Issuer's operations. It cannot be assured that the Resulting Issuer will be able to adequately adjust to such potential changes.

Public opinion can also exert a significant influence over the regulation of the fantasy sports and gaming industries. A negative shift in the public's perception of fantasy sports or gaming could affect future legislation in individual jurisdictions. Negative public perception could lead to new restrictions on fantasy sports and gaming in jurisdictions in which the Company currently operates.

If at some point in the future, management chooses to use the Resulting Issuer's software platform for legal online gambling, the state of gambling laws in the United States and Canada will have an impact on the Resulting Issuer's business and could adversely affect the Company's ability to carry on its business profitably, or at all.

The Resulting Issuer is subject to a number of domestic and foreign laws and regulations that affect companies conducting business on the Internet, from laws that impose liability for the listing, linking or hosting of third-party content that includes materials that infringe copyrights, to laws restricting the distribution of materials considered harmful to children or restricting the collection of information from children, to laws that require notification to users when there is a security breach for personal data. The costs of compliance with these and other similar type laws may increase in the future as a result of changes in interpretation, which could adversely affect the Resulting Issuer's ability to carry on its business profitably, or at all.

Laws and regulations relating to user privacy, freedom of expression, content, advertising, information security and intellectual property rights are being debated and considered for adoption by many countries throughout the world. The Resulting Issuer faces risks from some of the proposed legislation that could be passed in the future.

In the United Sates, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, which include actions for libel, slander, invasion of privacy and other tort claims, unlawful activity, copyright and trademark infringement and other theories based on the nature and content of the materials searched, the ads posted or the content generated by users. Certain foreign jurisdictions are also testing the liability of providers of online services for activities of their users and other third parties. Any court ruling that imposes liability on providers of online services for activities of their users and other third parties could adversely affect the Resulting Issuer's ability to carry on its business profitably, or at all.

The application of existing laws prohibiting, regulating or requiring licenses for certain businesses of the Resulting Issuer's advertisers, including, for example, online gambling, distribution of pharmaceuticals, adult content, financial services, alcohol or firearms, can be unclear. Application of these laws in an unanticipated manner could expose the Resulting Issuer to substantial liability and restrict its ability to deliver services to its users, which could adversely affect the Resulting Issuer ability to carry on its business profitably, or at all.

The Resulting Issuer also faces risks due to government failure to preserve the Internet's basic neutrality as to the services and sites that users can access through their broadband service providers. Such a failure to enforce network neutrality could limit the Internet's pace of innovation and the ability of large competitors, small businesses and entrepreneurs to develop and deliver new products, features and services, which could harm the Resulting Issuer's business.

Lack of Operating History

The Resulting Issuer has history of earnings. The Resulting Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The failure by the Resulting Issuer to meet any of these conditions could have a materially adverse effect on the Resulting Issuer and may force it to reduce, curtail, or discontinue operations.

The Resulting Issuer may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Resulting Issuer fails to do so, it could materially harm its business and impair the value of its common shares, resulting in a loss to shareholders. Even if the Resulting Issuer accomplishes these objectives, the Resulting Issuer may not generate the anticipated positive cash flows or profits. The Resulting Issuer has accumulated net losses since inception. No assurance can be given that the Resulting Issuer can or will ever be successful in its operations and operate profitably.

The Versus platform is not currently available in any games and as such, Versus has never received any revenue from operations.

Failure to Retain Existing Users or Add New Users

The size of the Resulting Issuer's users' level of engagement are critical to the Resulting Issuer's success. The Resulting Issuer's financial performance will be significantly determined by its success in having its products adding, retaining, and engaging active users. To the extent that the Resulting Issuer's active user growth rate slows, its business performance will become increasingly dependent on its ability to increase levels of user engagement in current and new markets. If people do not perceive the Resulting Issuer's products to be useful, reliable, and trustworthy, the Resulting Issuer may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A decrease in user retention, growth, or engagement could render the Resulting Issuer less attractive to video game publishers and developers which may have a material and adverse impact on the Resulting Issuer's revenue, business, financial condition, and results of operations. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- users increasingly engage with competing products;
- the Resulting Issuer fails to introduce new and improved products or if Resulting Issuer introduces new products or services that are not favorably received;
- the Resulting Issuer is unable to successfully balance its efforts to provide a compelling user experience with the decisions made by the Resulting Issuer with respect to the frequency, prominence, and size of ads and other commercial content that the Resulting Issuer displays;
- there are changes in user sentiment about the quality or usefulness of the Resulting Issuer's products or concerns related to privacy and sharing, safety, security, or other factors;
- the Resulting Issuer is unable to manage and prioritize information to ensure users are presented with content that is interesting, useful, and relevant to them;
- there are adverse changes in the Resulting Issuer's products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent the Resulting Issuer from delivering its products in a rapid and reliable manner or otherwise affect the user experience;
- the Resulting Issuer adopts policies or procedures related to areas such as sharing its user data that are perceived negatively by its users or the general public;
- the Resulting Issuer fails to provide adequate customer service to users, developers, or advertisers; or
- the Resulting Issuer, its software developers, or other companies in its industry are the subject of adverse media reports or other negative publicity.

If the Resulting Issuer is unable to build and/or maintain relationships with publishers and developers, the Resulting Issuer's revenue, financial results, and future growth potential may be adversely affected.

Lack of Demand

A failure in the demand for the Resulting Issuer's products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Reliance on Management and Key Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Resulting Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Resulting Issuer's inability to retain employees and attract and retain sufficient additional employees as well as information technology, engineering, and technical support resources could have a material adverse impact on the Resulting Issuer's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Additional Financing

The Resulting Issuer's future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. Based on the Resulting Issuer's current financial situation, the Resulting Issuer may have difficulty continuing operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Resulting Issuer's business plan, the Resulting Issuer will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise

financing to support on-going operations or to fund capital expenditures could limit the Resulting Issuer's operations and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Resulting Issuer may be required to reduce, curtail, or discontinue operations.

Because of the early stage of the industry in which the Resulting Issuer will operate, the Resulting Issuer expects to face additional competition from new entrants. To become and remain competitive, the Resulting Issuer will require research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Competition

There is potential that the Resulting Issuer will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Resulting Issuer. See "Narrative Description of the Business - Competition" for further details about the competition faced and to be faced by the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Because of early stage of the industry in which the Resulting Issuer operates, the Resulting Issuer expects to face additional competition from new entrants. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Some of the Resulting Issuer's current and potential competitors have significantly greater resources and better competitive positions in certain markets than the Resulting Issuer does. These factors may allow the Resulting Issuer's competitors to respond more effectively than the Issuer to new or emerging technologies and changes in market requirements. The Resulting Issuer's competitors may develop products, features, or services that are similar to the Resulting Issuer or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. Certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against the Issuer. As a result, the Resulting Issuer's competitors may acquire and engage users at the expense of the growth or engagement of its user base, which may negatively affect the Resulting Issuer's business and financial results.

The Resulting Issuer believes that its ability to compete effectively depends upon many factors both within and beyond the Resulting Issuer's control, including:

- the usefulness, ease of use, performance, and reliability of the Resulting Issuer's products compared to its competitors;
- the size and composition of the Resulting Issuer's user base;
- the engagement of users of the Resulting Issuer with its products;
- the timing and market acceptance of products, including developments and enhancements to the Resulting Issuer's or its competitors' products;
- the Resulting Issuer's ability to monetize its products;

- customer service and support efforts;
- marketing and selling efforts;
- the Resulting Issuer's financial condition and results of operations;
- the Resulting Issuer's ability to establish and maintain developers' interest in building on the Resulting Issuer's products;
- changes mandated by legislation, regulatory authorities, or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on the Issuer;
- acquisitions or consolidation within the Resulting Issuer's industry, which may result in more formidable competitors;
- the Resulting Issuer's ability to attract, retain, and motivate talented employees, particularly software engineers;
- the Resulting Issuer's ability to cost-effectively manage and grow its operations; and
- the Resulting Issuer's reputation and brand strength relative to that of its competitors.

Intellectual Property Risks

The Resulting Issuer could be adversely affected if it does not adequately protect its intellectual property rights. The Resulting Issuer regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Resulting Issuer's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Resulting Issuer to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Resulting Issuer's copyrights, trademarks and similar proprietary rights, or that the Resulting Issuer will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Resulting Issuer believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Resulting Issuer. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources. The Resulting Issuer's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of its technology and may not prevent the development and design by others of products or technology similar to, competitive with, or superior to those the Resulting Issuer develops. There is a risk that another party may obtain a blocking patent and the Resulting Issuer would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products.

Rapid Technological Change

The business of the Resulting Issuer is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Resulting Issuer.

The market in which the Resulting Issuer competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands. Accordingly, the Resulting Issuer's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its services to evolving industry standards and to continually improve the performance, features and reliability of its service in response to competitive service and product offerings and evolving demands of the marketplace. The failure of the Resulting Issuer to adapt to such changes would have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Additionally, there can be no assurances that the Resulting Issuer will be able to successfully introduce and integrate its technologies so as to implement its business strategy.

Risks Associated with New Services, Features and Functions

The Resulting Issuer plans to expand its operations by developing and promoting new or complementary services, products or transaction formats or expanding the breadth and depth of services. There can be no assurance that the Resulting Issuer will be able to expand its operations in a cost-effective or timely manner or that any such efforts will maintain or increase overall market acceptance. Furthermore, any new business or service launched by the Resulting Issuer that is not favourably received by consumers could damage the Resulting Issuer's reputation and diminish the value of its brand name. Expansion of the Resulting Issuer's operations in this manner would also require significant additional expenses and development, operations and other resources and would strain the Resulting Issuer's management, financial and operational resources. The lack of market acceptance of such services or the Resulting Issuer's inability to generate satisfactory revenues from such expanded services to offset their cost could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Online Commerce Security Risks

A significant barrier to online commerce and communications is the secure transmission of confidential information over public networks. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments will not result in a compromise or breach of the technology used by the Resulting Issuer to protect customer transaction data. If any such compromise of the Resulting Issuer's security were to occur, it could have a material adverse effect on the Resulting Issuer's reputation and, therefore, on its business, results of operations and financial condition. Furthermore, a party who is able to circumvent the Resulting Issuer's security measures could misappropriate proprietary information or cause interruptions in the Resulting Issuer's operations. The Resulting Issuer may be required to expend significant capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Concerns over the security of transactions conducted on the Internet and other online services and the privacy of users may also inhibit the growth of the Internet and other online services generally, and the Web in particular, especially as a means of conducting commercial transactions. To the extent that activities of the Resulting Issuer involve the storage and transmission of proprietary information, such as credit card numbers, security breaches could damage the Resulting Issuer's reputation and expose the Resulting Issuer to a risk of loss or litigation and possible liability. There can be no assurance that the Resulting Issuer's security measures will prevent security breaches or that failure to prevent such security breaches will not have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Software

The Resulting Issuer's software is highly technical, and if it contains undetected errors, the Resulting Issuer's business could be adversely affected. The Resulting Issuer's products incorporate software that is highly technical and complex. The Resulting Issuer's software may now or in the future contain, undetected errors, bugs, or vulnerabilities. Some errors in the Resulting Issuer's software codes may only be discovered after the codes have been released. Any errors, bugs, or vulnerabilities discovered in the Resulting Issuer's codes after release could result in damage to the Resulting Issuer's reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect the Resulting Issuer's business and financial results.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Resulting Issuer intends to acquire businesses, technologies, services or products that the Resulting Issuer believes are strategic. The Resulting Issuer currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Resulting Issuer will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Resulting Issuer may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Resulting Issuer' business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Resulting Issuer's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies,

services or products might require the Resulting Issuer to obtain additional equity or debt financing, which might not be available on terms favourable to the Resulting Issuer, or at all, and such financing, if available, might be dilutive.

Operating Risk and Insurance Coverage

The Resulting Issuer will obtain and maintain insurance to protect its assets, operations and employees. However, insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, may be more difficult for the Resulting Issuer to obtain and more costly because the Resulting Issuer is engaged in the e-sports industry. As of the date of this Listing Statement, the Resulting Issuer has been successful in finding such policies, but at a cost higher than other businesses. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future or that the cost will be affordable to the Resulting Issuer. While the Resulting Issuer believes its insurance coverage will address all material risks to which it is exposed and will be adequate and customary in its current state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Resulting Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Resulting Issuer may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its products and services. The Resulting Issuer may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Resulting Issuer which may affect the operations and business of the Resulting Issuer.

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Resulting Issuer Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

The market price of Resulting Issuer Shares may be subject to wide price fluctuations

The market price of Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which,

as well as general economic and political conditions, could adversely affect the market price for Resulting Issuer Shares.

Limited Market for Securities

There can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings.

Use of Proceeds

Although the Resulting Issuer has set out its intended use of proceeds in this Listing Statement, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a material adverse effect on the Issuer's business, including the Resulting Issuer's ability to achieve its stated business objectives.

Environmental Laws and Regulations

Although Opal entered into and executed agreements to sell, transfer, and/or release itself of its obligations under its resource properties and claims (discussed elsewhere in this Listing Statement) the Resulting Issuer may be subject to claims relating to environmental laws and regulations, or otherwise, in connection with previous operations.

Economic Environment

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's sales and profitability.

Global Economy Risk

Any economic slowdown and downturn of global capital markets could make the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and the trading price of the Resulting Issuer's Shares on the stock exchange.

Going-Concern Risk

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Financial Risk Exposures

The Resulting Issuer may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Resulting Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Resulting Issuer's shares.

18. Promoters

18.1 – 18.3 – Promoter Consideration

There is no promoter of the Resulting Issuer other than Mr. Pierce, the proposed Chief Executive Officer.

19. Legal Proceedings

19.1 - Legal Proceedings

Opal

There are no legal proceedings to which Opal is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of Opal, there are no such proceedings contemplated.

Resulting Issuer

There are no legal proceedings to which the Resulting Issuer is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of the Resulting Issuer, there are no such proceedings contemplated.

19.2 – Regulatory Actions

The Resulting Issuer is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Resulting Issuer entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Resulting Issuer's securities or would be likely to be likely to be considered important to a reasonable investor making an investment decision.

20. Interest of Management and Others in Material Transactions

Except as set out below and elsewhere in this Listing Statement, none of the directors or executive officers of the Opal, principal shareholders, or any associate or affiliate of such persons, has or has had any material interest, direct or indirect, in any material transaction within the three years before the date of this Listing Statement or in any proposed transaction that has materially affected or may affect the Resulting Issuer.

21. Auditors, Transfer Agents and Registrars

21.1 – Auditors

The firm of Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**") is the independent registered certified auditor of the Company with a Vancouver office address of suite 1200 – 609 Granville Street, Vancouver, B.C., V7Y 1G6.

The firm of Jackson & Company, LLP, Chartered Professional Accountants ("**Jackson**") is the independent registered certified auditor of the Company with a Vancouver office address of suite 800 – 1199 West Hastings Street, Vancouver, B.C., V6E 3T5.

The auditors of Resulting Issuer will be Davidson.

21.2 – Transfer Agent and Registrar

The Resulting Issuer's registrar and transfer agent, Computershare, located at 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9, will be the registrar and transfer agent of the Resulting Issuer.

22. Material Contracts

22.1 – Material Contracts

Except for contracts entered into by Opal in the ordinary course of business, the only material contracts entered into by Opal in the previous two years are the following:

(a) On March 16, 2016, Opal entered into the Acquisition Agreement to acquire all of the issued and outstanding Versus Units. See "General Development of the Business – The Acquisition".

22.2 – Special Agreements

The Resulting Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreements.

23. Interest of Experts

The persons or companies whose profession or business gives authority to a statement made by such person or company and who is named in this Listing Statement as having prepared or certified a part of this Listing Statement or a report or valuation described or included in this Listing Statement, are as follows:

(1) The audited financial statements of Opal included in this Listing Statement have been included in reliance upon the report of Davidson & Company LLP, Chartered Professional Accountants, and upon the authority of such firm as experts in accounting and auditing and their audit report is included herein. Davidson & Company LLP, Chartered Accountants have advised that they are independent with respect to Opal within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

(2) The audited financial statements of Versus included in this Listing Statement have been included in reliance upon the report of Jackson and Company, LLP, Chartered Professional Accountants, and upon the authority of such firm as experts in accounting and auditing and their audit report is included herein. Jackson and Company, LLP have advised that they are independent with respect to Versus within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Based on information provided by the relevant persons, none of those persons or companies or any director, officer, employee or partner thereof has received or will receive any direct or indirect interest in our property or the property

of any associate or affiliate of us, nor has any beneficial ownership, direct or indirect, in any securities issued by us. None of those persons is or is expected to be elected, appointed, or employed as a director or employee of us.

24. Other Material Facts

Neither Opal nor the Resulting Issuer are aware of any other material facts relating to Opal or the Resulting Issuer or to the Acquisition that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to Opal and the Resulting Issuer, other than those set forth herein.

25. Financial Statements

Schedule "A" contains the audited financial statements for Opal for the years ended December 31, 2015, 2014 and 2013, Opal's interim financial statements for the three-months ended March 31, 2016, the MD&A of Opal for the year ended December 31, 2015 and the MD&A of Opal for the three-months ended March 31, 2016.

Schedule "B" contains the audited financial statements for Versus for the years ended December 31, 2015 and 2014, the interim financial statements for Versus for the three-months ended March 31, 2016, the MD&A of Versus for the year ended December 31, 2015 and the MD&A for Versus for the three-months ended March 31, 2016.

Schedule "C" contains the pro-forma financial statements.

Additionally, the Resulting Issuer's other public disclosure documents can be found under the Resulting Issuer's profile at www.sedar.com.

CERTIFICATE OF THE RESULTING ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to the Resulting Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 5th day of July, 2016.

Signed "Matthew Pierce"
Chief Executive Officer

Signed "Craig Finster"
Chief Financial Officer

Signed "Brian Tingle"
Director

Signed "Michelle Gahagan"
Director

Signed "Keyvan Peymani"
Director

Signed "Paul Vlasic"
Director

CERTIFICATE OF VERSUS

The foregoing contains full, true and plain disclosure of all material information relating to Versus, LLC. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 5th day of July, 2016.

Signed "Matthew Pierce"

Chief Executive Officer

Signed "Craig Finster"

Chief Financial Officer

SCHEDULE "A"

AUDITED FINANCIAL STATEMENTS & MD&A OF OPAL

The audited financial statements of Opal for the years ended December 31, 2015, 2014 and 2013
and the interim financial statements of Opal for the three-months ended March 31, 2016
&
The MD&A of Opal for the year ended December 31, 2015
and the MD&A of Opal for the three-months ended March 31, 2016

[See Attached.]

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

YEAR ENDED

DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Opal Energy Corp.

We have audited the accompanying consolidated financial statements of Opal Energy Corp., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Opal Energy Corp. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Opal Energy Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

March 15, 2016

Opal Energy Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2015	December 31, 2014
	($)	($)
ASSETS		
Current assets		
Cash	22,806	1,572
GST receivable	6,057	7,721
Prepaid expenses	13,597	5,500
	42,460	14,793
Advance (Note 4)	346,000	-
Exploration and evaluation assets (Note 5)	568,922	150,821
	957,382	165,614
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	191,556	222,101
Decommissioning liability (Note 8)	78,430	-
Current portion of notes payable (Note 7)	15,502	106,601
	285,488	328,702
Notes payable (Note 7)	236,000	-
	521,488	328,702
Shareholders' equity (deficiency)		
Share capital (Note 9)		
Common shares	78,855,158	77,440,274
Class "A" shares	37,927	37,927
Share-based reserves (Note 9)	4,044,461	3,964,967
Deficit	(82,501,652)	(81,606,256)
	435,894	(163,088)
	957,382	165,614

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 16)
Proposed transaction (Note 17)
Subsequent event (Note 18)

These consolidated financial statements were authorized for issue by the Board of Directors on March 15, 2016. They are signed on behalf of the Board of Directors by:

"David Hughes"
Director

"Wayne Tisdale"
Director

The accompanying notes are an integral part of these consolidated financial statements.

Opal Energy Corp.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2015	Year Ended December 31, 2014
	($)	($)
EXPENSES		
Consulting fees (Note 10)	267,426	99,332
Foreign exchange gain	(7,130)	-
Interest expense (Note 7 and 10)	13,401	25,441
Office and general	37,121	6,507
Professional fees (Note 10)	65,856	26,021
Property investigation costs	18,774	8,623
Reclamation expense (Note 8)	78,430	-
Rent (Note 10)	64,000	33,000
Shareholder relations	103,370	3,410
Share-based compensation (Note 9 and 10)	79,494	-
Transfer agent and filing fees	36,677	25,653
Travel	144,030	61,679
Loss from operations	(901,449)	(289,666)
Other income	6,053	3,958
Loss on settlement of notes payable (Note 7)	-	(60,000)
Loss and comprehensive loss	(895,396)	(345,708)
Basic and diluted loss per common share	(0.03)	(0.03)
Weighted average common shares outstanding	33,146,451	12,646,087

The accompanying notes are an integral part of these consolidated financial statements.

Opal Energy Corp.

Consolidated Statement of Changes in Shareholders` Equity (Deficiency)
(Expressed in Canadian Dollars)

			Share Capital				
	Number of Common Shares	Number of Class "A" Shares	Common Shares	Class "A" Shares	Share-based Reserves	Deficit	Total Shareholders' Equity (Deficiency)
			($)	($)	($)	($)	($)
Balance at December 31, 2013	8,691,019	33,713	76,699,311	37,927	3,964,967	(81,260,548)	(558,343)
Shares issued for settlement of notes	6,000,000	-	360,000	-	-	-	360,000
Shares issued in private placement	6,599,998	-	396,000	-	-	-	396,000
Share issuance costs - cash	-	-	(15,037)	-	-	-	(15,037)
Loss and comprehensive loss	-	-	-	-	-	(345,708)	(345,708)
Balance at December 31, 2014	21,291,017	33,713	77,440,274	37,927	3,964,967	(81,606,256)	(163,088)
Shares issued in private placement	12,050,000	-	1,205,000	-	-	-	1,205,000
Shares issued for exploration and evaluation asset	2,000,000	-	260,000	-	-	-	260,000
Share issuance costs - cash	-	-	(80,116)	-	-	-	(80,116)
Shares issued for warrant exercise	249,999	-	30,000	-	-	-	30,000
Stock options granted	-	-	-	-	79,494	-	79,494
Loss and comprehensive loss	-	-	-	-	-	(895,396)	(895,396)
Balance at December 31, 2015	35,591,016	33,713	78,855,158	37,927	4,044,461	(82,501,652)	435,894

The accompanying notes are an integral part of these consolidated financial statements.

Opal Energy Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2015 ($)	Year Ended December 31, 2014 ($)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss and comprehensive loss	(895,396)	(345,708)
Items not affecting cash:		
Accrued interest	13,401	24,549
Foreign exchange gain	(10,125)	-
Loss on settlement of note payable	-	60,000
Reclamation expense	78,430	-
Share-based compensation	79,494	-
Changes in non-cash working capital items:		
Decrease (increase) in GST receivable	1,664	(7,423)
Increase in prepaid expenses	(8,097)	(4,250)
Decrease in accounts payable and accrued liabilities	(1,346)	(61,917)
Cash used in operating activities	(741,975)	(334,749)
FINANCING ACTIVITIES		
Proceeds from notes payable	131,500	134,500
Proceeds from issuance of common shares	1,235,000	396,000
Repayment of notes payable	-	(67,258)
Share issuance costs	(80,116)	(15,037)
Cash provided by financing activities	1,286,384	448,205
INVESTING ACTIVITIES		
Advance to Versus	(335,875)	-
Exploration and evaluation expenditures	(187,300)	(115,005)
Cash used in investing activities	(523,175)	(115,005)
Change in cash during the year	21,234	(1,549)
Cash - Beginning of year	1,572	3,121
Cash - End of year	22,806	1,572

Supplemental Cash Flow Information (Note 15)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Opal Energy Corp. ("the Company") was continued under the Business Corporations Act (British Columbia) effective January 7, 2007. The Company's head office and registered and records office is Suite 302 – 1620 West 8th Ave, Vancouver, BC, V6J 1V4, Canada. The Company is traded on the Canadian Securities Exchange ("CSE") under the symbol "OPA".

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets in Canada. At the date of the consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on exploration and evaluation assets is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The consolidated financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. The Company estimates that it will need additional capital to operate for the upcoming year. The Company believes such financing will be available as required, however, there can be no assurance that the Company will be successful in its future financing attempts. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on March 15, 2016.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PRESENTATION (continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars which, unless otherwise noted, is the functional currency of the parent and its subsidiary.

Significant Accounting Judgments, Estimates and Assumptions

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and management's assessment of current events and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in these consolidated financial statements include:

Deferred tax assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

The carrying value and the recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Opal Energy Inc.	U.S.A.	100%	Dormant

Foreign Exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company and its subsidiary that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Loss Per Share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For the years presented, the calculation proved to be anti-dilutive.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash falls into this category of financial instruments.

- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company currently does not hold financial assets in this category.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable, accrued liabilities and notes payable fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

Impairment

At the end of each reporting period, the carrying value of the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Capital Stock

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, Class A shares series I, share warrants and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss.

Stock-based Compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income Taxes

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity (deficiency) which results from transactions and events from sources other than the Company's shareholders. Net loss is the same as comprehensive loss for the years presented.

Exploration and Evaluation Assets and Expenditures

Pre-exploration costs are expensed as incurred.

All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as exploration and evaluation assets and are classified as intangible assets. General exploration costs not related to specific mineral properties are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units.
The Company has not yet determined whether or not any of its exploration and evaluation assets contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets do not necessarily reflect present or future values.

Exploration and evaluation assets are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use (being the present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective January 1, 2015, the following standards were adopted but have had no material impact on the financial statements:

IFRS 7, Financial Instruments – Disclosure

Amended to require additional disclosures on transition from IAS 39 to IFRS 9.

New Standards, Amendments and Interpretations to Existing Standards Not Yet Effective

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The pronouncements are being assessed to determine their impact on the Company's results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Standards, Amendments and Interpretations to Existing Standards Not Yet Effective (continued)

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2016 but are not yet effective:

IFRS 11, Joint arrangements

This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets

These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

IAS 27, Separate financial statements and IFRS 1, First-time adoption of IFRS

IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 1 was amended to permit the use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

IFRS 9, Financial instruments

This standard was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income.

The Company has not yet assessed the potential impact of the application of this standard, nor determined whether it will adopt the standard early.

4. ADVANCE

On December 2, 2015, the Company advanced $335,875 (US$250,000) to Versus LLC ("Versus") in accordance with a letter of intent ("LOI") that was executed on November 24, 2015. If the proposed business combination is terminated due to any reason other than a material breach under the LOI, then the advance will not be required to be repaid and Class A units of Versus will be issued to the Company with a percentage interest equal to 5.88% on a fully diluted basis (Note 17).

5. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Canada.

Firebag River Property, Alberta

On September 23, 2014, as amended on November 26, 2015, the Company entered into a property option agreement with 877384 Alberta Ltd. and Declan Resources Inc. ("Declan"), a corporation with directors and management in common, to acquire a 70% interest in the Firebag River Property located in Alberta, Canada. To acquire the property, the Company must make cash payments, incur expenditures and issue common shares as follows:

	Common Shares	Cash	Exploration Work Commitments
		($)	($)
Upon TSX-V approval of agreement (paid and issued)	2,000,000	50,000	-
Within 90 days of TSX-V approval (paid)	-	156,527	-
November 22, 2014 (completed) (1)	-	-	150,000
June 2, 2016 (2)	1,000,000	100,000	-
November 22, 2016	-	-	150,000
March 2, 2017 (2)	1,000,000	100,000	-
Total	4,000,000	406,527	300,000

(1) The Company fulfilled its expenditure obligation through a combination of exploration expenditures incurred directly by the Company and cash reimbursements totaling $71,527 that were paid to Declan under the option agreement.

(2) The Company has the option of fulfilling this payment in cash or through the issuance of common shares of the Company.

Acquisition costs

A schedule of exploration and evaluation assets is as follows:

	Firebag River
	($)
At December 31, 2013	-
Cash	70,000
At December 31, 2014	70,000
Cash	136,527
Common shares	260,000
At December 31, 2015	**466,527**

5. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures

A schedule of exploration and evaluation expenditures is as follows:

	Firebag River
	($)
At December 31, 2013	-
Assays	10,992
Field work	23,232
Geological	46,597
At December 31, 2014	80,821
Consulting	392
Geological	6,042
Licenses and permits	15,140
At December 31, 2015	**102,395**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities is comprised of the following:

	2015	**2014**
	($)	**($)**
Accounts payable	58,708	209,823
Due to related parties	132,623	12,278
Accrued liabilities	225	-
	191,556	222,101

7. NOTES PAYABLE

During the year ended December 31, 2014, the Company issued unsecured notes payable for total proceeds of $104,500. The loans mature one year from the date of issuance and bear interest at a rate of 10% per annum, payable quarterly. In addition, the Company issued 6,000,000 common shares valued at $360,000 to settle debts of $300,000 that were incurred in 2013. As a result, the Company recorded a loss on settlement of debt of $60,000.

On October 15, 2015, the Company extended the maturity date of outstanding notes payable to three years from the original issuance date. During the year ended December 31, 2015, the Company issued additional unsecured notes payable under the same terms for total proceeds of $131,500. As at December 31, 2015, there was $15,502 (2014 - $2,101) of interest accrued and included in current portion of notes payable.

7. NOTES PAYABLE (continued)

A summary of the outstanding notes is as follows:

Issue Date	Maturity Date	Interest Rate	Amount
		(%)	($)
July 11, 2014	July 11, 2017	10	10,000
September 4, 2014	September 4, 2017	10	10,000
October 30, 2014	October 30, 2017	10	31,000
November 6, 2014	November 6, 2017	10	5,000
November 10, 2014	November 10, 2017	10	41,000
November 20, 2014	November 20, 2017	10	7,500
January 13, 2015	January 13, 2018	10	5,000
January 15, 2015	January 15, 2018	10	10,000
January 30, 2015	January 30, 2018	10	7,500
December 1, 2015	December 1, 2018	10	85,000
December 8, 2015	December 8, 2018	10	24,000
Total			236,000

The Company recorded $13,401 (2014 - $25,441) in interest expense during the year ended December 31, 2015.

8. DECOMMISSIONING LIABILITY

On March 9, 2015, the Company was contacted by the Ontario Ministry of Northern Development and Mines and notified that it has rehabilitation obligations with respect to the Tashota Nipigon mine in northern Ontario. This mine property was acquired by one of the Corporation's predecessor companies in 1939. The Corporation has retained environmental consultants to assist with the determination of the potential cost of the rehabilitation. As at December 31, 2015, the Company anticipates completing the remediation work during 2016 for an estimated cost of $78,430.

	Amount
	($)
At December 31, 2014 and 2013	-
Additions	78,430
At December 31, 2015	78,430

9. SHARE CAPITAL AND RESERVES

a) Authorized Share Capital

An unlimited number of common shares without par value and 5,057 Class "A" shares, Series 1. The Class "A" shares, Series 1 are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class A Series I share held.

b) Issued Share Capital

During the year ended December 31, 2015, the Company:

i) issued 2,000,000 common shares at a price of $0.13 per share at value of $260,000 to Declan Resources Inc. pursuant to the property option agreement (Note 5).

ii) issued 12,050,000 units at a price of $0.10 per unit for total proceeds of $1,205,000. Each unit consisted of one common share and one share purchase warrant wherein each warrant entitles the holder to purchase one common share at a price of $0.15 until February 27, 2020. The Company recorded $80,116 of share issuance costs in connection with this financing.

i) Issued 249,999 common shares pursuant to the exercise of share purchase warrants at a price of $0.12 per share for total proceeds of $30,000.

During the year ended December 31, 2014, the Company:

i) settled $300,000 of notes payable by issuing 6,000,000 common shares valued at $360,000. The Company incurred a loss of $60,000 on the debt settlement.

ii) issued 6,599,998 units at a price of $0.06 per unit for total proceeds of $396,000. Each unit consisted of one common share and one share purchase warrant wherein each warrant entitles the holder to purchase one common share at a price of $0.12 until September 16, 2015. The Company recorded $15,037 of share issuance costs in connection with this financing.

At December 31, 2015, 5,000 common shares (2014 – 5,000) of the Company are held in escrow due to misplaced share certificates originally issued to three individual shareholders.

c) Stock options

Pursuant to the policies of the CSE, the Company may grant incentive stock options to its officers, directors, employees and consultants. The Company has implemented a rolling stock option plan whereby the Company can issue up to 10% of the issued and outstanding common shares of the Company. Options have a maximum term of ten years and vesting is determined by the Board of Directors.

At December 31, 2015, the Company had incentive stock options outstanding as follows:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price	Weighted Average Remaining Life
			($)	(years)
April 29, 2020	850,000	850,000	0.10	4.33
July 31, 2020	100,000	100,000	0.10	4.59
	950,000	950,000	0.10	4.36

9. SHARE CAPITAL AND RESERVES (continued)

c) Stock options (continued)

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price ($)
Balance – December 31, 2013 and 2014	-	-
Granted	950,000	0.10
Balance – December 31, 2015	950,000	0.10

During the year ended December 31, 2015, the Company granted 950,000 (2014 – Nil) stock options with a fair value of $79,494 (2014 - $Nil). These options are fully vested on the grant date, and accordingly the Company expensed $79,494 (2014 - $Nil) as share-based compensation.

The options were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

	2015
Risk-free interest rate	0.98%
Expected life of options	5 years
Volatility	123.70%
Expected dividend yield	Nil
Forfeiture rate	Nil
Weighted average fair value	$0.08

At December 31, 2015, the Company had share purchase warrants outstanding as follows:

Expiry Date	Options Outstanding	Exercise Price ($)	Weighted Average Remaining Life (years)
March 16, 2016 *	6,349,999	0.12	0.21
February 27, 2020	12,050,000	0.15	4.16
	18,399,999	0.14	2.80

* Warrants were extended from their original expiration date of September 16, 2015.

9. SHARE CAPITAL AND RESERVES (continued)

d) Share Purchase Warrants

A continuity schedule of outstanding share purchase warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price ($)
Balance – December 31, 2013	-	-
Issued	6,599,998	0.12
Balance – December 31, 2014	6,599,998	0.12
Issued	12,050,000	0.15
Exercised	(249,999)	0.12
Balance – December 31, 2015	18,399,999	0.14

10. RELATED PARTY TRANSACTIONS

The following summarizes the Company's related party transactions, not disclosed elsewhere in these consolidated financial statements, during the years ended December 31, 2015 and 2014. Key management personnel includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them.

	2015 ($)	2014 ($)
Professional fees paid or accrued to a corporation controlled by a director of the Company.	12,478	25,452
Office sharing and occupancy costs paid or accrued to a corporation that shares management in common with the Company	64,000	33,000

Key Management Personnel

	2015 ($)	2014 ($)
Consulting fees paid or accrued to a corporation controlled by a director of the Company.	120,000	-
Consulting fees paid or accrued to a corporation controlled by the Chief Financial Officer ("CFO") of the Company.	12,000	12,000
Interest paid or accrued to two corporations controlled by the CEO of the Company.	2,834	796
Share-based compensation vested for incentive stock options issued to certain directors and officers of the Company.	42,113	-
Total	176,947	12,796

10. RELATED PARTY TRANSACTIONS (continued)

a) As at December 31, 2015, a total of $49,574 (2014 - $Nil) was included in accounts payable and accrued liabilities owing to a director of the Company and a corporation controlled by a director of the Company for consulting fees and reimbursable expenses.

b) As at December 31, 2015, a total of $Nil (2014 - $3,150) was included in accounts payable and accrued liabilities owing to a corporation controlled by the Chief Financial Officer of the Company for consulting fees.

c) As at December 31, 2015, a total of $Nil (2014 - $8,782) was included in accounts payable and accrued liabilities owing to a corporation controlled by a director of the Company for legal fees.

d) As at December 31, 2015, a total of $75,472 (2014 - $Nil) was included in accounts payable and accrued liabilities owing to a corporation controlled by the Chief Executive Officer ("CEO") of the Company for reimbursable expenses.

e) As at December 31, 2015, a total of $55,130 (2014 - $Nil) in notes payable and accrued interest was owing to two corporations controlled by the CEO of the Company (Note 6).

f) As at December 31, 2015, a total of $7,577 (2014 - $346) was included in accounts payable and accrued liabilities owing to a corporation that shares management in common with the Company for office sharing and occupancy costs (Note 16).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable and accrued liabilities and notes payable.

The Company classified its cash as fair value through profit or loss; and accounts payable and accrued liabilities and notes payable as other financial liabilities. The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The carrying amounts of the notes payable approximate fair value as the interest rates were negotiated between the Company and arm's length third parties.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages its credit risk by ensuring that its cash is placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the government, and the balances are in good standing as at December 31, 2015.

Liquidity risk

The Company's cash is invested in business accounts which are available on demand. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and loans payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions and long term debt.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest rate risk is minimal as the Company does not have significant interest bearing assets or any variable interest bearing liabilities that are tied into market rates.

Foreign exchange risk

The Company is not exposed to any significant foreign currency risk beyond its advance which is denominated in United States dollars.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

12. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in certificates of deposit with major financial institutions.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There have been no changes to the Company's approach to capital management during the year ended December 31, 2015.

13. INCOME TAXES

a) Provision for Income Taxes

A reconciliation of the combined Canadian federal and provincial income taxes at statutory rates and the Company's effective income tax expense is as follows:

	2015	2014
	($)	($)
Loss for the year	(895,396)	(345,708)
Expected income tax recovery	(233,000)	(90,000)
Share issuance costs	(21,000)	(3,000)
Permanent difference	22,000	-
Change in statutory, foreign tax, foreign exchange rates and other	322,000	(56,000)
Change in unrecognized deductible temporary differences	(90,000)	149,000
Income tax expense	-	-

13. INCOME TAXES (continued)

b) Deferred Income Taxes

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

	2015	2014
	($)	($)
Non-capital losses carry-forward	14,621,000	14,694,000
Exploration and evaluation assets	1,746,000	1,778,000
Share issuance costs	19,000	4,000
Allowable capital losses	9,000	9,000
Canadian eligible capital	34,000	34,000
	16,429,000	16,519,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

Temporary Differences	2015	Expiry Date Range	2014	Expiry Date Range
	($)		($)	
Canadian eligible capital	133,000	No expiry date	133,000	No expiry date
Property and equipment	1,000	No expiry date	1,000	No expiry date
Share issuance costs	73,000	2036 to 2039	16,000	2035-2038
Exploration and evaluation assets	6,716,000	No expiry date	6,837,000	No expiry date
Allowable capital losses	36,000	No expiry date	36,000	No expiry date
Non-capital losses available for future periods	46,064,000	2015 to 2035	46,346,000	2014-2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. SEGMENTED INFORMATION

The Company operates in one industry segment being the acquisition and exploration of mineral exploration and evaluation assets. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and are located in Canada.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	2015	2014
	($)	($)
Non-cash investing and financing activities:		
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	6,617	35,816
Shares issued for acquisition of exploration and evaluation assets	260,000	-
Shares issued for debt settlement	-	360,000
Interest paid during the year	-	67,258
Income taxes paid during the year	-	-

16. COMMITMENTS AND CONTINGENCIES

On August 1, 2015, the Company entered into a cost sharing arrangement agreement for the provision of office space and various administrative services. Under the terms of the agreement, the Company will pay $5,000 plus GST per month commencing on September 1, 2015 and continuing until the expiration of the underlying head lease on July 31, 2018.

Fiscal Year	Amount
	($)
2016	60,000
2017	60,000
2018	35,000

17. PROPOSED TRANSACTION

On November 24, 2015, the Company entered into a letter of intent ("LOI") with Versus LLC ("Versus") to set out the terms and conditions of a proposed business acquisition wherein the Company would acquire all of the issued and outstanding membership interests ("Versus Units") of Versus. Versus is a privately held limited liability company organized under the laws of the state of Nevada that has developed state-of-the art video game and e-sports tournament software that allows video game publishers/developers to offer prize-based tournaments of their games.

Under the terms of the LOI, the transaction will proceed as follows:

a) The Company will advance US$250,000 (the "Advance") to Versus (advanced);

b) The Company will organize a new United States subsidiary ("Newco");

c) The Company will buy approximately 37.5% of the Versus Units from the existing members of Versus (the "Selling Members") for an aggregate cash payment of US$1,500,000 (the "Initial Payment");

OPAL ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

DECEMBER 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Opal Energy Corp.

We have audited the accompanying consolidated financial statements of Opal Energy Corp., which comprise the consolidated statements of financial position as at 2014 and 2013 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' deficiency for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Opal Energy Corp. as at 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

April 27, 2015

OPAL ENERGY CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at

	December 31, 2014	December 31, 2013
ASSETS		
Current		
Cash	$ 1,572	$ 3,121
Receivables	7,721	298
Prepaid expenses	5,500	1,250
	14,793	4,669
Exploration and evaluation assets (Note 8)	150,821	-
	$ 165,614	$ 4,669
LIABILITIES AND SHAREHOLDER'S DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 222,101	$ 248,202
Notes payable (Note 6)	106,601	314,810
	328,702	563,012
Shareholders' deficiency		
Capital stock (Note 9)		
Common shares	77,440,274	76,699,311
Class A shares, Series I	37,927	37,927
Reserves	3,964,967	3,964,967
	81,443,168	80,702,205
Deficit	(81,606,256)	(81,260,548)
	(163,088)	(558,343)
	$ 165,614	$ 4,669

Nature and continuance of operations (Note 1)

Contingencies (Note 13)

Subsequent events (Note 14)

On behalf of the Board of directors:

"Jamie Newall" President and CEO *"David R. Hughes" Director and CFO*

The accompanying notes are an integral part of these consolidated financial statements.

OPAL ENERGY CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the years ended

	December 31, 2014	December 31, 2013
Consulting (Note 7)	$ 99,332	$ 48,395
Office and sundry	6,507	1,395
Professional fees (Note 7)	26,021	20,870
Project investigation costs	8,623	-
Rent	33,000	-
Shareholder information	3,410	3,589
Transfer agent and regulatory fees	25,653	19,568
Loss on settlement of notes payable (Note 6)	60,000	-
Travel	61,679	-
Other income	(3,958)	(5,316)
Interest expense	25,441	25,451
Foreign exchange loss	-	2
	(345,708)	(113,954)
Loss and Comprehensive loss for the year	$ (345,708)	$ (113,954)
Basic and diluted loss per common share	$ (0.03)	$ (0.01)
Weighted average number of common shares outstanding	12,646,087	8,691,019

The accompanying notes are an integral part of these consolidated financial statements.

OPAL ENERGY CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadain Dollars)

For the years ended

	December 31, 2014	December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (345,708)	$ (113,954)
Items not affecting cash:		
Accrued interest expense	24,549	25,451
Loss on settlement of notes payable	60,000	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(7,423)	2,392
Increase in prepaid expense	(4,250)	(1,250)
Increase in accounts payable and accrued liabilities	(61,917)	21,567
Net cash used in operating activities	(334,749)	(65,794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(115,005)	-
Net cash used in investing activity	(115,005)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	134,500	67,000
Repayment of notes payable	(67,258)	-
Shares issued for cash	396,000	-
Share issue cost	(15,037)	-
Net cash provided from investing activities	448,205	67,000
Increase (decrease) in cash during the year	(1,549)	1,206
Cash, beginning of year	3,121	1,915
Cash, end of year	$ 1,572	$ 3,121

Supplemental disclosures with respect to cash flows (Note 10)

The accompanying notes are an integral part of these consolidated financial statements.

OPAL ENERGY CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dolloars)
For the year ended December 31, 2014

			Capital Stock				
	Number of Common shares	Number of Class A shares Series I	Class A shares Series I	Common shares	Reserves	Deficit	Total
Balance as at December 31, 2012	8,691,019	33,713	$ 37,927	$ 76,699,311	$ 3,964,967	$ (81,146,594)	$ (444,389)
Loss and comprehensive loss for the year	-	-	-	-	-	(113,954)	(113,954)
Balance at December 31, 2013	8,691,019	33,713	37,927	76,699,311	3,964,967	(81,260,548)	(558,343)
Loss and comprehensive loss for the year	-	-	-	-	-	(345,708)	(345,708)
Shares issued for settlement of notes	6,000,000	-	-	360,000	-	-	360,000
Shares issued for private placement	6,599,998	-	-	396,000	-	-	396,000
Share issue costs	-	-	-	(15,037)	-	-	(15,037)
Balance as at December 31, 2014	21,291,017	33,713	$ 37,927	$ 77,440,274	$ 3,964,967	$ (81,606,256)	$ (163,088)

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Opal Energy Corp. (the "Company") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia and its shares are listed on the TSX Venture Exchange, having the symbol OPA. On September 23, 2014, the Company entered into a property option agreement with 877384 Alberta Ltd. and Declan Resources Inc. and is considered to be an exploration and evaluation stage company.

The head office, principal address, registered address and records office of the Company are located at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, Canada, V6J 1V4.

Management is actively targeting sources of additional financing which would assure continuation of the Company's operations. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. Subsequent to December 31, 2014, the Company raised sufficient capital to enable the Company to continue operations for the upcoming year.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	December 31, 2014	December 31, 2013
Working capital deficiency	$ (313,909)	$ (558,343)
Deficit	(81,606,256)	(81,260,548)

2. BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on April 27, 2015.

2. BASIS OF PREPARATION (cont'd…)

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements are presented in Canadian dollars ("CDN"), which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Critical Judgments

The preparation of our consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in the Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Significant estimates made by management affecting our consolidated financial statements include:

Carrying value and recoverability of exploration and evaluation assets
The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred Tax Assets & Liabilities
The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

The financial statements include the financial statements of Opal Energy Corp. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Opal Energy Inc.	Texas USA	100%	Holding Company

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company and its subsidiary that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. As at December 31, 2014, receivables consist of tax credits receivable from the Government of Canada.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities and notes payable are classified as other financial liabilities.

The Company records the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

See Note 5 for relevant disclosures.

Capital Stock

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, Class A shares series I, share warrants and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For the years presented, the calculation proved to be anti-dilutive.

Stock-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity (deficiency) which results from transactions and events from sources other than the Company's shareholders. Net loss is the same as comprehensive loss for the years presented.

Exploration and Evaluation Assets and Expenditures

Pre-exploration costs are expensed as incurred.

All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as exploration and evaluation assets and are classified as intangible assets. General exploration costs not related to specific mineral properties are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units.

The Company has not yet determined whether or not any of its exploration and evaluation assets contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets do not necessarily reflect present or future values.

Exploration and evaluation assets are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use (being the present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Provision for environmental rehabilitation

An obligation to incur rehabilitation and site restoration costs arises when an environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The Company is required to record as a liability the estimated present value of future cash flows associated with the statutory, contractual or legal obligations related to site restoration and rehabilitation when the liability is incurred, with a corresponding increase to the carrying value of the related assets.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment of long-lived assets (cont'd…)

transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective January 1, 2014, the following standards were adopted but have had no material impact on the financial statements:

- IAS 32 Financial Instruments (Amendment): Presentation was amended to clarify requirements for offsetting financial assets and financial liabilities. This amendment was effective January 1, 2014 and had no material impact on the financial statements of the Company.
- IAS 36 Impairment of Assets (Amendment): will address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGU) for periods in which an impairment loss has been recognized or reversed. This amendment will be effective for annual financial periods beginning on or after January 1, 2014

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting period beginning on or after January 1, 2015. The following standards have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015
- IFRS 9: New standard that replaced IAS 39 for classification and measurement. Effective date January 1, 2018.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to maintain its ability to continue as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes components of shareholders' deficiency.

The Company currently has no source of revenue and a working capital deficit; as such the Company is dependent on external financing to fund activities. In order to pay for administrative and operating costs, the Company will spend its existing working capital and raise additional funds as needed. There were no changes to management's approach to capital management during the year ended December 31, 2014.

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 is not exposed to any external capital requirements.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company's receivables, accounts payable and accrued liabilities and notes payable, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash, under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's cash are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company's credit risk is primarily attributable to receivables.

The balance of the Company's receivables consists of input tax credits receivable from the Government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had a cash balance of $ 1,572 to settle current liabilities of $328,702. All of the Company's financial liabilities have contractual maturities of 12 months or less. The Company expects to fund these liabilities through the use of funds raised subsequent to year end (Note 14).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company's current policy is to invest excess cash in investment-grade demand deposit certificates, including guaranteed investment certificates, issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2014, the Company did not have any investments in investment-grade short-term deposit certificates. The Company is not subject to interest rate risk on its notes payable as the interest rate is fixed.

(b) Foreign currency risk

The Company had minimal balances and transactions denominated in U.S. dollars as at December 31, 2014 and for the year then ended. The Company is not subject to significant foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil and natural gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

6. NOTES PAYABLE

As at December 31, 2013, the Company owed $314,810 in principal and interest. During the year ended December 31, 2014, the Company borrowed an additional $40,000 and accrued additional interest of $22,448 for a total of $367,258 owing to this party. During the year ended December 31, 2014 the Company issued 6,000,000 common shares valued at $36,000 to settle debt of $300,000. The remaining $67,258 was repaid in cash. As a result the Company recorded a loss on settlement of debt of $60,000.

During the year ended December 31, 2014, the Company secured 6 one year loans for total of $104,500 at an interest rate of 10% per annum compounded annually. The loans are as follows:

	As at Dec 31, 2014	As at Dec 31, 2013
$100,000 note payable (transaction costs of $20,000) - bearing interest of 10% settled on August 29, 2014	$ -	$ 80,000
$15,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 15,000
$60,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 60,000
$20,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 20,000
$5,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 5,000
$7,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 7,000
$5,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 5,000
$30,000 note payable - bearing interest of 10% settled on August 29, 2014	$ -	$ 30,000
$10,000 note payable - bearing interest of 10% maturing on July 11, 2015	$ 10,000	$ -
$10,000 note payable - bearing interest of 10% maturing on September 4, 2015	$ 10,000	$ -
$31,000 note payable - bearing interest of 10% maturing on October 30, 2015	$ 31,000	$ -
$41,000 note payable - bearing interest of 10% maturing on November 15, 2015	$ 41,000	$ -
$5,000 note payable - bearing interest of 10% maturing on November 6, 2015	$ 5,000	$ -
$7,500 note payable - bearing interest of 10% maturing on November 7, 2015	$ 7,500	$ -
	$ 104,500	$ 222,000
Total Interest Accrued	$ 2,101	$ 72,810
Total Transaction Costs	$ -	$ 20,000
Total	$ 106,601	$ 314,810

7. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with the fallowing individuals and entities:

Key Management Personnel

Key management personnel are persons responsible for planning, direction and controlling the activities of an entity, and include executive and non-executive directors.

7. RELATED PARTY TRANSACTIONS (cont'd...)

a) Paid or accrued consulting fees of $12,000 (2013- $12,000) to a company controlled by an officer and director of the Company.

b) Paid or accrued consulting fees of $7,500 (2013- nil) to a company employing an officer of the Company.

Other Related Parties

The Company entered into the following transactions with other related parties:

a) Paid or accrued legal fees of $25,452 (2013 - $3,320) to a law corporation controlled by a director of the Company. This amount is included in professional fees in the statement of loss and comprehensive loss ($10,415), and share issue costs ($15,037)

Included in accounts payable and accrued liabilities as at December 31, 2014 is $14,696 (2013 - $71,991) due to directors, officers and companies controlled by directors and officers. These amounts are non-interest bearing, unsecured and are due on demand.

8. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Canada.

Acquisition costs

Schedule of exploration and evaluation assets for the year ended December 31, 2014 is as follows:

	Firebag River Property
Acquisition costs, at December 31, 2013	$ -
Cash	70,000
Acquisition costs at December 31, 2014	$ 70,000

8. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Exploration and evaluation expenditures

Schedule of exploration and evaluation expenditures for the year ended December 31, 2014 is follows:

	Firebag River Property
Exploration and evaluation expenditures at December 31, 2013	$ -
Assays	10,992
Field work	23,232
Geological	46,597
Exploration and evaluation expenditures at December 31, 2014	$ 80,821
Total December 31, 2013	$ -
Total December 31, 2014	$ 150,821

Firebag River Property, Alberta

The Company did not have exploration and evaluation assets as at Decemebr 31, 2013. On September 23, 2014, the Company entered into a property option agreement with 877384 Alberta Ltd. And Declan Resources Inc. to acquire a 70% interest in the Firebag River Property located in Alberta, Canada. To acquire the property, the Company must make cash payments, incur expenditures and issue shares as follows:

	Acquisition in Cash		Acquisition in Shares		Exploratioin Work Commitments	
On approval of agreement by the TSXV (Mar 2, 2015)	$ 50,000	(1)	2,000,000	(3)	$ -	
Within 90 days of the TSXV approval (May 31, 2015)	156,527	(2)	-		-	
First anniversary of TSXV approval	100,000		1,000,000		-	
Second anniversary of TSXV approval	100,000		1,000,000		-	
November 22, 2014	-		-		150,000	(4)
June 22, 2015	-		-		100,000	
November 22, 2015	-		-		100,000	
November 22, 2016	-		-		500,000	
Total	$ 406,527		4,000,000		$ 850,000	

8. EXPLORATION AND EVALUATION ASSETS (cont'd…)

(1) $50,000 paid during the year ended December 31, 2014.
(2) $20,000 paid during the year ended December 31, 2014.
(3) Issued 2,000,000 shares subsequent to December 31, 2014 (Note 14)
(4) Incurred $80,821 during the year ended December 31, 2014

9. CAPITAL STOCK AND RESERVES

Common shares

The authorized share capital of the Company is an unlimited number of common shares without par value and 5,057 Class A Shares, Series I. The Class A shares, Series I, are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class A Series I share held.

During the year ended December 31, 2014, the Company:

1) Settled $300,000 of notes payable by issuing 6,000,000 common shares valued at $360,000 (the "Debt Settlement") The Company incurred a loss of $60,000 on the debt settlement.

2) Issued 6,599,998 units at a price of $0.06 per unit for total proceeds of $396,000. Each unit consisted of one common share and one share purchase warrant; each warrant entitles the holder to purchase one common share at a price of $0.12 until September 16, 2015. The Company recorded $15,037 of share issuance costs associated with this financing. The warrants attached to the units had a residual value of $nil.

The Company had no capital transactions during the year ended December 31, 2013.

At December 31, 2014, 5,000 (December 31, 2013 – 5,000) common shares of the Company are held in escrow for untraceable investors. These will be released on January 1, 2016.

Warrants

The following is a summary of share purchase warrants outstanding on December 31, 2014 and 2013 and changes during the years then ended:

	Number of Warrants	Exercise Price
Balance at December 31, 2012	2,333,333	$ 0.30
Expired	(2,333,333)	$ 0.30
Balance at December 31, 2013	-	$ -
Issued	6,599,998	0.12
Outstanding and exercisable, December 31, 2014	6,599,998	$ 0.12

Warrants outstanding as at December 31, 2014, expire on September 16, 2015.

9. CAPITAL STOCK AND RESERVES (cont'd…)

Stock options

Under the Company's stock option plan, the Company may grant options for up to 10% of the issued and outstanding common shares to directors, employees and consultants at a minimum exercise price to be determined by the closing market value on the day prior to the date of grant. Under the plan, options vest as follows: One-quarter vest upon the grant date and a further one-quarter after each of the following three six-month periods. The Company may elect from time to time to waive or reduce the vesting periods based on reasonable determination by the Board of Directors. The options can be granted for a maximum term of 5 years.

The Company had no stock options outstanding at December 31, 2014 and 2013.

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended December 31, 2014, the Company issued 6,000,000 shares at a value of $360,000 in settlement of $300,000 in debt.

As at December 31, 2014, $35,816 (2013 - $nil) of exploration and evaluation assets is included in accounts payable and accrued liabilities.

The Company did not pay any income taxes in 2014 and 2013. During the year ended December 31, 2014 the Company paid $67,258 in interest (2013, - $nil). There were no significant non-cash transaction for the year ended December 31, 2013.

11. SEGMENTED INFORMATION

The Company operates in one industry segment being the acquisition and exploration of mineral exploration and evaluation assets. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and are located in Canada

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended December 31, 2014 and 2013 is as follows:

		2014		2013
Loss for the year	$	(345,708)	$	(113,954)
Expected income tax recovery at statutory rates	$	(90,000)	$	(29,000)
Share issurance costs	$	(3,000)	$	-
Adjustment to prior years provision versus statutory tax returns, expiry of non-capital loss, and other		(56,000)		131,000
Change in unrecognized deductible temporary differences		149,000		(102,000)
Total income taxes	$	-	$	-

The Canadian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in Canada.

The significant components of the Company's unrecognized deferred tax assets and liabilities are as follows:

		31-Dec-14		31-Dec-13
Deferred tax assets:				
Exploration and evaluation assets	$	1,778,000	$	1,679,000
Canadian eligible capital		34,000		34,000
Share issue costs		4,000		3,000
Allowable capital losses		9,000		9,000
Non-capital losses abailable for future periods		14,694,000		14,645,000
Net deferred tax liabilities		16,519,000		16,370,000
Unrecognized deferred tax assets		(16,519,000)		(16,370,000)
	$	-	$	-

12. INCOME TAXES (cont'd…)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	December 31, 2014	Expiry dates	December 31, 2013	Expiry dates
Exploration and evaluation assets	$ 6,837,000	N/A	$ 6,459,000	N/A
Property and Equipment	1,000	N/A	2,000	N/A
Canadian eligible capital	133,000	N/A	133,000	N/A
Share issue costs	16,000	2035-2038	10,000	2034-2037
Allowable capital losses	36,000	N/A	36,000	N/A
Non-capital losses available for future periods	46,346,000	2014-2034	46,155,000	2014-2033
	$ 53,369,000		$ 52,795,000	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

13. CONTINGENCIES

On March 9, 2015, the Company was contacted by the Ontario Ministry of Northern Development and Mines and notified that it has rehabilitation obligations with respect to the Tashota Nipigon mine in northern Ontario. This mine property was acquired by one of the Corporation's predecessor companies in 1939. The Corporation has retained consultants to assess the potential cost of the rehabilitation, and its liability if any. As at December 31, 2014 the Company was unaware of any ownership in this property and therefore unable to anticipate any financial obligation.

14. SUBSEQUENT EVENTS

On February 27, 2015, the Company completed a non-brokered private placement. The Company issued a total of 12,050,000 units at a price of $0.10 per unit for gross proceeds of $1,205,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.15 per share at any time within 60 months of the date of issuance. The Company paid aggregate cash finder's fees in the amount of $88,000 to eligible finders.

On March 2, 2015, the Company issued 2,000,000 shares at $0.15 to Declan Resources Inc. pursuant to the property option agreement.

On March 3, 2015, the Company's listing on the TSX was transferred from NEX to TSX Venture and the Tier classification changed from NEX to Tier 2.

On January 30, 2015, the Company received a $7,500 loan which bears interest at 10% per annum, payable quarterly.

OPAL ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

DECEMBER 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Opal Energy Corp.

We have audited the accompanying consolidated financial statements of Opal Energy Corp., which comprise the consolidated statements of financial position as at December 31, 2013 and 2012 and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Opal Energy Corp. as at December 31, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Opal Energy Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Accountants

April 23, 2014

OPAL ENERGY CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at

	December 31, 2013	December 31, 2012
ASSETS		
Current		
Cash	$ 3,121	$ 1,915
Receivables	298	2,690
Prepaid expenses	1,250	-
	$ 4,669	$ 4,605
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable and accrued liabilities	$ 248,202	$ 226,635
Notes payable (Note 6)	314,810	222,359
	563,012	448,994
Shareholders' deficiency		
Capital stock (Note 8)		
Common shares	76,699,311	76,699,311
Class A shares	37,927	37,927
Reserves	3,964,967	3,964,967
	80,702,205	80,702,205
Deficit	(81,260,548)	(81,146,594)
	(558,343)	(444,389)
	$ 4,669	$ 4,605

Nature and continuance of operations (Note 1)

Subsequent event (Note 11)

On behalf of the Board:

"Jamie Newall" President and CEO *"David R. Hughes" Director and CFO*

The accompanying notes are an integral part of these consolidated financial statements.

OPAL ENERGY CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the years ended

	December 31, 2013	December 31, 2012
EXPENSES		
Amortization	-	407
Consulting	48,395	78,202
Insurance	-	8,563
Office and sundry	1,395	6,364
Professional fees	20,870	35,885
Rent	-	60,000
Shareholder information	3,589	2,944
Transfer agent and regulatory fees	19,568	27,221
Travel	-	2,595
	(93,817)	(222,181)
Finance Income	5,316	2,656
Interest expense	(25,451)	(29,399)
Foreign exchange loss	(2)	(10)
	(20,137)	(26,753)
Loss and Comprehensive loss for the year	$ (113,954)	$ (248,934)
Basic and diluted loss per common share	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	8,691,019	8,691,019

The accompanying notes are an integral part of these consolidated financial statements.

OPAL ENERGY CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadain Dollars)

For the years ended

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (113,954)	$ (248,934)
Items not affecting cash:		
Amortization	-	407
Accrued interest expense	25,451	29,099
Changes in non-cash working capital items:		
Decrease in receivables	2,392	4,408
Increase in prepaid expense	(1,250)	-
Increase in accounts payable and accrued liabilities	21,567	138,633
Net cash used in operating activities	(65,794)	(76,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from notes payable	67,000	75,000
Net cash provided from investing activities	67,000	75,000
Net decrease in cash during the year	1,206	(1,387)
Cash, beginning of year	1,915	3,302
Cash, end of year	$ 3,121	$ 1,915

Supplemental disclosures with respect to cash flows (Note 9)

The accompanying notes are an integral part of these consolidated financial statements.

OPAL ENERGY CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dolloars)
For the year ended December 31, 2013

	Number of Common shares	Number of Class A shares	Capital Stock		Reserves	Deficit	Total
			Class A shares	Common shares			
Balance as at December 31, 2011	8,691,019	33,713	$ 37,927	$ 76,699,311	$ 3,964,967	$ (80,897,660)	$ (195,455)
Loss for the year	-	-	-	-	-	(248,934)	(248,934)
Balance as at December 31, 2012	8,691,019	33,713	37,927	76,699,311	3,964,967	(81,146,594)	(444,389)
Loss for the year	-	-	-	-	-	(113,954)	(113,954)
Balance at December 31, 2013	8,691,019	33,713	$ 37,927	$ 76,699,311	$ 3,964,967	$ (81,260,548)	$ (558,343)

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Opal Energy Corp. (the "Company") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia and its shares are listed on the NEX division of the TSX Venture Exchange, having the symbol OPA.H. The Company together with its subsidiaries (collectively referred to as the "Company") is in the process of identifying, evaluating and negotiating potential acquisitions or businesses.

The head office, principal address and records office of the Company are located at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, Canada, V6J 1V4. The Company's registered address is 302 – 1620 West 8th Avenue, Vancouver, British Columbia, Canada,V6J 1V4.

The Company has incurred losses since inception and currently does not have an active business. The ability of the Company to continue as a going-concern depends upon its ability to identify, evaluate and acquire a business or asset, and to continue to raise adequate financing. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	December 31, 2013	December 31, 2012
Working capital	$ (558,343)	$ (444,389)
Deficit	(81,260,548)	(81,146,594)

2. BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on April 23, 2014.

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd…)

b) Basis of Measurement (cont'd...)

The financial statements are presented in Canadian dollars ("CDN"), which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical Judgments

The preparation of our consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in the Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Significant estimates made by management affecting our consolidated financial statements include:

Deferred Tax Assets & Liabilities
The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entity controlled by the Company (Note 7). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors indentified in IAS 21, *The Effects of Changes in Foreign Exchange Rates.*

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company and its subsidiary that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. As at December 31, 2013, receivables consist of tax credits receivable from the Government of Canada.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities and notes payable are classified as other financial liabilities.

The Corporation classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

See Note 5 for relevant disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For the years presented, the calculation proved to be anti-dilutive.

Stock-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd...)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity (deficiency) which results from transactions and events from sources other than the Company's shareholders. Net loss is the same as comprehensive loss for the years presented.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective January 1, 2013, the following standards were adopted but have had no material impact on the financial statements.

- IAS 1 (Amendment): This standard is amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.
- IFRS 7 (Amendment): This standard is amended to enhance disclosure requirements related to offsetting of financial assets and financial liabilities.
- IFRS 10: New standard to establish principles for the presentation and preparation of consolidated financial statements, effective for annual periods beginning on or after January 1, 2013
- IFRS 11: New standard to account for the rights and obligations in accordance with a joint agreement, effective for annual periods beginning on or after January 1, 2013.
- IFRS 12: New standard for the disclosure of interest in other entities not within the scope of IFRS 9 / IAS 39, effective for annual periods on or after January 1, 2013
- IFRS 13: New standard on the measurement and disclosure of fair value, effective for annual periods beginning on or after January 1, 2013
- IAS 27 (Amendment): As a result of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 27 deals solely with separate financial statements, effective for annual periods beginning on or after January 1, 2013
- IAS 28 (Amendment): New standard issued that supersedes IAS 28 (2003) to prescribe the application of the equity method to investments in associates and joint ventures, effective for annual periods beginning on or after January 1, 2013

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2014. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014
- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015
- IFRS 9: New standard that replaced IAS 39 for classification and measurement

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to maintain its ability to continue as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes components of shareholders' deficiency.

The Company currently has no source of revenue and a working capital deficit; as such the Company is dependent on external financing to fund activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. There were no changes to management's approach to capital management during the year ended December 31, 2013.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company's receivables, accounts payable and accrued liabilities and notes payable, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's cash are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company's credit risk is primarily attributable to receivables.

The balance of the Company's receivables consists of input tax credits receivable from the Government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013, the Company had a cash balance of $ 3,121 (December 31, 2012 - $1,915) to settle current liabilities of $563,012 (December 31, 2012 - $448,994). All of the Company's financial liabilities have contractual maturities of 12 months or less. The Company expects to fund these liabilities through the use of existing cash resources and monies raised through loans or equity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Market risk (cont'd...)

(a) Interest rate risk

The Company has cash balances and notes payable bearing interest at 10% per annum. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates, including guaranteed investment certificates, issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2013, the Company did not have any investments in investment-grade short-term deposit certificates. The Company is not subject to interest rate risk on its notes payable as the interest rate is fixed.

(b) Foreign currency risk

The Company had minimal balances and transactions denominated in U.S. dollars as at December 31, 2013 and for the year then ended. The Company is not subject to significant foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil and natural gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

6. NOTES PAYABLE

	As at Dec 31, 2013	**As at Dec 31, 2012**
$250,000 note payable (transaction costs of $10,000) – bearing interest of 10%, matured on September 7, 2011	$nil	$240,000
$100,000 note payable (transaction costs of $20,000) – bearing interest of 10%, matured on September 9, 2012*	$80,000	$80,000
$15,000 note payable – bearing interest of 10%, matured on April 25, 2012*	$15,000	$15,000
$60,000 note payable – bearing interest of 10%, matured on November 13, 2013*	$60,000	$60,000
$20,000 note payable – bearing interest of 10%, maturing on February 13, 2014*	$20,000	$nil
$5,000 note payable – bearing interest of 10%, maturing on April 2, 2014*	$5,000	$nil
$7,000 note payable – bearing interest of 10%, maturing on April 24, 2014*	$7,000	$nil
$5,000 note payable – bearing interest of 10%, maturing on April 30, 2014*	$5,000	$nil
$30,000 note payable – bearing interest of 10%, maturing on October 22, 2014	$30,000	$nil
	$222,000	**$395,000**
Total Interest Accrued	$72,810	$47,359
Total Transaction Costs	$20,000	$30,000
Total Repayments	$nil	($250,000)
Total	**$314,810**	**$222,359**

* The maturity date of these loans are in the process of being renegotitated.

7. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Opal Energy Corp. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Opal Energy Inc.	Texas USA	100%	Holding Company

Key management personnel are persons responsible for planning, direction and controlling the activities of an entity, and include executive and non-executive directors.

a) Paid or accrued consulting fees of $12,000 (2012- $27,000) to Hughes Consulting, a company controlled by David Hughes, an officer and director of the Company.

The Company entered into the following transactions with related parties:

a) Paid or accrued legal fees of $3,320 (2012 - $9,900) to Gerald Tuskey Law Corporation a company controlled by Gerald Tuskey, a director of the Company.

Included in accounts payable and accrued liabilities as at December 31, 2013 is $71,991 (2012 - $56,920) due to directors, officers and companies controlled by directors and officers. These amounts are non-interest bearing, unsecured and are due on demand.

The transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

8. CAPITAL STOCK AND RESERVES

Common shares

The authorized share capital of the Company is an unlimited number of common shares without par value and 5,057 Class A Shares, Series I. The Class A shares, Series I, are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Series I share held.

The Company had no capital transactions during the year ended December 31, 2013 and 2012

At December 31, 2013, 5,000 (December 31, 2012 – 5,000) common shares of the Company are held in escrow.

8. CAPITAL STOCK AND RESERVES (cont'd...)

Warrants

The following is a summary of share purchase warrants outstanding on December 31, 2013 and 2012 and changes during the years then ended:

	Number of Warrants	Exercise Price
Balance, December 31, 2011 and 2012	2,333,333	$ 0.30
Warrants expired	(2,333,333)	0.30
Balance, December 31, 2013	-	$ -

Stock options

Under the Company's stock option plan, the Company may grant options for up to 10% of the issued and outstanding common shares to directors, employees and consultants at a minimum exercise price to be determined by the closing market value on the day prior to the date of grant. Under the plan, options vest as follows: One-quarter vest upon the grant date and a further one-quarter after each of the following three six-month periods. The Company may elect from time to time to waive or reduce the vesting periods based on reasonable determination by the Board of Directors. The options can be granted for a maximum term of 5 years.

The Company had no stock options outstanding at December 31, 2013 and 2012.

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The Company did not pay any income taxes or interest in 2013 and 2012. There were no significant non-cash transaction for the years ended December 31, 2013 and 2012.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended December 31, 2013 and 2012 is as follows:

10. INCOME TAXES (cont'd...)

	2013	2012
Net loss for the year	$ (113,954)	$ (248,934)
Expected income tax recovery at statutory rates	$ (29,000)	$ (62,000)
Impact of future income tax rates applied versus current statutory rate	-	-
Adjustment to prior years provision versus statutory tax returns, expiry of non-capital loss, and other	131,000	58,000
Deductible expenditures	-	-
Change in unrecognized deductible temporary differences	(102,000)	4,000
Total income taxes	$ -	$ -

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

The significant components of the Company's unrecognized deferred tax assets and liabilities are as follows:

	31-Dec-13	31-Dec-12
Deferred tax assets:		
Exploration and evaluation assets	$ 1,679,000	$ 1,961,000
Canadian eligible capital	34,000	33,000
Share issue costs	3,000	4,000
Allowable capital losses	9,000	9,000
Non-capital losses abailable for future periods	14,645,000	14,464,000
Net deferred tax liabilities	16,370,000	16,471,000
Unrecognized deferred tax assets	(16,370,000)	(16,471,000)
	$ -	$ -

10. INCOME TAXES (cont'd...)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	December 31, 2013	Expiry dates	December 31, 2012	Expiry dates
Exploration and evaluation assets	$ 6,459,000	N/A	$ 7,845,000	N/A
Property and Equipment	2,000	N/A	2,000	N/A
Canadian eligible capital	133,000	N/A	133,000	N/A
Share issue costs	10,000	2034-2037	16,000	2034-2035
Allowable capital losses	36,000	N/A	36,000	N/A
Non-capital losses available for future perioc	46,155,000	2014-2033	45,956,000	2014-2032
	$ 52,795,000		$ 53,988,000	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. SUBSEQUENT EVENT

In February 2014, the Company issued a promissory note, pursuant to which the Company borrowed $25,000. The loan is unsecured, bears interest at a rate of 10% per annum, payable quarterly and is payable on or before February 20, 2015.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

THREE MONTH PERIOD ENDED

MARCH 31, 2016

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements. The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Opal Energy Corp.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2016	December 31, 2015
	($)	($)
ASSETS		
Current assets		
Cash	284,597	22,806
GST receivable	6,399	6,057
Prepaid expenses	11,988	13,597
	302,984	42,460
Restricted deposits (Note 4)	11,500	-
Advance (Note 6)	325,572	346,000
Exploration and evaluation assets (Note 5)	568,922	568,922
	1,208,978	957,382
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	136,702	191,556
Decommissioning liability (Note 9)	78,430	78,430
Current portion of notes payable (Note 8)	-	15,502
	215,132	285,488
Notes payable (Note 8)	-	236,000
	215,132	521,488
Shareholders' equity		
Share capital (Note 10)		
Common shares	79,617,158	78,855,158
Class "A" shares	37,927	37,927
Share-based reserves (Note 10)	4,044,461	4,044,461
Deficit	(82,705,700)	(82,501,652)
	993,846	435,894
	1,208,978	957,382

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 16)
Proposed transaction (Note 17)

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 2, 2016. They are signed on behalf of the Board of Directors by:

"David Hughes" — Director

"Wayne Tisdale" — Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Opal Energy Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Month Period Ended March 31, 2016	Three Month Period Ended March 31, 2015
	($)	($)
EXPENSES		
Consulting fees (Note 11)	52,750	77,024
Foreign exchange gain	20,960	(49)
Interest expense (Note 8 and 11)	-	3,059
Office and general	13,484	4,337
Professional fees (Note 11)	38,062	10,984
Property investigation costs	-	668
Rent (Note 11)	15,000	16,500
Shareholder relations	28,698	505
Transfer agent and filing fees	7,828	10,414
Travel	27,679	5,311
Loss from operations	(204,461)	(128,753)
Other income	413	890
Loss and comprehensive loss	(204,048)	(127,863)
Basic and diluted loss per common share	(0.01)	(0.00)
Weighted average common shares outstanding	36,762,536	26,376,017

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Opal Energy Corp.

Condensed Interim Consolidated Statement of Changes in Shareholders` Equity
(Expressed in Canadian Dollars)
(Unaudited)

			Share Capital				
	Number of Common Shares	Number of Class "A" Shares	Common Shares	Class "A" Shares	Share-based Reserves	Deficit	Total Shareholders' Equity
			($)	($)	($)	($)	($)
Balance at December 31, 2014	21,291,017	33,713	77,440,274	37,927	3,964,967	(81,606,256)	(163,088)
Shares issued in private placement	12,050,000	-	1,205,000	-	-	-	1,205,000
Share issuance costs - cash	-	-	(80,116)	-	-	-	(80,116)
Shares issued for exploration and evaluation asset	2,000,000	-	260,000	-	-	-	260,000
Loss and comprehensive loss	-	-	-	-	-	(127,863)	(127,863)
Balance at March 31, 2015	35,341,017	33,713	78,825,158	37,927	3,964,967	(81,734,119)	1,093,933
Stock options granted	-	-	-	-	79,494	-	79,494
Shares issued for warrant exercise	249,999	-	30,000	-	-	-	30,000
Loss and comprehensive loss	-	-	-	-	-	(767,533)	(767,533)
Balance at December 31, 2015	35,591,016	33,713	78,855,158	37,927	4,044,461	(82,501,652)	435,894
Shares issued for warrant exercise	6,349,999	-	762,000	-	-	-	762,000
Loss and comprehensive loss	-	-	-	-	-	(204,048)	(204,048)
Balance at March 31, 2016	77,532,031	33,713	79,617,158	37,927	4,044,461	(82,705,700)	993,846

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Opal Energy Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Month Period Ended March 31, 2016	Three Month Period Ended March 31, 2015
	($)	($)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss and comprehensive loss	(204,048)	(127,863)
Items not affecting cash:		
Accrued interest	-	3,059
Foreign exchange gain	20,428	-
Changes in non-cash working capital items:		
Decrease (increase) in GST receivable	(342)	2,957
Increase in prepaid expenses	1,609	5,500
Decrease in accounts payable and accrued liabilities	(54,854)	(102,512)
Cash used in operating activities	(237,207)	(218,859)
FINANCING ACTIVITIES		
Proceeds from notes payable	(251,502)	22,500
Proceeds from issuance of common shares	762,000	1,205,000
Repayment of notes payable	-	-
Share issuance costs	-	(74,625)
Cash provided by financing activities	510,498	1,152,875
INVESTING ACTIVITIES		
Restricted deposit	(11,500)	-
Exploration and evaluation expenditures	-	(137,196)
Cash used in investing activities	(11,500)	(137,196)
Change in cash during the period	261,791	796,820
Cash - Beginning of period	22,806	1,572
Cash - End of period	284,597	798,392

Supplemental Cash Flow Information (Note 15)

1. NATURE OF OPERATIONS AND GOING CONCERN

Opal Energy Corp. ("the Company") was continued under the Business Corporations Act (British Columbia) effective January 7, 2007. The Company's head office and registered and records office is Suite 302 – 1620 West 8th Ave, Vancouver, BC, V6J 1V4, Canada. The Company is traded on the Canadian Securities Exchange ("CSE") under the symbol "OPA".

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets in Canada.

At the date of the condensed interim consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on exploration and evaluation assets is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. The Company estimates that it will need additional capital to operate for the upcoming year. The Company believes such financing will be available as required, however, there can be no assurance that the Company will be successful in its future financing attempts. These material uncertainties may cast doubt on the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015, prepared in accordance with IFRS as issued by the IASB.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and for certain financial assets and liabilities measured at fair value.

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the parent and its subsidiaries.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Opal Energy Inc.	U.S.A.	100%	Dormant

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other facts and circumstances. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Deferred income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. The Company has adequately provided for all income tax obligations, however; changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for deferred income taxes.

ii) Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

Significant judgments that management has made at the end of the reporting period are as follows:

i) Determination of functional currency

The functional currency of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

ii) The carrying value and the recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended December 31, 2015.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective January 1, 2016, the following standards were adopted but have had no material impact on the condensed interim consolidated financial statements:

IFRS 11, Joint arrangements

This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets

These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, amendments and interpretations to existing standards not yet effective

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

IFRS 9, Financial instruments

This standard was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income.

IFRS 15, Revenue from Contracts with Customers

This standard was issued in May 2014 and will be the new standard for the recognition of revenue, replacing IAS 18, Revenue. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2019 but are not yet effective:

IFRS 16, Leases

This standard was issued in January 2016 and specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company has not yet assessed the potential impact of the application of these standards, nor determined whether it will adopt the standards early.

4. RESTRICTED DEPOSIT

As at March 31, 2016, restricted deposits consisted of $11,500 (December 31, 2015 - $Nil) held in a guaranteed investment certificate as collateral for a corporate credit card.

5. EXPLORATION AND EVALUATION ASSET

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Canada.

Firebag River Property, Alberta

On September 23, 2014, the Company entered into a property option agreement with 877384 Alberta Ltd. and Declan Resources Inc. to acquire a 70% interest in the Firebag River Property located in Alberta, Canada. To acquire the property, the Company must make cash payments, incur expenditures and issue shares as follows:

	Acquisition - Shares	Acquisition - Cash	Exploration Work Commitments
		($)	($)
Upon regulatory approval of agreement (paid and issued)	2,000,000	50,000	-
November 22, 2014 (completed) [1]	-	-	150,000
June 2, 2015 (paid)	-	156,527	-
September 2, 2016 [2] [3]	1,000,000	100,000	-
November 22, 2016	-	-	150,000
March 2, 2017	1,000,000	100,000	-
Total	4,000,000	406,527	300,000

[1] The Company fulfilled its expenditure obligation through a combination of exploration expenditures incurred directly by the Company and cash reimbursements totaling $71,527 that were paid to Declan under the option agreement.

[2] On April 14, 2016, the terms of the option agreement were amended to extend the deadline for payment of the cash and common shares from June 2, 2016 until September 2, 2016.

[3] The Company has the option of fulfilling the cash payment in cash or through the issuance of common shares of the Company.

Acquisition costs

A schedule of exploration and evaluation asset acquisition costs is as follows:

	Firebag River
	($)
At December 31, 2014	70,000
Common shares	300,000
Cash	136,527
December 31, 2015 and March 31, 2016	**466,527**

5. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures

A schedule of exploration and evaluation expenditures is as follows:

	Firebag River
	($)
At December 31, 2014	80,821
Consulting	392
Geological	6,042
Licenses and permits	15,140
At December 31, 2015 and March 31, 2016	**102,395**

6. ADVANCE

On December 2, 2015, the Company advanced $335,875 (US$250,000) to Versus LLC ("Versus") in accordance with a letter of intent ("LOI") that was executed on November 24, 2015. If the proposed business combination is terminated due to any reason other than a material breach under the LOI, then the advance will not be required to be repaid and Class A units of Versus will be issued to the Company with a percentage interest equal to 5.88% on a fully diluted basis (Note 17).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities is comprised of the following:

	March 31, 2016	**December 31, 2015**
	($)	**($)**
Accounts payable	77,785	58,708
Due to related parties	57,567	132,623
Accrued liabilities	1,350	225
	136,702	191,556

8. NOTES PAYABLE

On October 15, 2015, the Company extended the maturity date of outstanding notes payable to three years from the original issuance date. During the year ended December 31, 2015, the Company issued additional unsecured notes payable under the same terms for total proceeds of $131,500. At December 31, 2015, there was $15,502 of interest accrued and included in current portion of notes payable.

During the three month period ended March 31, 2016, $nil (2015 - $3,059) was recorded as interest expense and the Company repaid all of the outstanding notes payable including accrued interest.

9. DECOMMISSIONING LIABILITY

On March 9, 2015, the Company was contacted by the Ontario Ministry of Northern Development and Mines and notified that it has rehabilitation obligations with respect to the Tashota Nipigon mine in northern Ontario. This mine property was acquired by one of the Corporation's predecessor companies in 1939. The Corporation has retained environmental consultants to assist with the determination of the potential cost of the rehabilitation. At March 31, 2016, the Company anticipates completing the remediation work during 2016 for an estimated cost of $78,430.

	Amount
	($)
At December 31, 2014	-
Additions	78,430
At December 31, 2015 and March 31, 2016	78,430

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

An unlimited number of common shares without par value and 5,057 Class "A" shares, Series 1. The Class "A" shares, Series 1 are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class "A" Series I share held.

b) Issued share capital

During the three month period ended March 31, 2016, the Company:

i) issued 6,349,999 common shares pursuant to the exercise of share purchase warrants at a price of $0.12 per share for total proceeds of $762,000.

During the year ended December 31, 2015, the Company:

i) issued 2,000,000 common shares at a price of $0.13 per share at value of $260,000 to Declan Resources Inc. pursuant to the property option agreement (Note 5).

ii) issued 12,050,000 units at a price of $0.10 per unit for total proceeds of $1,205,000. Each unit consisted of one common share and one share purchase warrant wherein each warrant entitles the holder to purchase one common share at a price of $0.15 until February 27, 2020. The Company recorded $80,116 of share issuance costs in connection with this financing.

iii) issued 249,999 common shares pursuant to the exercise of share purchase warrants at a price of $0.12 per share for total proceeds of $30,000.

At March 31, 2016, 5,000 common shares (December 31, 2015 – 5,000) of the Company are held in escrow due to misplaced share certificates originally issued to three individual shareholders.

10. SHARE CAPITAL AND RESERVES (continued)

c) Stock options

Pursuant to the policies of the CSE, the Company may grant incentive stock options to its officers, directors, employees and consultants. The Company has implemented a rolling Stock Option Plan (the "Plan") whereby the Company can issue up to 10% of the issued and outstanding common shares of the Company. Options have a maximum term of ten years and vesting is determined by the Board of Directors.

At March 31, 2016, the Company had incentive stock options outstanding as follows:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price	Weighted Average Remaining Life
			($)	(years)
April 29, 2020	850,000	850,000	0.10	4.08
July 31, 2020	100,000	100,000	0.10	4.34
	950,000	950,000	0.10	4.11

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		($)
Balance – December 31, 2014	-	-
Granted	950,000	0.10
Balance –December 31, 2015 and March 31, 2016	950,000	0.10

During the three month period ended March 31, 2016, there was no stock option activity.

During the year ended December 31, 2015, the Company granted 950,000 stock options with a fair value of $79,494. These options are fully vested on the grant date, and accordingly the Company expensed $79,494 as share-based compensation.

The options were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

	2015
Risk-free interest rate	0.98%
Expected life of options	5 years
Volatility	123.70%
Expected dividend yield	Nil
Forfeiture rate	Nil
Weighted average fair value	$0.08

10. SHARE CAPITAL AND RESERVES (continued)

d) Share purchase warrants

At March 31, 2016, the Company had share purchase warrants outstanding as follows:

Expiry Date	Options Outstanding	Exercise Price	Weighted Average Remaining Life
		($)	(years)
February 27, 2020	12,050,000	0.15	3.91

A continuity schedule of outstanding share purchase warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
		($)
Balance – December 31, 2014	6,599,998	0.12
Exercised	(249,999)	0.12
Issued	12,050,000	0.15
Balance – December 31, 2015	18,399,999	0.14
Exercised	(6,349,999)	0.12
Balance – March 31, 2016	12,050,000	0.15

11. RELATED PARTY TRANSACTIONS

The following summarizes the Company's related party transactions, not disclosed elsewhere in these condensed interim consolidated financial statements, during the three month periods ended March 31, 2016 and 2015. Key management personnel includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them.

	2016	2015
	($)	($)
Professional fees paid or accrued to a corporation controlled by a director of the Company.	-	10,984
Office sharing and occupancy costs paid or accrued to a corporation that shares management in common with the Company	15,000	16,500

11. RELATED PARTY TRANSACTIONS (continued)

Key Management Personnel

	2016 ($)	2015 ($)
Consulting fees paid or accrued to a corporation controlled by a director of the Company.	30,000	30,000
Consulting fees paid or accrued to a corporation controlled by the CFO of the Company.	4,000	3,000
Interest paid or accrued to two corporations controlled by the CEO of the Company.	-	627
Total	34,000	33,627

a) At March 31, 2016, a total of $46,787 (December 31, 2015 - $49,574) was included in accounts payable and accrued liabilities owing to a director of the Company and a corporation controlled by a director of the Company for consulting fees and reimbursable expenses.

b) At March 31, 2016, a total of $9,506 (December 31, 2015 - $75,472) was included in accounts payable and accrued liabilities owing to a corporation controlled by the CEO of the Company for reimbursable expenses.

c) At March 31, 2016, a total of $Nil (December 31, 2015 - $55,130) in notes payable and accrued interest was owing to two corporations controlled by the CEO of the Company (Note 8).

d) At March 31, 2016, a total of $1,273 (December 31, 2015 - $7,577) was included in accounts payable and accrued liabilities owing to a corporation that shares management in common with the Company for office sharing and occupancy costs (Note 16).

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and notes payable.

The Company classified its cash as fair value through profit or loss; and accounts payable and accrued liabilities and notes payable as other financial liabilities. The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The carrying amounts of the notes payable approximate fair value as the interest rates were negotiated between the Company and arm's length third parties.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages its credit risk by ensuring that its cash is placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the government, and the balances are in good standing as at March 31, 2016.

Liquidity risk

The Company's cash is invested in business accounts which are available on demand. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and loans payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions and long term debt.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest rate risk is minimal as the Company does not have significant interest bearing assets or any variable interest bearing liabilities that are tied into market rates.

Foreign exchange risk

The Company is not exposed to any significant foreign currency risk beyond its advance which is denominated in United States dollars.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

13. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in certificates of deposit with major financial institutions.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There have been no changes to the Company's approach to capital management during the three month period ended March 31, 2016.

14. SEGMENTED INFORMATION

The Company operates in one industry segment being the acquisition and exploration of mineral exploration and evaluation assets. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and are located in Canada.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	March 31, 2016	March 31, 2015
	($)	($)
Non-cash investing and financing activities:		
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	-	6,617
Shares issued for acquisition of exploration and evaluation assets	-	260,000
Interest paid during the period	15,502	-
Income taxes paid during the period	-	-

16. COMMITMENTS AND CONTINGENCIES

On August 1, 2015, the Company entered into a cost sharing arrangement agreement for the provision of office space and various administrative services. Under the terms of the agreement, the Company will pay $5,000 plus GST per month commencing on September 1, 2015 and continuing until the expiration of the underlying head lease on July 31, 2018.

Fiscal Year	Amount
	($)
2016	45,000
2017	60,000
2018	35,000

17. PROPOSED TRANSACTION

On March 16, 2016, the Company entered into an Acquisition Agreement (the "Agreement") with Versus LLC ("Versus") which sets out the terms of a business acquisition wherein the Company will acquire all of the issued and outstanding ownership interests ("Versus Units") of Versus. Versus is a privately held limited liability company organized under the laws of the state of Nevada that has developed state-of-the art video game and e-sports tournament software that allows video game publishers/developers to offer prize-based tournaments of their games.

Under the terms of the Agreement, the transaction will proceed as follows:

a) The Company will advance US$250,000 (the "Advance") to Versus (advanced);

b) The Company will organize a new United States subsidiary ("Newco");

c) The Company will buy approximately 37.5% of the Versus Units from the existing members of Versus (the "Selling Members") for an aggregate cash payment of US$1,500,000 (the "Initial Payment");

17. PROPOSED TRANSACTION (continued)

d) All Versus Units will be contributed to Newco in exchange for shares of Newco, and the shares of Newco issued to the Selling Members shall be exchangeable into common shares of the Company with a total value of US$2,500,000, representing approximately 30% of the issued and outstanding common shares of the Company after the Concurrent Financing (Defined in (e) below), and common share purchase warrants with a total value of US$1,250,000 and an exercise price of $0.20 per share for a period of 36 months from the date of closing; and

e) The Company will complete an equity financing (the "Concurrent Financing") to raise a minimum gross proceeds of US$3,000,000, inclusive of the Initial Payment, at a price not less than $0.20 per unit ("Unit"). Each Unit will consist of one common share and one half of a common share purchase warrant wherein each whole warrant is exercisable into a common share at a price of $0.40 per share for a period of 24 months from the closing date of the Concurrent Financing.

This transaction is subject to a number of conditions including, but not limited to, regulatory and shareholder approval, and the completion of the Concurrent Financing.

Should the transaction be terminated due to the material breach, default, gross negligence, willful misconduct or fraud of Versus under this Agreement, then Versus shall repay the Advance to the Company within 30 calendar days of termination of the transaction. If the transaction is terminated for any other reason, then Versus shall be irrevocably entitled to the Advance, and within 10 days of such a termination, Versus shall issue Class A units of Versus to the Company with a percentage interest equal to 5.88% on a fully diluted basis.

A finder's fee of approximately 1,000,000 common shares will be payable in connection with the transaction, subject to acceptance and compliance with all CSE and regulatory policies.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

YEAR ENDED

DECEMBER 31, 2015

REPORT DATE – MARCH 15, 2016

Introduction

Opal Energy Corp. ("Opal" or the "Company") is a publicly traded company continued under the Business Corporations Act (British Columbia) effective January 7, 2007. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Quebec, and its common shares are listed and posted for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "OPA". The Company's offices are located at 302 – 1620 West 8th Avenue, Vancouver, BC, V6J 1V4.

The Company has been primarily engaged in the acquisition, exploration and development of natural resource properties in North America, specifically on the development of the Firebag River property and its potential to host economic quantities of silica sand to be used in the fracking process for shale gas exploration. However, on November 24, 2015, the Company entered into a letter of intent ("LOI") which will allow it to acquire a 100% ownership interest in Versus LLC, a California based technology company that has developed state-of-the art video game and e-sports tournament software that allows video game publishers/developers to offer prize-based tournaments of their games. (Refer to **Proposed Transaction**)

In accordance with Form 51-102F1, the following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of Opal for the year ended December 31, 2015. The following discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2015 and 2014 which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

Overall Performance and Results of Operations

Three Month Period Ended December 31, 2015

During the three month period ended December 31, 2015 (the "Current Quarter"), the Company incurred a loss and comprehensive loss of $359,313 compared to $241,766 for the three month period ended December 31, 2014 (the "Comparative Quarter"). Operating expenses for the Current Quarter were $359,901, compared to $182,747 for the Comparative Quarter which represented an overall increase of $177,154 or 97%. The reason for this increase was increased expenditures on travel and shareholder relations as management made a concerted effort to increase market awareness of the Company and its proposed transaction.

Year Ended December 31, 2015

During the year ended December 31, 2015 ("Current Year"), the Company incurred a loss and comprehensive loss of $895,396 compared to $345,708 for the year ended December 31, 2014 ("Comparative Year"). Operating expenses for the Current Year were $901,449 as compared to $289,666 for the Comparative Year which represented an overall increase of $611,783 or 211%. The major contributors to this change were:

Overall Performance and Results of Operations (continued)

a) Professional and consulting fees were a combined $333,282 for the Current Year compared to $125,353 for the Comparative Year. The increase is due to increased operating and administrative activity in the Company after the acquisition of the Firebag Property, costs associated with the Company's transfer from the NEX Board to full Tier 2 trading status on the TSX-V, and the Company's listing on the CSE.

b) Shareholder relations increased to $103,370 in the Current Year from $3,410 in the Comparative Year due the Company's efforts to increase investor awareness in Europe.

c) Share-based compensation was $79,494 for the Current Year versus $Nil for the Comparative Year. The Company granted 950,000 incentive stock options in the Current Year which vested immediately.

d) Travel costs increased from $61,679 in the Comparative Year to $144,030 in the Current Year. The increase is due to the fact that the Company has been more active in investigating new projects and investment opportunities, meeting potential financiers and increasing investor awareness in the Current Year.

Summary of Quarterly Results

The following table sets out selected unaudited financial information for the eight most recent quarters. The financial data has been prepared in accordance with IFRS.

Three Months Ended	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
	($)	($)	($)	($)
Total Revenue	Nil	Nil	Nil	Nil
Other Income	588	4,269	306	890
Loss from Operations	(359,901)	(151,080)	(261,717)	(128,751)
Loss and Comprehensive Loss	(359,313)	(146,811)	(261,411)	(127,861)
Basic and Diluted Loss per Share	(0.01)	(0.00)	(0.01)	(0.00)

Summary of Quarterly Results (continued)

Three Months Ended	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
	($)	($)	($)	($)
Total Revenue	Nil	Nil	Nil	Nil
Other Income	981	813	708	1,456
Loss from Operations	(182,747)	(62,100)	(26,195)	(18,624)
Loss and Comprehensive Loss	(241,766)	(61,287)	(25,487)	(17,168)
Basic and Diluted Loss per Share	(0.02)	(0.00)	(0.00)	(0.00)

Note 1: There were no material variations in the results of the Company over the prior eight reporting periods with the exception of the three month periods ended December 31, 2015 and 2014 wherein the Company recorded a $78,430 reclamation expense on the Tashota Nipigon Property and a $60,000 loss on the settlement of debt, respectively.

Note 2: Other Income consists of royalty income earned from an oil well and the gain on disposal of some petroleum equipment.

Liquidity and Capital Resources

The Company had a cash position of $22,806 and a working capital deficiency of $243,028 as at December 31, 2015, compared to a cash position of $1,572 and a working capital deficiency of $313,909 as at December 31, 2014. The improvement in both the Company's cash position and working capital was a direct result of successful equity financing efforts in the year and the extension of certain short-term unsecured debts to three years terms.

Financing activities

During the year ended December 31, 2015, the Company received gross proceeds of $1,205,000 from a private placement wherein it issued 12,050,000 units at a price of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant that entitles the holder to purchase one common share at a price of $0.15 until February 27, 2020. The Company recorded $80,116 of share issuance costs in connection with this financing.

During the year ended December 31, 2014, the Company issued 6,599,998 units at a price of $0.06 per unit for total proceeds of $396,000. Each unit consisted of one common share and one share purchase warrant wherein each warrant entitles the holder to purchase one common share at a price of $0.12 until September 16, 2015. The Company recorded $15,037 of share issuance costs in connection with this financing.

The Company settled $300,000 of notes payable by issuing 6,000,000 common shares valued at $360,000.

The Company has also accessed additional cash through the issuance of unsecured long term notes payable. The notes bear interest at 10% per annum and mature three years from the date of issuance. The Company received proceeds of $131,500 from the issuance of these notes during the year ended December 31, 2015.

Selected Annual Information

The following table sets out selected financial information for the Company for each of the fiscal years ended December 31, 2015, 2014 and 2013. The selected annual information should only be read in conjunction with the Company's audited annual financial statements for the fiscal years ended December 31, 2015, 2014 and 2013 including the notes thereto.

Statement of Operations, Comprehensive Loss and Deficit Data:

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	($)	($)	($)
Revenue	Nil	Nil	Nil
Other income	6,053	3,958	5,316
Loss from operations	(901,449)	(289,666)	(119,270)
Loss and comprehensive loss	(895,396)	(345,708)	(113,954)
Loss per share, basic and diluted	(0.03)	(0.03)	(0.01)

Balance Sheet Data:

	As at December 31, 2015	As at December 31, 2014	As at December 31, 2013
	($)	($)	($)
Current Assets	42,460	14,793	4,669
Total Assets	957,382	165,614	4,669
Current Liabilities	285,488	328,702	563,012
Long Term Debt	236,000	-	-
Shareholders' Equity (Deficiency)	435,894	(163,088)	(558,343)

Exploration Property Overview

Firebag River Property, Alberta, Canada

On September 23, 2014, the Company entered into a property option agreement with 877384 Alberta Ltd. and Declan Resources Inc., a corporation that shares management in common, to acquire a 70% interest in the Firebag River Property located southwest of the Athabasca Basin in Alberta, Canada. The Company considers the property to be significantly prospective and underexplored. It consists of five metallic and industrial mineral permits encompassing approximately 19,123 ha. It is west of Fission Uranium Patterson Lake South ("PLS") uranium occurrence, and about 30 km south of the southernmost mapped margin of the basin. It also lies adjacent to the east of the Athabasca Minerals silica sand project.

Exploration Property Overview (continued)

The terms of the option agreement require the following:

	Common Shares	Cash	Exploration Work Commitments
		($)	($)
Upon TSX-V approval of agreement (paid and issued)	2,000,000	50,000	-
Within 90 days of TSX-V approval (paid)	-	156,527	-
November 22, 2014 (1)	-	-	150,000
June 2, 2016 (2)	1,000,000	100,000	-
November 22, 2016	-	-	150,000
March 2, 2017 (2)	1,000,000	100,000	-
Total	4,000,000	406,527	300,000

(1) The Company fulfilled its expenditure obligation through a combination of exploration expenditures incurred directly by the Company and cash reimbursements totaling $71,527 that were paid to Declan under the option agreement.

(2) The Company has the option of fulfilling this payment in cash or through the issuance of common shares of the Company.

Surface rocks at the Firebag River property consist of a thin-sequence of mature, cretaceous-aged sandstones. At relatively shallow depths, Proterozoic aged rocks of the West Lloyd Domain are generally comprised of granitic gneisses with local pelitic gneiss units. Within this basement domain, the pelitic sequences are associated with uranium mineralization at such notable locations as Cluff Lake and Shea Creek. North of the Firebag River property a significant uranium deposit occurs at Dragon Lake along the Maybelle River Shear Zone. This deposit includes an intersection with 21% U3O8 across 5 meters and reported grades of up to 54.5% U3O8, according to the Alberta Geologic Survey ("AGS") website.

Historic exploration of the Firebag River property is limited; however, regional government and public geophysical survey data shows a complex pattern of magnetic lows and highs, truncated or offset in the northern part of the property by the Marguerite River Fault, a southwest orientated structure interpreted as a splay of the regionally significant Beatty River Fault Zone. The only documented exploration of the Firebag River property specific for uranium was conducted by E&B Explorations Ltd. in 1977. Exploration confirmed the presence of a southwest orientated fault zone, and a geochemical anomaly with 11 ppm cobalt in lake sediments atop this structure. A short distance northeast of the Firebag River property border, historic drill hole 16-1-100-3W4M intersected approximately 1 meter of anomalous radioactivity within sands atop the basement unconformity from 38.7 to 39.6 meters depth.

Declan Resources Inc. completed an initial review of the Firebag River property in November 2013. Silica sand samples were collected within 2 meters of surface from the exposed sandstones feature and were submitted for analysis to Loring Laboratories Ltd. of Calgary, Alta. The results of the program revealed samples that met or exceeded industry wide API standards over roundness, silica content and sphericity specifications.

The Firebag River property benefits from year round access and nearby train facilities at Fort McMurray, Alberta, a critical advantage due to its close proximity to the growing Western Canada Sedimentary Basin; host to large shale gas reserves in Northeastern BC.

Exploration Property Overview (continued)

In August of 2014, Declan Resources conducted a hand auger program on the Firebag Property with the intent of evaluating the potential for proppant silica sands at depth. The program consisted of 13 holes, totaling approximately 43.82m in depth. A total of 13 silica sand samples were collected and sent to Loring Laboratories in Calgary for analysis. Results from the 2014 program were positive with a number of prospective silica sand targets delineated for future exploration work.

Tashota Nipigon Property, Ontario

The Tashota Nipigon mine was acquired by Opal's predecessor company ("Tashota Nipigon Mines Ltd.") in 1939. The mine produced in the 1930s and was further explored in the 1960s. The Ontario Ministry of Northern Development and Mines conducted a baseline inspection of the Tashota Nipigon mine site in October, 2014. Opal was advised by the Ontario Ministry of Northern Development and Mines that the Tashota Nipigon mine site required further reclamation to meet current rehabilitation standards under the Ontario Mining Act and Mine Rehabilitation Code. The Company continues to work with its consultants and the Ontario Ministry of Northern Development and Mines to finalize the reclamation plan and have the on-site work completed in accordance with regulatory requirements. The Company currently estimates reclamation work will be completed in the second half of 2016 at a cost of approximately $78,430.

Transactions with Related Parties

The following summarizes the Company's related party transactions, not disclosed elsewhere in these consolidated financial statements, during the years ended December 31, 2015 and 2014. Key management personnel includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them.

	2015	2014
	($)	($)
Professional fees paid or accrued to a corporation controlled by Gerald Tuskey, a director of the Company.	12,478	25,452
Office sharing and occupancy costs paid or accrued to a corporation which David Hughes, CFO of the Company, is a director.	64,000	33,000

Key Management Personnel

	2015	2014
	($)	($)
Consulting fees paid or accrued to a corporation controlled by Brandon Boddy, a director of the Company.	120,000	-
Consulting fees paid or accrued to a corporation controlled by David Hughes, CFO of the Company.	12,000	12,000
Interest paid or accrued to two corporations controlled by Wayne Tisdale, CEO of the Company.	2,834	796
Share-based compensation vested for incentive stock options issued to certain directors and officers of the Company.	42,113	-
Total	176,947	12,796

Transactions with Related Parties (continued)

a) As at December 31, 2015, a total of $49,574 (2014 - $Nil) was included in accounts payable and accrued liabilities owing to Brandon Boddy, a director of the Company, and a corporation controlled by Brandon Boddy for consulting fees and reimbursable expenses.

b) As at December 31, 2015, a total of $Nil (2014 - $3,150) was included in accounts payable and accrued liabilities owing to a corporation controlled by David Hughes, CFO of the Company, for consulting fees.

c) As at December 31, 2015, a total of $Nil (2014 - $8,782) was included in accounts payable and accrued liabilities owing to a corporation controlled by Gerald Tuskey, a director of the Company, for legal fees.

d) As at December 31, 2015, a total of $75,472 (2014 - $Nil) was included in accounts payable and accrued liabilities owing to a corporation controlled by Wayne Tisdale, CEO of the Company, for reimbursable expenses.

e) As at December 31, 2015, a total of $55,130 (2014 - $Nil) in notes payable and accrued interest was owing to two corporations controlled by Wayne Tisdale, CEO of the Company.

f) As at December 31, 2015, a total of $7,577 (2014 - $346) was included in accounts payable and accrued liabilities owing to 0658039 BC Ltd., a corporation that shares management in common with the Company, for office sharing and occupancy costs.

Disclosure of Outstanding Share Data

An unlimited number of common shares without par value and 5,057 Class "A" shares, Series 1. The Class "A" shares, Series 1 are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class "A" Series I share held.

Shares Issued and Outstanding

As at the Report Date, there were 36,091,015 common shares and 5,057 Class "A" shares, Series 1 issued and outstanding.

Warrants

As at the Report Date, there were 17,900,000 share purchase warrants outstanding as follows:

Expiry Date	Options Outstanding	Exercise Price
		($)
March 16, 2016 *	5,850,000	0.12
February 27, 2020	12,050,000	0.15
	17,900,000	0.14

* Warrants were extended from their original expiration date of September 16, 2015.

Disclosure of Outstanding Share Data (continued)

Stock Options

As at the Report Date, there were 950,000 stock options outstanding as follows:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price
			($)
April 29, 2015	850,000	850,000	0.10
July 31, 2015	100,000	100,000	0.10
	950,000	950,000	0.10

Escrow

As at the Report Date, 5,000 common shares of the Company are held in escrow due to misplaced share certificates originally issued to three individual shareholders.

Proposed Transaction

On November 24, 2015, the Company entered into a letter of intent ("LOI") with Versus LLC ("Versus") to set out the terms and conditions of a proposed business acquisition wherein the Company would acquire all of the issued and outstanding ownership interests ("Versus Units") of Versus. Versus is a privately held limited liability company organized under the laws of the state of Nevada that has developed state-of-the art video game and e-sports tournament software that allows video game publishers/developers to offer prize-based tournaments of their games.

Under the terms of the LOI, the transaction will proceed as follows:

a) The Company will advance US$250,000 (the "Advance") to Versus (advanced);

b) The Company will organize a new United States subsidiary ("Newco");

c) The Company will buy approximately 37.5% of the Versus Units from the existing members of Versus (the "Selling Members") for an aggregate cash payment of US$1,500,000 (the "Initial Payment");

d) All Versus Units will be contributed to Newco in exchange for shares of Newco, and the shares of Newco issued to the Selling Members shall be exchangeable into common shares of the Company with a total value of US$2,500,000, representing approximately 30% of the issued and outstanding common shares of the Company after the Concurrent Financing (Defined in (e) below), and common share purchase warrants with a total value of US$1,250,000 and an exercise price of $0.20 per share for a period of 36 months from the date of closing; and

e) The Company will complete an equity financing (the "Concurrent Financing") to raise a minimum gross proceeds of US$3,000,000, inclusive of the Initial Payment, at a price not less than $0.20 per unit ("Unit"). Each Unit will consist of one common share and one half of a common share purchase warrant wherein each whole warrant is exercisable into a common share at a price of $0.40 per share for a period of 24 months from the closing date of the Concurrent Financing.

Proposed Transaction (continued)

This transaction is subject to a number of conditions including, but not limited to, the successful completion of due diligence by all parties, execution of a definitive agreement, regulatory and shareholder approval, and the completion of the Concurrent Financing.

Should the transaction be terminated due to the material breach, default, gross negligence, willful misconduct or fraud of Versus under this LOI, then Versus shall repay the Advance to the Company within 30 calendar days of termination of the transaction. If the transaction is terminated for any other reason, then Versus shall be irrevocably entitled to the Advance, and within 10 days of such a termination, Versus shall issue Class A units of Versus to the Company with a percentage interest equal to 5.88% on a fully diluted basis.

A finder's fee of approximately 1,000,000 common shares will be payable in connection with the transaction, subject to acceptance and compliance with all CSE and regulatory policies.

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Subsequent Events

Subsequent to the end of the year, a total of 499,999 share purchase warrants were exercised at $0.12 per share for aggregate proceeds of $60,000.

Management's Responsibility for Financial Statements

The Company's management is responsible for the preparation and presentation of the consolidated financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Adoption of new standards and interpretations, and recent accounting pronouncements

Effective January 1, 2015, the following standards were adopted but have had no material impact on the financial statements:

IFRS 7, Financial Instruments – Disclosure

Amended to require additional disclosures on transition from IAS 39 to IFRS 9.

New standards, amendments and interpretations to existing standards not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The pronouncements are being assessed to determine their impact on the Company's results and financial position.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2016 but are not yet effective:

IFRS 11, Joint arrangements

This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets

These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

IAS 27, Separate financial statements and IFRS 1, First-time adoption of IFRS

IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 1 was amended to permit the use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

IFRS 9, Financial instruments

This standard was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income.

The Company has not yet assessed the potential impact of the application of this standard, nor determined whether it will adopt the standard early.

Financial Instruments and Risk Management

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable and accrued liabilities and notes payable.

The Company classified its cash as fair value through profit or loss, and accounts payable and accrued liabilities and notes payable as other financial liabilities. The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The carrying amounts of the notes payable approximate fair value as the interest rates were negotiated between the Company and arm's length third parties.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages its credit risk by ensuring that its cash is placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the government, and the balances are in good standing as at December 31, 2015.

Liquidity risk

The Company's cash is invested in business accounts which are available on demand. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and loans payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions and long term debt.

Financial Instruments and Risk Management (continued)

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest rate risk is minimal as the Company does not have significant interest bearing assets or any interest bearing liabilities that are tied into market rates.

Foreign exchange risk

The Company is not exposed to any significant foreign currency risk beyond its advance to Versus which is denominated in United States dollars.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Management of Capital

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in certificates of deposit with major financial institutions.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets and debt securities to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There have been no changes to the Company's approach to capital management during the year ended December 31, 2015.

Additional Information

On January 22, 2015, Brandon Boddy joined the Board of Directors of Opal.

On April 29, 2015, Emma Nicholson and Jamie Newall resigned from the Board of Directors of the Company. Mr. Newall also resigned from his position as President and Chief Executive Officer ("CEO") of the Company. Mr. Wayne Tisdale concurrently joined the Board of Directors and assumed the position of interim President and CEO.

On November 18, 2015, the shares of the Company were listed for trading on the Canadian Securities Exchange and the Company delisted from the TSX Venture Exchange. Opal continues to be classified as a mining issuer and is listed under the trading symbol "OPA".

Additional information relating to the Company is available on the Company's website at www.opalenergycorp.com and under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Risks and Uncertainties

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

b) The most likely source of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company which are likely to result in substantial dilution to the holdings of existing shareholders.

c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.

f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.

g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

Corporate Information

Directors:	Brandon Boddy David Hughes Wayne Tisdale Michael Curtis Gerald Tuskey
Officers:	Wayne Tisdale, President and CEO David Hughes, CFO Leah Martin, Corporate Secretary
Auditor:	Davidson and Company LLP Chartered Professional Accountants Suite 1200 – 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	Tingle Merrett LLP Suite 1250 639 5th Avenue SW Calgary, AB, T2P 0M9
Transfer Agent:	Computershare Trust Company of Canada 2nd Floor – 510 Burrard Street Vancouver, BC, V6C 3B9

Contact Information

Wayne Tisdale, President and CEO
Opal Energy Corp.
Suite 302 – 1620 West 8th Avenue
Vancouver, British Columbia V6J 1V4
Tel: 604-639-4457

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

THREE MONTH PERIOD ENDED

MARCH 31, 2016

REPORT DATE – MAY 2, 2016

Introduction

Opal Energy Corp. ("Opal" or the "Company") is a publicly traded company continued under the Business Corporations Act (British Columbia) effective January 7, 2007. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Quebec, and its common shares are listed and posted for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "OPA". The Company's offices are located at 302 – 1620 West 8th Avenue, Vancouver, BC, V6J 1V4.

The Company has been primarily engaged in the acquisition, exploration and development of natural resource properties in North America, specifically on the development of the Firebag River property and its potential to host economic quantities of silica sand to be used in the fracking process for shale gas exploration. However, on November 24, 2015, the Company entered into a letter of intent ("LOI") which will allow it to acquire a 100% ownership interest in Versus LLC ("Versus"), a California based technology company that has developed state-of-the art video game and e-sports tournament software that allows video game publishers/developers to offer prize-based tournaments of their games. (Refer to **Proposed Transaction**)

In accordance with Form 51-102F1, the following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of Opal for the three month period ended March 31, 2016. The following discussion and analysis should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three month period ended March 31, 2016 and the audited consolidated financial statements for the year ended December 31, 2015 which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

Overall Performance and Results of Operations

Three Month Period Ended March 31, 2016

During the three month period ended March 31, 2016 (the "Current Quarter"), the Company incurred a loss and comprehensive loss of $204,048 compared to $127,863 for the three month period ended March 31, 2015 (the "Comparative Quarter"). Operating expenses for the Current Quarter were $204,461 compared to $128,753 for the Comparative Quarter which represented an overall increase of $75,708 or 59%. The reason for this increase was increased expenditures on professional fees in connection with the proposed transaction with Versus, and travel and shareholder relations as management has made a concerted effort to increase market awareness of the Company and Versus.

Summary of Quarterly Results

The following table sets out selected unaudited financial information for the eight most recent quarters. The financial data has been prepared in accordance with IFRS.

Three Months Ended	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	($)	($)	($)	($)
Total Revenue	-	-	-	-
Other Income	413	588	4,269	306
Loss from Operations	(204,461)	(359,901)	(151,080)	(261,717)
Loss and Comprehensive Loss	(204,048)	(359,313)	(146,811)	(261,411)
Basic and Diluted Loss per Share	(0.01)	(0.01)	(0.00)	(0.01)

Three Months Ended	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
	($)	($)	($)	($)
Total Revenue	-	-	-	-
Other Income	890	981	813	708
Loss from Operations	(128,751)	(182,747)	(62,100)	(26,195)
Loss and Comprehensive Loss	(127,861)	(241,766)	(61,287)	(25,487)
Basic and Diluted Loss per Share	(0.00)	(0.02)	(0.00)	(0.00)

Note 1: There were no material variations in the results of the Company over the prior eight reporting periods with the exception of the three month periods ended December 31, 2015 and 2014 wherein the Company recorded a $78,430 reclamation expense on the Tashota Nipigon Property and a $60,000 loss on the settlement of debt, respectively.

Note 2: Other Income consists of royalty income earned from an oil well and the gain on disposal of some petroleum equipment.

Liquidity and Capital Resources

The Company had cash of $284,597 and working capital of $87,852 as at March 31, 2016, compared to a cash position of $22,806 and a working capital deficiency of $243,028 as at December 31, 2015. The improvement in both the Company's cash position and working capital was a direct result of the exercise of 6,349,999 share purchase warrants at $0.12 per share for aggregate proceeds of $762,000 in the period.

Liquidity and Capital Resources (continued)

Financing activities

During the year ended December 31, 2015, the Company received gross proceeds of $1,205,000 from a private placement wherein it issued 12,050,000 units at a price of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant that entitles the holder to purchase one common share at a price of $0.15 until February 27, 2020. The Company recorded $80,116 of share issuance costs in connection with this financing.

The Company has also accessed additional cash through the issuance of unsecured long term notes payable. The notes bear interest at 10% per annum and mature three years from the date of issuance. The Company received proceeds of $131,500 from the issuance of these notes during the year ended December 31, 2015. These notes were all repaid in full during the three month period ended March 31, 2016.

Selected Annual Information

The following table sets out selected financial information for the Company for each of the fiscal years ended December 31, 2015, 2014 and 2013. The selected annual information should only be read in conjunction with the Company's audited annual financial statements for the fiscal years ended December 31, 2015, 2014 and 2013 including the notes thereto.

Statement of Operations, Comprehensive Loss and Deficit Data:

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	($)	($)	($)
Revenue	-	-	-
Other income	6,053	3,958	5,316
Loss from operations	(901,449)	(289,666)	(119,270)
Loss and comprehensive loss	(895,396)	(345,708)	(113,954)
Loss per share, basic and diluted	(0.03)	(0.03)	(0.01)

Balance Sheet Data:

	As at December 31, 2015	As at December 31, 2014	As at December 31, 2013
	($)	($)	($)
Current Assets	42,460	14,793	4,669
Total Assets	957,382	165,614	4,669
Current Liabilities	285,488	328,702	563,012
Long Term Debt	236,000	-	-
Shareholders' Equity (Deficiency)	435,894	(163,088)	(558,343)

Exploration Property Overview

Firebag River Property, Alberta, Canada

On September 23, 2014, the Company entered into a property option agreement with 877384 Alberta Ltd. and Declan Resources Inc., a corporation that shares management in common, to acquire a 70% interest in the Firebag River Property located southwest of the Athabasca Basin in Alberta, Canada. The Company considers the property to be significantly prospective and underexplored. It consists of five metallic and industrial mineral permits encompassing approximately 19,123 ha. It is west of Fission Uranium Patterson Lake South ("PLS") uranium occurrence, and about 30 km south of the southernmost mapped margin of the basin. It also lies adjacent to the east of the Athabasca Minerals silica sand project.

The terms of the option agreement require the following:

	Common Shares	Cash	Exploration Work Commitments
		($)	($)
Upon stock exchange approval of agreement (paid and issued)	2,000,000	50,000	-
November 22, 2014 (1)	-	-	150,000
June 2, 2015 (paid)	-	156,527	-
September 2, 2016 (2)	1,000,000	100,000	-
November 22, 2016	-	-	150,000
March 2, 2017 (2)	1,000,000	100,000	-
Total	4,000,000	406,527	300,000

(1) The Company fulfilled its expenditure obligation through a combination of exploration expenditures incurred directly by the Company and cash reimbursements totaling $71,527 that were paid to Declan under the option agreement.

(2) On April 14, 2016, the terms of the option agreement were amended to extend the deadline for payment of the cash and common shares from June 2, 2016 until September 2, 2016.

(3) The Company has the option of fulfilling the cash payment in cash or through the issuance of common shares of the Company.

Exploration Property Overview (continued)

Surface rocks at the Firebag River property consist of a thin-sequence of mature, cretaceous-aged sandstones. At relatively shallow depths, Proterozoic aged rocks of the West Lloyd Domain are generally comprised of granitic gneisses with local pelitic gneiss units. Within this basement domain, the pelitic sequences are associated with uranium mineralization at such notable locations as Cluff Lake and Shea Creek. North of the Firebag River property a significant uranium deposit occurs at Dragon Lake along the Maybelle River Shear Zone. This deposit includes an intersection with 21% U3O8 across 5 meters and reported grades of up to 54.5% U3O8, according to the Alberta Geologic Survey ("AGS") website.

Historic exploration of the Firebag River property is limited; however, regional government and public geophysical survey data shows a complex pattern of magnetic lows and highs, truncated or offset in the northern part of the property by the Marguerite River Fault, a southwest orientated structure interpreted as a splay of the regionally significant Beatty River Fault Zone. The only documented exploration of the Firebag River property specific for uranium was conducted by E&B Explorations Ltd. in 1977. Exploration confirmed the presence of a southwest orientated fault zone, and a geochemical anomaly with 11 ppm cobalt in lake sediments atop this structure. A short distance northeast of the Firebag River property border, historic drill hole 16-1-100-3W4M intersected approximately 1 meter of anomalous radioactivity within sands atop the basement unconformity from 38.7 to 39.6 meters depth.

Declan Resources Inc. completed an initial review of the Firebag River property in November 2013. Silica sand samples were collected within 2 meters of surface from the exposed sandstones feature and were submitted for analysis to Loring Laboratories Ltd. of Calgary, Alta. The results of the program revealed samples that met or exceeded industry wide API standards over roundness, silica content and sphericity specifications.

The Firebag River property benefits from year round access and nearby train facilities at Fort McMurray, Alberta, a critical advantage due to its close proximity to the growing Western Canada Sedimentary Basin; host to large shale gas reserves in Northeastern BC.

In August of 2014, Declan Resources conducted a hand auger program on the Firebag Property with the intent of evaluating the potential for proppant silica sands at depth. The program consisted of 13 holes, totaling approximately 43.82m in depth. A total of 13 silica sand samples were collected and sent to Loring Laboratories in Calgary for analysis. Results from the 2014 program were positive with a number of prospective silica sand targets delineated for future exploration work.

Tashota Nipigon Property, Ontario

The Tashota Nipigon mine was acquired by Opal's predecessor company ("Tashota Nipigon Mines Ltd.") in 1939. The mine produced in the 1930s and was further explored in the 1960s. The Ontario Ministry of Northern Development and Mines conducted a baseline inspection of the Tashota Nipigon mine site in October, 2014. Opal was advised by the Ontario Ministry of Northern Development and Mines that the Tashota Nipigon mine site required further reclamation to meet current rehabilitation standards under the Ontario Mining Act and Mine Rehabilitation Code. The Company continues to work with its consultants and the Ontario Ministry of Northern Development and Mines to finalize the reclamation plan and have the on-site work completed in accordance with regulatory requirements. The Company currently estimates reclamation work will be completed in the second half of 2016 at a cost of approximately $78,430.

Transactions with Related Parties

The following summarizes the Company's related party transactions, not disclosed elsewhere in these consolidated financial statements, during the three month periods ended March 31, 2016 and 2015. Key management personnel includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and certain directors and officers and companies controlled or significantly influenced by them.

	2016	2015
	($)	($)
Professional fees paid or accrued to a corporation controlled by Gerald Tuskey, a director of the Company.	-	10,984
Office sharing and occupancy costs paid or accrued to a corporation which David Hughes, CFO of the Company, is a director.	15,000	16,500

Key Management Personnel

	2016	2015
	($)	($)
Consulting fees paid or accrued to a corporation controlled by Brandon Boddy, a director of the Company.	30,000	30,000
Consulting fees paid or accrued to a corporation controlled by David Hughes, CFO of the Company.	4,000	3,000
Interest paid or accrued to two corporations controlled by Wayne Tisdale, CEO of the Company.	-	627
Total	34,000	33,627

a) At March 31, 2016, a total of $46,787 (December 31, 2015 - $49,574) was included in accounts payable and accrued liabilities owing to Brandon Boddy, a director of the Company, and a corporation controlled by Brandon for consulting fees and reimbursable expenses.

b) At March 31, 2016, a total of $9,506 (December 31, 2015 - $75,472) was included in accounts payable and accrued liabilities owing to a corporation controlled by Wayne Tisdale, CEO of the Company, for reimbursable expenses.

c) At March 31, 2016, a total of $Nil (December 31, 2015 - $55,130) in notes payable and accrued interest was owing to two corporations controlled by the CEO of the Company.

d) At March 31, 2016, a total of $1,273 (December 31, 2015 - $7,577) was included in accounts payable and accrued liabilities owing to 0658039 BC Ltd., a corporation that shares management in common with the Company, for office sharing and occupancy costs.

Disclosure of Outstanding Share Data

An unlimited number of common shares without par value and 5,057 Class "A" shares, Series 1. The Class "A" shares, Series 1 are non-voting and are convertible into common shares at any time on the basis of 6.67 common shares for each Class "A" Series I share held.

Shares Issued and Outstanding

As at the Report Date, there were 41,941,015 common shares and 5,057 Class "A" shares, Series 1 issued and outstanding.

Warrants

As at the Report Date, there were 12,050,000 share purchase warrants outstanding that are exercisable at $0.15 until February 27, 2020.

Stock Options

As at the Report Date, there were 950,000 stock options outstanding as follows:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price
			($)
April 29, 2020	850,000	850,000	0.10
July 31, 2020	100,000	100,000	0.10
	950,000	950,000	0.10

Escrow

As at the Report Date, 5,000 common shares of the Company are held in escrow due to misplaced share certificates originally issued to three individual shareholders.

Proposed Transaction

On March 16, 2016, the Company entered into an Acquisition Agreement (the "Agreement") with Versus LLC ("Versus") which sets out the terms of a business acquisition wherein the Company will acquire all of the issued and outstanding ownership interests ("Versus Units") of Versus. Versus is a privately held limited liability company organized under the laws of the state of Nevada that has developed state-of-the art video game and e-sports tournament software that allows video game publishers/developers to offer prize-based tournaments of their games.

Under the terms of the Agreement, the transaction will proceed as follows:

a) The Company will advance US$250,000 (the "Advance") to Versus (advanced);

b) The Company will organize a new United States subsidiary ("Newco");

c) The Company will buy approximately 37.5% of the Versus Units from the existing members of Versus (the "Selling Members") for an aggregate cash payment of US$1,500,000 (the "Initial Payment");

Proposed Transaction (continued)

d) All Versus Units will be contributed to Newco in exchange for shares of Newco, and the shares of Newco issued to the Selling Members shall be exchangeable into common shares of the Company with a total value of US$2,500,000, representing approximately 30% of the issued and outstanding common shares of the Company after the Concurrent Financing (Defined in (e) below), and common share purchase warrants with a total value of US$1,250,000 and an exercise price of $0.20 per share for a period of 36 months from the date of closing; and

e) The Company will complete an equity financing (the "Concurrent Financing") to raise a minimum gross proceeds of US$3,000,000, inclusive of the Initial Payment, at a price not less than $0.20 per unit ("Unit"). Each Unit will consist of one common share and one half of a common share purchase warrant wherein each whole warrant is exercisable into a common share at a price of $0.40 per share for a period of 24 months from the closing date of the Concurrent Financing.

This transaction is subject to a number of conditions including, but not limited to, regulatory and shareholder approval, and the completion of the Concurrent Financing.

Should the transaction be terminated due to the material breach, default, gross negligence, willful misconduct or fraud of Versus under this Agreement, then Versus shall repay the Advance to the Company within 30 calendar days of termination of the transaction. If the transaction is terminated for any other reason, then Versus shall be irrevocably entitled to the Advance, and within 10 days of such a termination, Versus shall issue Class A units of Versus to the Company with a percentage interest equal to 5.88% on a fully diluted basis.

A finder's fee of approximately 1,000,000 common shares will be payable in connection with the transaction, subject to acceptance and compliance with all CSE and regulatory policies.

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Subsequent Events

There were no material events subsequent to the end of the period.

Management's Responsibility for Financial Statements

The Company's management is responsible for the preparation and presentation of the consolidated financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Adoption of new standards and interpretations, and recent accounting pronouncements

Effective January 1, 2016, the following standards were adopted but have had no material impact on the condensed interim consolidated financial statements:

IFRS 11, Joint arrangements

This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets

These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

New standards, amendments and interpretations to existing standards not yet effective

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

IFRS 9, Financial instruments

This standard was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income.

IFRS 15, Revenue from Contracts with Customers

This standard was issued in May 2014 and will be the new standard for the recognition of revenue, replacing IAS 18, Revenue. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2019 but are not yet effective:

IFRS 16, Leases

This standard was issued in January 2016 and specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company has not yet assessed the potential impact of the application of these standards, nor determined whether it will adopt the standards early.

Financial Instruments and Risk Management

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable and accrued liabilities and notes payable.

The Company classified its cash as fair value through profit or loss, and accounts payable and accrued liabilities and notes payable as other financial liabilities. The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The carrying amounts of the notes payable approximate fair value as the interest rates were negotiated between the Company and arm's length third parties.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages its credit risk by ensuring that its cash is placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist of goods and services tax due from the government, and the balances are in good standing as at March 31, 2016.

Liquidity risk

The Company's cash is invested in business accounts which are available on demand. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and loans payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions and long term debt.

Financial Instruments and Risk Management (continued)

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest rate risk is minimal as the Company does not have significant interest bearing assets or any interest bearing liabilities that are tied into market rates.

Foreign exchange risk

The Company is not exposed to any significant foreign currency risk beyond its advance to Versus which is denominated in United States dollars.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Management of Capital

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in certificates of deposit with major financial institutions.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets and debt securities to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There have been no changes to the Company's approach to capital management during the year ended March 31, 2016.

Additional Information

The Company has called an annual and special meeting of shareholders for May 26, 2016 to vote on the proposed transaction with Versus.

Additional information relating to the Company is available on the Company's website at www.opalenergycorp.com and under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Risks and Uncertainties

The Company is currently in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

b) The most likely source of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company which are likely to result in substantial dilution to the holdings of existing shareholders.

c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.

f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.

g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

Corporate Information

Directors:	Brandon Boddy David Hughes Wayne Tisdale Michael Curtis Gerald Tuskey
Officers:	Wayne Tisdale, President and CEO David Hughes, CFO Leah Martin, Corporate Secretary
Auditor:	Davidson and Company LLP Chartered Professional Accountants Suite 1200 – 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	Tingle Merrett LLP Suite 1250 639 5th Avenue SW Calgary, AB, T2P 0M9
Transfer Agent:	Computershare Trust Company of Canada 2nd Floor – 510 Burrard Street Vancouver, BC, V6C 3B9

Contact Information

Wayne Tisdale, President and CEO
Opal Energy Corp.
Suite 302 – 1620 West 8th Avenue
Vancouver, British Columbia V6J 1V4
Tel: 604-639-4457

SCHEDULE "B"

AUDITED FINANCIAL STATEMENTS & MD&A OF VERSUS

The audited financial statements of Versus for the years ended December 31, 2015 and 2014 and the interim financial statements of Versus for the three-months ended March 31, 2016
&
The MD&A of Versus for the year ended December 31, 2015
and the MD&A of Versus for the three-months ended March 31, 2016

[See Attached.]

Versus LLC

FINANCIAL STATEMENTS

For the Years Ended December 31, 2015 and 2014 and

Period from August 21, 2013 (date of incorporation) to December 31, 2013

(Expressed in US dollars)

JACKSON & COMPANY
Chartered Accountants

800 – 1199 West Hastings Street
Vancouver, British Columbia
Canada V6E 3T5
Telephone: +1 604 630 3838
Facsimile: +1 888 241 5996

INDEPENDENT AUDITORS' REPORT

To the Members of
Versus LLC

We have audited the accompanying financial statements of Versus LLC which comprise the statements of financial position as at December 31, 2015, 2014 and 2013, the statements of comprehensive loss, cash flows and changes in equity for the years ended December 31, 2015 and 2014 and the period from August 21, 2013 (date of incorporation) to December 31, 2013, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Versus LLC as at December 31, 2015, 2014, and 2013 and its statements of comprehensive loss, cash flows and changes in equity for the years ended December 31, 2015 and 2014 and the period from August 21, 2013 (date of incorporation) to December 31, 2013 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Jackson & Company
CHARTERED ACCOUNTANTS

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
April 7, 2016

Versus LLC
STATEMENTS OF FINANCIAL POSITION
(Expressed in US Dollars)

	December 31, 2015	December 31, 2014	December 31, 2013
ASSETS			
Current Assets			
Cash	$ 174,080	$ 300	$ -
Subscription receivable	-	-	88
Total current assets	174,080	300	88
Prepaid expenses (Note 5)	62,500	-	-
Total assets	$ 236,580	$ 300	$ 88
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	$ 15,000	$ 7,500	$ -
Total current liabilities	15,000	7,500	-
Advances (Note 6)	250,000	-	-
Total liabilities	265,000	7,500	-
Members' deficiency			
Membership units (Note 7)	89	88	88
Contributed surplus (Note 7)	757,397	529,274	-
Retained earnings	(785,906)	(536,562)	-
Total members' deficiency	(28,420)	(7,200)	-
Total liabilities and members' deficiency	$ 236,580	$ 300	$ -

Nature of operations (Note 1)
Subsequent event (Note 12)

These financial statements are authorized for issue on April 7, 2016. They are signed on the Company's behalf by:

"Signed"
Matthew Pierce

"Signed"
Craig Finster

The accompanying notes form an integral part of these financial statements.

Versus LLC
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in US Dollars)

	December 31, 2015	December 31, 2014	Period from August 21, 2013 (date of incorporation) to December 31, 2013
Revenue	$ -	$ -	$ -
Cost of sales	-	-	-
Gross profit	-	-	-
Expenses			
Consultants fees (Note 8)	102,405	418,494	-
General and administrative (Note 8)	10,478	6,453	-
Management fees (Note 8)	86,659	100,877	-
Professional fees (Note 8)	49,802	10,738	-
	249,344	536,562	-
Loss before income taxes	(249,344)	(536,562)	-
Net comprehensive loss for the year	$ (249,344)	$ (536,562)	$ -
Basic and diluted loss per membership unit	$ (28.10)	$ (60.80)	$ 0.00
Weighted average membership units outstanding	8,872	8,825	8,825

The accompanying notes form an integral part of these financial statements.

Versus LLC

STATEMENTS OF CASH FLOW

(Expressed in US Dollars)

	December 31, 2015	December 31, 2014	Period from August 21, 2013 (date of incorporation) to December 31, 2013
Operations			
Loss for the year	$ (249,344)	$ (536,562)	$ -
Changes in non-cash working capital items:			
Prepaid expenses (Note 5)	(62,500)	-	-
Subscription receivable	-	88	(88)
Accounts payable and accrued liabilities	7,500	7,500	-
Net cash used in operating activities	(304,344)	(528,974)	(88)
Financing			
Advances (Note 6)	250,000	-	-
Member units issued (Note 7)	1	-	88
Member contributions (Note 7)	228,123	529,274	-
Net cash used in financing activities	478,124	529,274	-
Increase in cash and cash equivalents	173,780	300	-
Cash and cash equivalents, beginning of year	300	-	-
Cash and cash equivalents, ending of year	**$ 174,080**	**$ 300**	**$ -**

The accompanying notes form an integral part of these financial statements.

Versus LLC
STATEMENTS OF CHANGES IN DEFICIENCY
(Expressed in US Dollars)

	Membership units					
	Class A	Class B	Amount	Contributed Surplus	Deficit	Total
			$	$	$	$
Balance, August 21, 2013 (date of incorporation)						
Memberships issued on incorporation (Note 7)	7,325	1,500	88	-	-	88
Balance, December 31, 2013	7,325	1,500	88	-	-	88
Contribution from members (Note 7)	-		-	529,274	-	529,274
Net loss for the year	-		-	-	(536,562)	(536,562)
Balance, December 31, 2014	7,325	1,500	88	529,274	(536,562)	(7,200)
Memberships issued (Note 7)	-	125	1	-	-	1
Contribution from members (Note 7)	-	-	-	228,123	-	228,123
Net loss for the year	-	-	-	-	(249,344)	(249,344)
Balance, December 31, 2015	7,325	1,625	89	757,397	(785,906)	(28,420)

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS

Versus LLC ("Versus" or the "Company") was incorporated pursuant to Nevada's Articles of Organization on August 21, 2013. The Company is involved in developing proprietary video game and e-sports tournament software that allows video game publisher-developers to offer prize-based tournaments of their games. The primary office of the Company is located at Suite 140 - 10990 Wilshire Boulevard, Los Angeles, California.

As at December 31, 2015, the Company has earned no revenues from its operations and has accumulated losses of $785,906 (December 31, 2014 – $536,562 & December 31, 2013 - $Nil). These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classifications of liabilities that may be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

The financial statements were authorized for issue on April 7, 2016 by the managing member of the Company.

Statement of compliance

The financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These audited financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional and presentation currency of the Company is the US dollar.

2. BASIS OF PREPARATION (continued)

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates:

I. The assessment of indications of impairment of property, plant, and equipment;
II. The assessment of indications of impairment of intangible assets;
III. The value of inventories carried at the lower of cost and net realizable value; and
IV. The measurement of deferred income tax assets and liabilities.

Critical accounting judgments:

I. The determination of categories of financial assets and financial liabilities; and
II. The evaluation of the Company's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired for. The Company's accounting policy for each category is as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Fair value through profit or loss – This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company classifies its cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held-to-maturity - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company does not have any assets classified as held-to-maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss. The Company does not have any assets held classified as available-for-sale.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered, to determine where impairment has arisen.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any financial liabilities classified as fair value through profit or loss.

Other financial liabilities - This category includes accounts payables. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate method. The company classifies its accounts payable as other financial liabilities.

Impairment of non-current assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value-in-use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with major financial institutions and other short-term highly liquid investments with original maturities of three months or less.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Intangible assets

Internally generated intangible assets include development costs and internally developed or modified application software. These costs are capitalized when certain criteria for deferral such as proven technical feasibility are met. The costs of internally generated intangible assets include the costs of materials, direct labour, and borrowing costs.

Acquired intangible assets include the cost of development activities carried out by vendors for which the Company controls the underlying output from the usage of the technology, as well as the cost related to externally acquired licenses, patents, and trademarks.

Intangible assets are recorded at cost less accumulated amortization and impairment losses and include goodwill as well as other intangible assets such as licenses, patents, and trademarks.

An intangible asset's residual value, value, useful life and amortization method are reviewed on a regular basis, at least annually, and changes are accounted for prospectively.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses; half year rule is applied to the first year of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Long-lived assets, including equipment and intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Revenue recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue from software license sales is recognized upon delivery where there is evidence of an arrangement, the selling price is fixed or determinable and there are no significant remaining performance obligations. Maintenance and support service revenues are recognized proportionately over the term of the contract. Revenue from professional services is recognized as earned, based on performance according to specific terms of the contract or on the basis of the percentage of completion method where the revenue is reconcilable to services performed as a proportion of total services to be completed. Foreseeable losses, if any, are recognized in the year or period in which the loss is determined.

Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Loss per membership unit

The Company presents basic and diluted loss per membership unit data for its membership units, calculated by dividing the loss attributable to members of the Company by the weighted average number of membership units outstanding during the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to prior years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, foreign currency monetary assets and liabilities are translated using the reporting date foreign exchange rate. Foreign currency non- monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non- monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Members' shares

Members' share issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Members' shares are accounted for in accordance with IFIRC 2 Members' Shares in Co-operative Entities and Similar Instruments ("IFRIC 2"). In accordance with IFRIC 2, dividends to holders of equity instruments are recognized directly in equity. Interest, dividends, and other returns relating to financial instruments classified as financial liabilities are expenses, regardless of whether those amounts paid are legally characterized dividends, interest or otherwise.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Recent accounting pronouncements

The following accounting standards were issued but not yet effective as of December 31, 2015:

IFRS 7 – Financial Instruments: Disclosure
IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IAS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The company is currently evaluating the impact this standard is expected to have on its financial instruments.

IFRS 9 - Financial Instruments
The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which intends to reduce the complexity in the classification and measurement of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements (continued)

IFRS 15 - Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfer of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

IFRS 16 - Leases
IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its financial instruments.

4. COMPANY FINANCING CONTINGENCY PLAN

The Company is financially backed by OLabs Ventures LLC ("OLabs"). OLabs serves as an incubation platform for multiple companies, Versus LLC included. The members of OLabs include Originate, Inc., a software and product consultancy, and Mannatt, Phelps, & Philips (MPP), a law firm. Originate and MPP have contributed the necessary labor and capital to date in order to develop the company. Should the proposed transaction with Opal Energy Corp. (Note 6) not go as planned then OLabs, as the managing member of the Company, intends to reduce the cash burn rate and continue to support the Company for the foreseeable future until such time as the Company is able to raise a private or public financing. The operational expenses incurred by the Company is paid for by OLabs in exchange for membership interest whereby OLabs holds 7,325 of Class A memberships representing a percentage interest of 73.25% (Note 7).

5. PREPAID EXPENSES

During the year ended December 31, 2015, the Company entered into a services contract with a related party to develop its proprietary video game and e-sports tournament software. As per the agreement, the Company is required to pay a deposit of $62,500 which is to be applied to the final project invoice at the conclusion of the project.

6. ADVANCES

During the year ended December 31, 2015, the Company entered into a proposed transaction with Opal Energy Corp. ("Opal") whereby Opal will acquire all of the issued and outstanding membership interests of the Company through a proposed business combination. As per terms of the agreement, Opal advanced $250,000 to the Company. The Company is entitled to the advance should the transaction be terminated for any reason other than termination due to Company's material breach, default, gross negligence, willful misconduct, or fraud.

7. SHARE CAPITAL

Authorized membership interests

The Company has authorized 7,325 units of Class A membership without par value. As of December 31, 2015, 7,325 of Class A memberships are held by OLabs Venture LLC (December 31, 2014 – 7,325 & December 31, 2013 – 7,325). Class A membership units control governance and any new memberships of this unit type will require unanimous approval of members. These membership units were issued at the founding the Company and was recorded as a subscription receivable. The Company received compensation related to this issuance in a period subsequent to the 2013 fiscal year end.

The Company has authorized 2,675 units of Class B membership without par value. As of December 31, 2015, 1,625 Class B memberships are held by various management personnel of the Company (December 31, 2014 – 1,500 & December 31, 2013 – 1,500). A total of 1,050 units of Class B memberships are held as an incentive pool subject to release at the discretion of the Company. Class B membership units are profit interest units and used to retain employees and advisors. 1,500 Class B membership units were issued at the founding of the Company and was recorded as a subscription receivable. The Company received compensation related to this issuance in a period subsequent to the 2013 fiscal year end.

Stock options

As of the year-ended December 31, 2015, the Company had Nil (December 31, 2014 – Nil & December 31, 2013 - Nil) stock options issued and outstanding.

Warrants

As of the year-ended December 31, 2015, the Company had Nil (December 31, 2014 – Nil & December 31, 2013 - Nil) warrants issued and outstanding.

Contributed surplus

During the year ended December 31, 2015, members of the Company contributed $228,123 (December 31, 2014 - $529,274 & December 31, 2013 - $Nil) to fund the Company's operation. All of the contributions are in the normal course of business and are measured at fair market values.

8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2015, Company entered into the following transactions with related parties:

a) Incurred consulting fees of $102,405 (December 31, 2014 - $418,494 & December 31, 2013 - $Nil) to Originate, a contributing member of the Company.
b) Incurred management fees of $86,659 (December 31, 2014 - $100,877 & December 31, 2013 - $Nil) to Matthew Pierce, CEO and director of the Company.
c) Incurred legal fees of $42,302 (December 31, 2014 - $3,238 & December 31, 2013 - $Nil) to Manatt, Phelps & Philips, LLP, a contributing member of the Company.

These transactions were incurred in the normal course of operations and is measured at fair market value.

9. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year-ended December 31, 2015	**Year-ended December 31, 2014**	**Year-ended December 31, 2013**
	$	$	$
Net loss before taxes	(249,344)	(536,562)	-
Statutory tax rate	40%	40%	40%
Expected income tax recovery at statutory tax rate	(99,378)	(214,625)	-
Other permanent differences	1,802	29	-
Valuation allowance	97,576	214,596	-
Income tax recovery	-	-	-

Deferred income tax assets have not been recognized in respect of these items because it is not probably that future taxable profit will be available against which the Company can utilize the benefit.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable. The fair values of cash and accounts payable approximate their carrying values because of their current nature.

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

10. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The financial instruments recorded at fair value on the statements of financial position are comprised of cash and accounts payable which is measured using Level 1 of the fair value hierarchy. There were no significant transfers between Level 1 and Level 2. At December 31, 2015, the Company has no other financial instruments that require disclosure under the fair value hierarchy.

Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at December 31, 2015, the Company's exposure is the carrying value of the financial instruments.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

Market risk

Market risk consists of foreign exchange risk and interest rate risk. These are discussed further below.

10. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Market risk (continued)

Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial assets denominated in the American dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

As at December 31, 2015, the Company did not have any financial assets and liabilities that are denominated in any foreign currency.

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

11. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of contributions from its members.

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

11. CAPITAL MANAGEMENT

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	December 31, 2015	December 31, 2014	December 31, 2013
Fair value through profit and loss:			
Cash	$ 174,080	$ 300	$ -
Prepaid deposits (Note 4)	62,500	-	-
	$ 236,580	$ 300	$ -

Financial liabilities included in the statement of financial position are as follows:

	December 31, 2015	December 31, 2014	December 31, 2013
Non-derivative financial liabilities:			
Accounts payable and accrued liabilities	$ 15,000	$ 7,500	$ -
Loans payable (Note 5)	9,047	300	-
Advances (Note 6)	250,000	-	-
	$ 274,047	$ 7,800	$ -

12. SUBSEQUENT EVENTS

On March 18, 2016, the Company entered into a binding arm's length acquisition agreement with Opal Energy Corp. ("Opal"), pursuant to which Opal will acquire voting control of all of the issued and outstanding securities of the Company (the "Transaction"). The Transaction is subject to a number of terms and conditions including (among other things) the approval of the Canadian Securities Exchange. Upon completion of the Transaction, Versus will become an indirect wholly-owned subsidiary of Opal and Opal will change its name to "Versus Systems Inc.", or such other name as the parties may reasonably agree upon. The combined entity will continue the business of Versus.

Versus LLC

FINANCIAL STATEMENTS

For the three months ended March 31, 2016

(Expressed in US dollars)

JACKSON & COMPANY
Chartered Accountants

800 – 1199 West Hastings Street
Vancouver, British Columbia
Canada V6E 3T5
Telephone: +1 604 630 3838
Facsimile: +1 888 241 5996

REVIEW ENGAGEMENT REPORT

To the Members of Versus LLC

We have reviewed the financial statements of Versus LLC which comprise of the statements of financial position as at March 31, 2016 and the statements of comprehensive loss, cash flows, and changes in equity for the three month period ended March 31, 2016, and the related notes comprising of a summary of significant accounting policies and other explanatory information.

Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the Company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with International Financial Reporting Standards.

Jackson & Company
CHARTERED ACCOUNTANTS

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
June 7, 2016

Versus LLC

STATEMENTS OF FINANCIAL POSITION

(Expressed in US Dollars)

		March 31, 2015 (reviewed)		December 31, 2015 (audited)
ASSETS				
Current Assets				
Cash	$	32,989	$	174,080
Total current assets		32,989		174,080
Prepaid expenses (Note 5)		-		62,500
Total assets	$	32,989	$	236,580
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	29,430	$	15,000
Total current liabilities		29,430		15,000
Advances (Note 6)		250,000		250,000
Total liabilities		279,430		265,000
Members' deficiency				
Membership units (Note 7)		89		89
Contributed surplus (Note 7)		757,397		757,397
Retained earnings		(1,003,927)		(785,906)
Total members' deficiency		(246,441)		(28,420)
Total liabilities and members' deficiency	$	32,989	$	236,580

Nature of operations (Note 1)
Subsequent event (Note 12)

These financial statements are authorized for issue on June 7, 2016. They are signed on the Company's behalf by:

"Signed"	*"Signed"*
Matthew Pierce	Craig Finster

The accompanying notes form an integral part of these financial statements.

Versus LLC
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in US Dollars)

	March 31, 2016 (reviewed)	March 31, 2015 (unaudited)
Revenue	$ -	$ -
Cost of sales	-	-
Gross profit	-	-
Expenses		
Consultants fees (Note 8)	179,076	73,111
General and administrative	9,300	1,475
Management fees (Note 8)	19,315	12,085
Professional fees (Note 8)	10,330	7,583
	218,021	94,254
Loss before income taxes	(218,021)	(94,254)
Net comprehensive loss for the period	$ (218,021)	$ (94,254)
Basic and diluted loss per membership unit	$ (24.36)	$ (10.68)
Weighted average membership units outstanding	8,950	8,825

The accompanying notes form an integral part of these financial statements.

Versus LLC

STATEMENTS OF CASH FLOW

(Expressed in US Dollars)

		March 31, 2016 (reviewed)		March 31, 2015 (unaudited)
Operations				
Loss for the period	$	(218,021)	$	(94,254)
Expenses not involving cash (Note 7)		-		94,254
Changes in non-cash working capital items:				
Prepaid expenses (Note 5)		62,500		-
Accounts payable and accrued liabilities		14,430		-
Net cash used in operating activities		(141,091)		-
Decrease in cash and cash equivalents		(141,091)		-
Cash and cash equivalents, beginning of period		174,080		300
Cash and cash equivalents, ending of period	**$**	**32,989**	**$**	**300**

The accompanying notes form an integral part of these financial statements.

Versus LLC

STATEMENTS OF CHANGES IN DEFICIENCY

(Expressed in US Dollars)

	Membership units					
	Class A	Class B	Amount	Contributed Surplus	Deficit	Total
			$	$	$	$
Balance, December 31, 2014	7,325	1,500	88	529,274	(536,562)	(7,200)
Contribution from members (Note 7)	-	-	-	94,254	-	94,254
Net loss for the period	-	-	-	-	(94,254)	(94,254)
Balance, March 31, 2015	7,325	1,500	88	623,528	(630,816)	(7,200)
Balance, December 31, 2015	7,325	1,625	89	757,397	(785,906)	(28,420)
Net loss for the period	-	-	-	-	(218,021)	(218,021)
Balance, March 31, 2016	7,325	1,625	89	757,397	(1,003,927)	(246,441)

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS

Versus LLC ("Versus" or the "Company") was incorporated pursuant to Nevada's Articles of Organization on August 21, 2013. The Company is involved in developing proprietary video game and e-sports tournament software that allows video game publisher-developers to offer prize-based tournaments of their games. The primary office of the Company is located at Suite 140 - 10990 Wilshire Boulevard, Los Angeles, California.

As at March 31, 2016, the Company has earned no revenues from its operations and has accumulated losses of $1,003,927 (December 31, 2015 – $785,906). These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classifications of liabilities that may be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

The financial statements were authorized for issue on June 7, 2016 by the managing member of the Company.

Statement of compliance

The financial statements of the Company comply with International Financial Reporting standards ("IFRS") as issued by the international Accounting Standards Board ("IASB"), in particular IAS 34, Interim Reporting and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional and presentation currency of the Company is the US dollar.

2. BASIS OF PREPARATION (continued)

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates:

I. The assessment of indications of impairment of property, plant, and equipment;
II. The assessment of indications of impairment of intangible assets;
III. The value of inventories carried at the lower of cost and net realizable value; and
IV. The measurement of deferred income tax assets and liabilities.

Critical accounting judgments:

I. The determination of categories of financial assets and financial liabilities; and
II. The evaluation of the Company's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired for. The Company's accounting policy for each category is as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Fair value through profit or loss – This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company classifies its cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held-to-maturity - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company does not have any assets classified as held-to-maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss. The Company does not have any assets held classified as available-for-sale.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered, to determine where impairment has arisen.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any financial liabilities classified as fair value through profit or loss.

Other financial liabilities - This category includes accounts payables. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate method. The company classifies its accounts payable as other financial liabilities.

Impairment of non-current assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value-in-use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with major financial institutions and other short-term highly liquid investments with original maturities of three months or less.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Intangible assets

Internally generated intangible assets include development costs and internally developed or modified application software. These costs are capitalized when certain criteria for deferral such as proven technical feasibility are met. The costs of internally generated intangible assets include the costs of materials, direct labour, and borrowing costs.

Acquired intangible assets include the cost of development activities carried out by vendors for which the Company controls the underlying output from the usage of the technology, as well as the cost related to externally acquired licenses, patents, and trademarks.

Intangible assets are recorded at cost less accumulated amortization and impairment losses and include goodwill as well as other intangible assets such as licenses, patents, and trademarks.

An intangible asset's residual value, value, useful life and amortization method are reviewed on a regular basis, at least annually, and changes are accounted for prospectively.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses; half year rule is applied to the first year of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Long-lived assets, including equipment and intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Revenue recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue from software license sales is recognized upon delivery where there is evidence of an arrangement, the selling price is fixed or determinable and there are no significant remaining performance obligations. Maintenance and support service revenues are recognized proportionately over the term of the contract. Revenue from professional services is recognized as earned, based on performance according to specific terms of the contract or on the basis of the percentage of completion method where the revenue is reconcilable to services performed as a proportion of total services to be completed. Foreseeable losses, if any, are recognized in the year or period in which the loss is determined.

Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Loss per membership unit

The Company presents basic and diluted loss per membership unit data for its membership units, calculated by dividing the loss attributable to members of the Company by the weighted average number of membership units outstanding during the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to prior years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, foreign currency monetary assets and liabilities are translated using the reporting date foreign exchange rate. Foreign currency non- monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non- monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Members' shares

Members' share issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Members' shares are accounted for in accordance with IFIRC 2 Members' Shares in Co-operative Entities and Similar Instruments ("IFRIC 2"). In accordance with IFRIC 2, dividends to holders of equity instruments are recognized directly in equity. Interest, dividends, and other returns relating to financial instruments classified as financial liabilities are expenses, regardless of whether those amounts paid are legally characterized dividends, interest or otherwise.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Recent accounting pronouncements

The following accounting standards were issued but not yet effective as of December 31, 2015:

IFRS 7 – Financial Instruments: Disclosure
IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IAS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The company is currently evaluating the impact this standard is expected to have on its financial instruments.

IFRS 9 - Financial Instruments
The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which intends to reduce the complexity in the classification and measurement of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements (continued)

IFRS 15 - Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfer of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

IFRS 16 - Leases
IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its financial instruments.

4. COMPANY FINANCING CONTINGENCY PLAN

The Company is financially backed by OLabs Ventures LLC ("OLabs"). OLabs serves as an incubation platform for multiple companies, Versus LLC included. The members of OLabs include Originate, Inc., a software and product consultancy, and Mannatt, Phelps, & Philips (MPP), a law firm. Originate and MPP have contributed the necessary labor and capital to date in order to develop the company. Should the proposed transaction with Opal Energy Corp. (Note 6 and Note 9) not go as planned then OLabs, as the managing member of the Company, intends to reduce the cash burn rate and continue to support the Company for the foreseeable future until such time as the Company is able to raise a private or public financing. The operational expenses incurred by the Company is paid for by OLabs in exchange for membership interest whereby OLabs holds 7,325 of Class A memberships representing a percentage interest of 73.25% (Note 7).

5. PREPAID EXPENSES

During the year ended December 31, 2015, the Company entered into a services contract with a related party to develop its proprietary video game and e-sports tournament software. As per the agreement, the Company is required to pay a deposit of $62,500 which is to be applied to the final project invoice at the conclusion of the project.

As of March 31, 2016, work has commenced on the development of the Company's proprietary video game and e-sports tournament software resulting in the consumption of the prepaid deposit.

6. ADVANCES

During the year ended December 31, 2015, the Company entered into a proposed transaction with Opal Energy Corp. ("Opal") whereby Opal will acquire all of the issued and outstanding membership interests of the Company through a proposed business combination. As per terms of the agreement, Opal advanced $250,000 to the Company. The Company is entitled to the advance should the transaction be terminated for any reason other than termination due to Company's material breach, default, gross negligence, willful misconduct, or fraud.

7. SHARE CAPITAL

Authorized membership interests

The Company has authorized 7,325 units of Class A membership without par value. As of March 31, 2016, 7,325 of Class A memberships are held by OLabs Venture LLC (December 31, 2015 – 7,325). Class A membership units control governance and any new memberships of this unit type will require unanimous approval of members.

The Company has authorized 2,675 units of Class B membership without par value. As of March 31, 2015, 1,625 Class B memberships are held by various management personnel of the Company (December 31, 2015 – 1,625). A total of 1,050 units of Class B memberships are held as an incentive pool subject to release at the discretion of the Company. Class B membership units are profit interest units and used to retain employees and advisors.

Stock options

For the three month period ended March 31, 2016, the Company had Nil (December 31, 2015 – Nil) stock options issued and outstanding.

Warrants

For the three month period ended March 31, 2016, the Company had Nil (December 31, 2015 – Nil) warrants issued and outstanding.

Contributed surplus

During the year ended December 31, 2015, members of the Company contributed $228,123 (December 31, 2014 - $529,274) to fund the Company's operation; no cash was received by the Company as all operational expenses was paid for by the members. All of the contributions are in the normal course of business and are measured at fair market values.

No contribution from members was made during the three month period ended March 31, 2016.

8. RELATED PARTY TRANSACTIONS

For the three months ended March 31, 2016, Company entered into the following transactions with related parties:

a) Incurred consulting fees of $179,076 (March 31, 2015 - $73,111) to Originate, a contributing member of the Company.
b) Incurred management fees of $19,315 (March 31, 2015 - $12,085) to Matthew Pierce, CEO and director of the Company.
c) Incurred legal fees of $Nil (March 31, 2015 - $7,583) to Manatt, Phelps & Philips, LLP, a contributing member of the Company.

The following balances are due to related parties:

		March 31 2016		December 31, 2015
Contributing members of the Company	$	5,030	$	-
Directors of the Company		2,530		-
	$	**7,560**	**$**	**-**

These transactions were incurred in the normal course of operations and is measured at fair market value.

9. OPAL TRANSACTION

On March 18, 2016, the Company entered into a binding arm's length acquisition agreement with Opal Energy Corp. ("Opal"), pursuant to which Opal will acquire voting control of all of the issued and outstanding securities of the Company (the "Transaction"). The Transaction is subject to a number of terms and conditions including (among other things) the approval of the Canadian Securities Exchange. Upon completion of the Transaction, Versus will become an indirect wholly-owned subsidiary of Opal and Opal will change its name to "Versus Systems Inc.", or such other name as the parties may reasonably agree upon. The combined entity will continue the business of Versus.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable. The fair values of cash and accounts payable approximate their carrying values because of their current nature.

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

10. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The financial instruments recorded at fair value on the statements of financial position are comprised of cash and accounts payable which is measured using Level 1 of the fair value hierarchy. There were no significant transfers between Level 1 and Level 2. As at March 31, 2016 the Company has no other financial instruments that require disclosure under the fair value hierarchy.

Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at March 31, 2016, the Company's exposure is the carrying value of the financial instruments.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

Market risk

Market risk consists of foreign exchange risk and interest rate risk. These are discussed further below.

10. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Market risk (continued)

Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial assets denominated in the American dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

As at March 31, 2016, the Company did not have any financial assets and liabilities that are denominated in any foreign currency.

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

11. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of contributions from its members.

There were no changes in the Company's approach to capital management. The Company is not subject to any externally imposed capital requirements.

11. CAPITAL MANAGEMENT

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2016	December 31, 2015
Fair value through profit and loss:		
Cash	$ 32,989	$ 174,080
	$ 32,989	$ 174,080

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2016	December 31, 2015
Non-derivative financial liabilities:		
Accounts payable and accrued liabilities	$ 29,430	$ 15,000
Advances (Note 6)	250,000	250,000
	$ 279,430	$ 265,000

12. SUBSEQUENT EVENTS

There are no subsequent events.

VERSUS LLC. MANAGEMENTS DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

General

This Management's Discussion and Analysis ("MD&A") of Versus LLC. ("Versus" or the "Company") is dated April 7, 2016 and provides an analysis of Versus' financial results for year ended December 31, 2015 ("FY2015") compared to the year ended December 31, 2014 ("FY2014").

The following information should be read in conjunction with the Company's December 31, 2015 and 2014 and period from August 21, 2013 to December 31, 2013 audited financial statements with accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The FY2015 F/S follow the same accounting policies and methods of computation as compared with the most recent fiscal financial statements.

This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions, including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of Company. Actual results could differ materially from those discussed in these forward-looking statements due to a number of factors. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.

All dollar figures are expressed in US dollars unless otherwise stated.

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements about our activities, events and developments that we expect to or anticipate may occur in the future including, for example, statements about our business outlook, assessment of market conditions, strategies, future plans and future sales. Forward-looking statements normally contain words like believe, expect, anticipate, plan, intend, continue, estimate, may, will, should and similar expressions. Such statements are not guarantees of future performance. They are based on management's expectations and assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances.

We have based these statements on estimates and assumptions that we believed were reasonable when the statements were prepared. Our actual results could be substantially different because of the risks and uncertainties associated with our business. Important risks that could cause such differences include, but are not limited to, the length of sales cycles, rapid technological advancement, competition, the availability of critical inputs, foreign exchange rate occurrences, and doing business in foreign countries. Additionally, differences could arise because of events that are announced or completed after the date of this report, including mergers, acquisitions, other business combinations and divestitures.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update any forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

Description of Business

Versus is a software company headquartered in Los Angeles, California. Versus has spent the last year working with software engineers from Originate, Inc. and attorneys from Manatt Phelps and Phillips LLP per the incubation agreement with Originate Labs, the initial investor in the project.

Versus has developed business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players. The Versus platform facilitates several types of multiplayer matches for prizes that include real-money, consumer packaged goods (CPG) and downloadable content (DLC). The Versus business model is to partner with existing video game developers and publishers to offer pay-to-play tournaments and matches of popular games, sharing a certain portion of the pay-to-play buy-in amount with the publisher/developers. The Resulting Issuer believes that the market for real-money video game matches will be very large, just as sports betting, daily fantasy sports, and e-sports have all become large and growing markets.

Versus is also in the process of prosecuting a number of patents in the areas of player verification and authentication, so that players' identities, ages, and locations can be assessed accurately prior to any real-money game is played. Versus also has filed, and is prosecuting patents in the area of conditional prize distribution, such that each player can receive prizes that are legal in their jurisdiction. The goal is to make the Versus platform legal for all players, of all ages, everywhere Versus-enabled games are played.

While Versus is working closely with a number of video game publisher/developers, the Versus platform is not currently available in any games and as such, Versus has never generated any revenue from operations.

The market for Versus-enabled games will initially be the United States and Canada, followed by expansion into Asia and Europe, according to the release schedules of the Versus developer/publisher partners. As Versus will be integrated directly into the games, the majority of the marketing spend/customer acquisition costs will be borne by the publisher developers when they release their games.

Discussions with potential publisher/developer partners have centered around a revenue-sharing model that will allow Versus to receive approximately 2% of the top-line buy-in amount for matches where real money is the prize and approximately 20% of the top-line buy-in amount for matches where downloadable content is the prize.

The Versus publisher/developer dashboard, the primary way that publisher/developer partners will interact with the Versus system, will allow our partners to "turn on" or "turn off" features, game types, and regions as the technology, business, and legal/regulatory environments evolve. For example, a publisher may choose to release only DLC prize tournaments in the United States initially before turning on real money gaming in the United States, or turning on DLC matches in Canada or the United Kingdom. They can also turn off features and regions selectively if business demands require it.

The current technology is in alpha/demo phase, with multiple patent claims filed. The business has secured letters of intent from multiple international publisher/developers and is on schedule to begin technical integration this year (2016) with the hope of releasing a Versus-enabled game within twelve (12) months of listing on the CSE.

Under Part 1 of National Instrument 51-102F1, following a reverse takeover, although the RTO acquiree (Opal) is the reporting issuer, the financial statements are those of the RTO acquirer (VERSUS). Those consolidated financial statements must be prepared and filed as if the RTO acquirer (VERSUS) has always been the reporting issuer.

As a result, this MD&A and the related audited financial statements are a continuation of the MD&As and financial statements of Versus with the comparative information being that of VERSUS.

The word "Company" in this MD&A will be in reference to the combined company for the period after the Arrangement and to Versus for the period prior to the Qualifying Transaction.

Selected Financial Information

The following sets out selected financial information from the Company's two most recently completed financial years and are derived from the Company's financial statements. Users of this information should read the following in conjunction with those statements thereto. The following figures are expressed in US dollars.

For the year ended	December 31, 2015 ($)	December 31, 2014 ($)	December 31, 2013 ($)
Revenue	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
Expenses	249,344	536,562	-
Operating Loss	(249,344)	(536,562)	-
Net Loss for the period	(249,344)	(536,562)	-
Total Assets	236,580	300	88
Total Liabilities	265,000	7,500	-
Total Shareholders' Equity	(28,420)	(7,200)	(88)

Overall Performance

The Company focused its efforts in 2015 on continued development of the Versus software platform and in developing early partnerships with gaming studios to integrate the software. No revenues occurred for the year. Overall expenses decreased from $536,562 in 2014 to $249,344 for FY 2015 primarily because of a decrease in the use of third party consultants to develop the software platform.

The company's pipeline for developer integration is significantly increased over the past fiscal year, with ongoing conversation with over 20 studios. To date, no sales backlog exists, nor any expectation for booking revenues until prototype development is complete and early integrations occur.

In order to continue to meet expected customer demand and fulfill projected growing order backlog, the Company will need and continues to pursue ongoing financing to facilitate growth and working capital, primarily for platform expansion and game integration. This will be mostly in the form of software development labor, either in-house or through third party providers of such services. The Company is confident that development and integrations can be ramped up to meet expected demand.

During the year ended December 31, 2015, the Company implemented new sales and marketing strategies to strengthen Versus's brand awareness. The Company re-launched their website to increase online presence to showcase Versus's full suite of products and software applications for the gaming marketplace. The Company continued to invest resources towards ongoing business development to grow the sales funnel. Such sales and marketing expenses include travelling, attending and participating in targeted industry tradeshows and exhibitions.

As part of the Company's corporate finance strategy, Versus entered into a binding letter of intent with Opal Energy Corp. ("Opal") in November of 2015 to be acquired. Opal is a listed company on the TSX.V exchange. The terms contemplate Opal selling additional securities to capitalize Versus with a minimum of $1,500,000 and up to $3,500,000 through subscribed private placements. The objective for capital raises is to continue to build sales and distribution, expand business development, product and software development, and facilitate working capital needs.

Selected Quarterly Information

Key financial information for each quarter of the 2015 fiscal year is summarized as follows, reported in US dollars:

Quarter ended	12/31/2015	9/30/2015	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014	3/31/2014
Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Gross Profit	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Expenses	62,761	54,214	38,115	94,254	159,646	99,650	122,804	154,462
Net Income (Loss)	(62,761)	(54,214)	(38,115)	(94,254)	(159,646)	(99,650)	(122,804)	(154,462)
Assets	236,580	300	300	300	300	300	300	300
Liabilities	265,000	7,500	7,500	7,500	7,500	300	300	300
Shareholders' Equity	(28,420)	(7,200)	(7,200)	(7,200)	(7,200)	-	-	-

Discussion of Fiscal Year Operations

Revenue

The company had no revenue in the current fiscal year of operations.

Gross Margins

The company had no gross margins in the current fiscal year of operations.

Operating Expenses

Overall operating expenses were $249,344 for the twelve months ended December 31, 2015, compared to $536,562 in the prior year, representing a 50% decrease. The majority of the decrease was in the area of consulting fees.

During the twelve months ended December 31, 2015, consulting expenses were $102,405, compared to $418,494 during the twelve months December 31, 2014, representing a 75% decrease. The decrease in Consulting expenses related to reduced spending on 3rd party software development partners to develop the Versus platform.

For the twelve months ended December 31, 2015, general and administrative expenses were $10,478, compared to $6,453 during prior year, representing a 62% increase. The increase to G&A expense is directly attributed to the growing outreach efforts regarding business development including increased travel and conference attendance.

Management fees expenses were $86,659 during the twelve months ended December 31, 2015, compared to $100,877 during the prior fiscal year, representing a 14% decrease. The Company expects to expand outreach efforts regarding business development in order to drive potential adoption of the Versus platform.

Profession fees increased to $49,802 for the twelve months ended December 31, 2015, compared to $10,738 for the prior fiscal year. The increase related to additional legal fees related to the proposed Reverse-Take-Over (RTO) with Opal Systems.

Outlook

The video game industry is over a $100 billion dollar market according to Gartner research and has seen enormous growth in the last ten years. In particular, the last five years have seen an explosion the category of paid downloadable content (DLC) where players purchase items and game elements online and they are downloaded into their PC, gaming console, or mobile device. Multiple publisher/developers made in excess of $1 billion dollars of revenue in 2015 having their players purchase in-game upgrades and content. King games was purchased by Blizzard in November of 2015 for $5.9 billion due in large part to King's history of creating games with significant DLC revenue streams.

There are multiple games that have over one million daily active users, including several competitive multiplayer games that have developed their own professional electronic sports (e-sports) communities. These e-sports competitions regularly draw spectators, both in-person and online in the millions. The DOTA world championships in 2015 were held at Madison Square Garden in New York, and more people watched the League of Legends world championship online than watched all of the 2015 Stanley Cup Finals combined. ESPN and their affiliates now carry news of major e-sports events, nearly half of the most-viewed YouTube channels are video game oriented, and Twitch, a live streaming platform specifically designed for video gamers, was sold to Amazon for nearly $1 billion.

There is an enormous appetite for competitive video gaming, and unlike fantasy gaming models where players wager on the performance of famous athletes, the Versus platform allows players to play against their friends directly, or challenge the world themselves to showcase their skills and win money and prizes. Versus has developed a technology that allows players to play their favorite games, legally, for real money and prizes.

The Market

The global video game market exceeds $100 billion per year and the online gaming (gambling) market according to H2 Gambling Capital and Statista is over $40 billion per year. In addition, according to Newzoo and Superdata, the e-sports market is projected to have a 20%+ compound annual growth rate over the next three years.

Versus works for every demographic. According to the Entertainment Software Association, over 45% of active US gamers in 2013 were women, and almost 70% were over 18, including 36% over age 35. Research suggests that there are over 90 million gamers in the US alone who are eligible (both by age and state of residence) for real-money video game tournaments, and according to Mintel, at least 25% of that number are eager to play for real money.

Versus Growth Strategy

Versus will work directly with video game publisher developers to integrate the Versus platform directly into games so that players can access the pay-to-play match functionality whenever they play their favorite games. This enterprise sales/business to business approach will take longer to execute than building a third party site where players must log in to the game as well as the stand-alone site – that said, this approach will yield a much better experience for players who will be able to play with less friction. It will also lower the customer acquisition cost for the platform as it will be readily available to the millions of regular players of our partner company's games, as opposed to a third party site where we would have to advertise directly to players to convince them that they should not only buy the game, but join the Versus platform as well.

Versus has already entered into agreements with multiple publisher developers to begin due diligence on direct-integration. With the funds that Versus is raising, we estimate that we will integrate into our first game in the next twelve months, although additional capital could speed up development and allow us to integrate into multiple games simultaneously.

Competition

Versus will face competition as a service provider in the PC, console, mobile and physical tournament markets. These markets vary by publisher as Versus provides integrated and licensed business-to-business (B2B) services. Every partner of Versus prioritizes select markets based upon their individual titles released on one or more of the following platforms: PC, console, mobile and physical tournaments.

Versus is focused on establishing its service offerings in North America with publishers with a global audience first, serving game developers and publisher's audiences in additional regions based upon mutual priorities as the business scales with partners. Global publishers at present emphasize North America, Europe, and Asia (specifically South Korea, Taiwan and China where PC eSports are mature).

There is limited direct competition with Versus at present, but this will likely increase as the business of eSports around both professional and amateur gaming competition matures. While Versus is unique in that it is a white-labeled B2B service providing in-game features serving partners' pre-existing player bases, companies such as World Gaming (previously Virgin Gaming), Major League Gaming (MLG) and the ESL (Electronic Sports League) provide physical professional tournaments and around-game tournament services for amateurs which include stakes and prizing.

Unikrn offers an eSports wagering service where people can watch and bet on eSports such as League of Legends, Counter-Strike and DOTA 2. Versus is different in that it allows the players to play the games for real money and other prizes rather than simply watching and wagering on professional players. Unlike fantasy sports, Versus allows the players a chance to play their friends, or play against all-comers, to better satisfy their competitive passions.

There are a number of other companies that are circling the pay-to-play tournament space, but none have focused on the legal and regulatory elements of pay-to-play tournaments in the same way that Versus has. Further, the Versus IP portfolio includes international patent filings that, if granted, would cover a number of key areas for prize-based video games, including player identification and conditional prizing, two elements that make the Versus platform legal for all players, everywhere.

While categorically competitive with Versus, many of these around-game offerings create player friction as the amateur players must register with third party services outside of their games of choice, play assigned matches and self-report their win/loss records. These services are also brand centric to third party providers, not developer/publisher centric like the Versus business model designed to address the maturation of eSport across the gaming industry. This is because the game industry is expanding from the traditional games-as-product or consumer packaged goods (CPG) model to games-as-service models. Previously, tournament competitions and eSports related activity were promotional events focused on supporting launch window sales of game releases. Tournament structures evolved as major game titles adopted annualized release schedules which permit activity structured across a "season" of player events like traditional sport. In more recent years, as free-to-play (F2P) game titles have seen explosive growth, eSports has shifted from a promotion at launch to become core to the strategy of marketing "games-as-service" models. Versus benefits from this as developer/publisher partners are taking more direct planning and ownership of eSports activity at the pro level and the services provided facilitate daily opportunities for amateur players.

Mobile games, with the largest addressable market of players, have seen early experimentation from competitors offering stakes with mixed results. Skillz, Gamblit, bSpot and others provide stakes for simple mobile games at present. Versus' core focus is with partners managing games and new intellectual property in genres with established cultures

in which the players value increased engagement when stakes elevate their experiences in contrast to games that would otherwise be ignored without the inclusion of stakes.

Future Product Roadmap

Beyond the development of the pay-to-play platform and the integration into popular, global PC and console games, Versus is already preparing additional intellectual property and software roadmaps for the next stage of development. Versus plans to take advantage of the large and growing video game spectator market by working with multiple distribution channels including YouTube, Twitch, and even the traditional media of television. We believe that viewers who already consume video game content at astonishing rates will be even more engaged with the addition of gaming stakes.

Versus is also pursuing a number of patents in and around the gaming/gambling space that could make the portfolio easier to license, or more valuable to any number of players in the entertainment vertical. The fundraising will enable Versus to prosecute additional patents, develop new technologies, and become a key part of the large, and growing e-sports universe.

Liquidity and Capital Resources

At December 31, 2015, the Company had cash of $174,080, and working capital of $(37,467) compared to $300 and $(7,500), respectively, at December 31, 2014.

Cash used in operating activities was $304,344 for the twelve month period ended December 31, 2015, compared to cash used in operating activities of $529,062 for the twelve month period ended December 31, 2014. The decrease is attributable to lower expenses related to initial development work on the Versus gaming platform.

No cash was used in investing activities in 2015 or in 2014.

Cash provided from Financing in 2015 was $478,124 compared to $529,274 in the twelve months ended December 31, 2014. In the 4th quarter of 2015, Opal Energy Corp., as part of the Letter of Intent, advanced the company $250,000 to fund operations. During the previous three quarters, the existing members increased contributions to the company by $219,377. The 2014 Cash from Financing was $529,274 from increased member contributions.

The financial statements have been prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern which contemplates the realization of asset and settlement of liabilities in the normal course of business for the foreseeable future. The Company has experienced operating losses and cash outflow from operations as a result its product development and business development activities in its core markets. Through these initiatives, the Company is advancing towards its ability to offer a product to market and generate sales. However, the timing of when products may be ready for market may be impacted by issues that are outside of the Company's control and as a result the Company strategy to increase its sales and business development efforts may require ongoing financing.

The Company has a net loss of $249,344 for the twelve months ended December 31, 2015 (2014 – $536,562 & 2013 - $Nil) and has a working capital of $(37,467) at December 31, 2015, and at December 31, 2014, $(7,500). The Company had cash of $174,080 at December 31, 2015 (December 31, 2014 - $300 & December 31, 2013 - $Nil), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to continue to support the operations with financing initiatives primarily through, but not limited to, the issuance of equity. The company has entered into a definitive agreement to be acquired by Opal Systems, and as part of that transaction, intends raise additional equity capital. Alternative financing options may include obtaining bank credit facilities and short-term loans from third parties, or loans from related parties. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures.

The Company has primarily obtained its main source of funding from equity issuances, though it will consider all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or part. There can be no assurance of continued access to finance in the future, and an ability to secure such finance may require the Company to substantially curtail operations and sales and marketing activities.

Prepaid Expenses

In the normal course of business, the company enters into service agreements with suppliers which sometimes require deposits for services to be rendered. As of December 31, 2015, the company had $62,500 on deposit for software development services with a related party. The company expects to fully use the deposited funds within the next fiscal year.

Capital Structure

As at the date of this MD&A, the Company has authorized 7,325 Class A Units and 2,675 Class B Units for issuance of which 7,325 Class A Units is outstanding and 1,625 Class B units is outstanding. There are no options or warrants outstanding as of the date of this MD&A. Of the Class B Units, 1,050 units are held in an incentive pool and are reserved for current and/or future employees and advisors.

	Class A Units	**Class B Units**
Balance – August 21, 2013 (inception)	-	-
Issuance of founder shares	7,325	1,500
Balance – December 31, 2014	7,325	1,500
Incentive Shares for Additional Management	-	125
Balance – December 31, 2015	7,325	1,625

During the twelve months ended December 31, 2015, 125 Class B units were issued to additional management hires.

During the year ended December 31, 2014, the Company did not issue any units.

At inception of the Company, 7,325 Class A units and 1,500 Class B units were issued to founds of the Company.

Use of Financial Instruments

The Company classifies all financial instruments as either financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial instruments are measured at amortized cost.

The Company has designated its cash as FVTPL, which is measured at fair value. Trade receivables and other receivables are classified as loans and receivables, which are measured at amortized cost. Trade and other payables are classified as other financial liabilities which are measured at amortized cost.

Financial Risk Management

The financial risks arising from the Company's operations are credit risk, liquidity risk, interest rate risk, and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and accounts receivable. This risk related to cash is managed through the use of a major financial institution which has high credit quality as determined by the rating agencies. Accounts receivable mainly consists of receivables from its customers.

In order to reduce its credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits. In some cases, the Company requires bank letters of credit or subscribes to credit insurance.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows, as well as future equity and debt financing.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

Currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding its cash and cash equivalents in US and Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and statement of financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to hedge a portion of foreign currency fluctuations.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Related Party Transactions

The Company's related parties includes key management personnel and companies related by way of directors and shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

(a) Key Management Personnel Compensation

	December 31, 2015	December 31, 2014	December 31, 2013
Salaries and short-term benefits	$ 86,659	$ 100,877	$ -
	$ 86,659	$ 100,877	$ -

Key management includes the Company's Board of Directors and members of senior management.

(b) Other Related Party Transactions

On December 1, 2015, the Company entered into a services agreement for software development services with a related party of which the Company has paid a deposit of $62,500.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities, inventory valuation and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Allowances for Doubtful Accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

Accounting Standards and Amendments Issued but Not Yet Adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended December 31, 2015:

IFRS 9 'Financial Instruments: Classification and Measurement' was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 Financial Instruments – Recognition and measurement 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 (loss). Where such equity instruments are measured at fair value through other comprehensive income (loss), 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 (loss) indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, 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 (loss). The effective date of these amendments has not yet been determined. The Company has not yet assessed the impact of the adoption of IFRS 9 on its financial performance or its financial position.

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of the adoption of this standard on its financial performance or its financial condition.

Risk Factors

The following are major risk factors management has identified which relate to the Company's business activities. Such risk factors could materially affect the Company's future financial results, and could cause events to differ materially from those described in forward-looking statements relating to the Company. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

Capitalization and Commercial Viability

The Company will require additional funds to continue operations. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of

equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the curtailment of operations, liquidation of assets, seeking additional capital on less favourable terms and/or other remedial measures.

History of Operating Losses

The Company has an accumulated deficit since its incorporation through December 31, 2015 of $785,906. The deficit may increase in the near term, as the Company continues its product development and establishes sales channels for its new products.

General Economic Conditions

The Company currently operates in Canada and the United States and, like all global businesses, it has been subject to the impact of the current global credit and financial crisis on consumers in its areas of operations and the discretionary spending available to them. General economic conditions have resulted in reduced consumer and government spending and have impacted the Company's financial results. Should these conditions continue to prevail, there will be further pressure on the Company's financial results.

Key Employees

The success of the Company is largely dependent on the performance of its key employees and directors. The failure to retain key employees and directors and to attract and retain additional key employees with necessary skills could have a material adverse impact upon the Company's growth and profitability. Competition for highly skilled management, technical and other employees is intense. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the departure of any of the members of the Company's executive team or key directors could have a material adverse effect on the Company's business, results of operations and financial condition.

Supply Chain

The Company has single-sourced supplier relationships, either because alternative sources are not readily or economically available or because the relationship is advantageous due to performance, quality, support, delivery, capacity, or price considerations. If these sources are unable or unwilling to supply services or products in a timely and reliable manner, the Company could experience temporary distribution interruptions, delays, or inefficiencies, adversely affecting our results of operations. Even where alternative suppliers are available, qualification of the alternatives and establishment of reliable suppliers could result in delays affecting operating results adversely.

New Products and Technology Change Risk

The Company operates in a competitive marketplace; there are no guarantees that the Company can maintain or expand its advantages. The Company invests significant resources in the development of products and continually seeks to improve its current product offerings. The success of the Company continues to depend upon market acceptance of its new products, its existing products and its ability to refine and enhance current product lines. In some situations new legislation is driving requirements for various subsets of the Company's products particularly in the area of gaming. Should legislation change or public opinion change relating to various issues surrounding skill-based gaming, there would be no guarantee that the Company would maintain sales of these products.

Competition

The Company's markets are competitive and rapidly changing. Many competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater name recognition and a larger installed customer base. As this market develops, a number of companies with greater resources could attempt to increase their presence in this market by acquiring or forming strategic alliances with our competitors or business partners.

The Company's success will depend significantly on management's ability to adapt to these competing forces, to develop more advanced products more rapidly and less expensively than our competitors, and to educate potential customers as to the benefits of using the Company's services. The Company's future and existing competitors could introduce products with superior features, scalability and functionality at lower prices than our products and could bundle existing or new products with other more established products in order to compete with the Company. The Company expects additional competition from other established and emerging companies. Increased competition may result in price reductions, reduced gross margin and loss of market share, any of which could materially and adversely affect the Company's business. The Company may not be able to compete successfully against current and future competitors, and failure to do so would harm the business.

Ability to Maintain Profitability and Manage Growth

There can be no assurance that the Company's business and growth strategy will enable the Company to be profitable in the future. The Company's future operating results will depend on a number of factors, including (i) the efficiency and effectiveness of the Company's marketing and advertising programs, (ii) the Company's ability to continuously improve its service to achieve new and enhanced customer benefits, better quality service and reduced costs, (iii) the Company's ability to successfully identify and respond to emerging trends in the security industry, (iv) the level of competition in the security industry and (v) the ability to manage attrition level and subscriber replacement costs. There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations.

Intellectual Property Risks

The Company has taken steps to protect its proprietary technology. The Company relies on a combination of trademark, trade secrets, patents, laws and other intellectual property protection methods to protect its proprietary technology. These steps may not completely protect the Company's proprietary technology, nor give it a competitive edge. Others may independently develop substantially equivalent technology or gain access to our trade secrets. If the Company is unable to protect its intellectual property, the business over time could be materially affected. The Company will pursue all avenues available to it, if necessary, to enforce its patents, and to protect its trademarks and other intellectual property rights owned by the Company.

Technological Change, New Products and Standards

The technology industry is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render the Company's existing products and systems obsolete. The Company's products employ complex technology and may not always be compatible with current and evolving technical standards and products developed by others. Failure or delays by the Company to meet or comply with the requisite and evolving industry or user standards could have a material adverse effect on the Company's business, results of operations and financial condition.

Intellectual Property Risks

Because much of the Company's potential success and value lies in its ownership and use of intellectual property, its failure to protect its intellectual property may negatively affect its business and value. The Company typically enters into confidentiality or license agreements with its employees, consultants, customers, strategic partners and vendors in an effort to control access to and distribution of its products, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the Company's proprietary technology without authorization.

Reliance on Information Systems and Technology

The Company's business relies upon information technology systems to effectively service its customers at the point of sale. Its information technology systems may be vulnerable to unauthorized access, computer viruses, system failures, other malicious acts or acts of nature. Should a significant disruption to its information technology to occur, the Company's earnings could be adversely affected through loss of revenue and the costs to rectify the disruption. The Company is in an industry with many competitors that lay claim to intellectual property. The Company may receive notice from a third party asserting the Company has infringed on their intellectual property rights. As a result of such claims the Company's earnings could be adversely affected by costly litigation, product injunctions or

consumption of management attention. The Company may also be required to expend significant capital and resources to protect against the threat of security, encryption and authentication technology breaches or to alleviate problems caused by such breaches.

Reliance on Third Party Licenses

The Company relies on certain software that it licenses from third parties, including a software program that is integrated with internally developed software and used in the Company's products to perform key functions. There can be no assurance that these third-party licenses will continue to be available to the Company on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses, could result in delays or reductions in product and service deployment until equivalent software can be developed, identified, licensed and integrated, which could materially adversely affect the Company's business, results of operations and financial condition.

Effectiveness and Efficiency of Sales and Marketing Expenditures

The Company's future growth and profitability will be dependent in part on the effectiveness and efficiency of the Company's sales and marketing expenditures, including the ability of the Company to (i) create greater awareness of the Company's products and services, (ii) determine the appropriate messaging and media mix for future sales and marketing expenditures, and (iii) effectively manage sales and marketing costs in order to maintain acceptable operating margins. There can be no assurance that the Company will experience benefits from sales and marketing expenditures in the future. In addition, no assurance can be given that the Company's planned sales and marketing expenditures will result in increased sales, will generate sufficient levels of product and service awareness or that the Company will be able to manage such sales and marketing expenditures on a cost-effective basis.

Product Liability

The Company faces the inherent risk of exposure to product liability claims in the use of their products. While there will be continued attempts to take appropriate precautions including the purchase of liability insurance, there can be no assurance that the Company will avoid significant product liability exposure. There can be no assurance that adequate insurance coverage for future coverage for future commercial activities will be available at all, or at acceptable cost, or that a product liability claim would not materially adversely affect the business or financial condition.

Risk Associated with International Operations

Management of the Company believes that its future growth and profitability opportunities will require expansion of its sales further in the United States and into other foreign markets. This expansion will require significant management attention and financial resources and could adversely affect the Company's operating margins. In order to increase international sales in subsequent periods, the Company may establish additional foreign operations, incur substantial infrastructure costs, hire additional personnel and recruit international resellers. To the extent that the Company is unable to expand international sales in a timely and cost-effective manner, the Company's business, results of operations and financial condition could be materially adversely affected. In addition, even with the possible recruitment of additional personnel and international resellers, there can be no assurance that the Company will be successful in maintaining or increasing international market demand for the Company's products and services. In the future, it is expected that a portion of revenues may be realized in other foreign currencies as a result of international sales. The Company may use hedges to mitigate the risk of foreign currency exposure.

Key Employees

The success of the Company is largely dependent on the performance of its key employees and directors. Failure to retain key employees and directors and to attract and retain additional key employees with necessary skills could have a material adverse impact upon the Company's growth and profitability. Competition for highly skilled management, technical and other employees is intense. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the departure of any of the members of the Company's executive team or key directors could have a material adverse effect on the Company's business, results of operations and financial condition.

Expansion

The success of the Company's continued expansion will depend upon many factors, including the ability of the Company to maintain acceptable attrition rates and control of operating costs and generate positive cash flow over an extended period. There can be no assurance that the Company will be able to grow or achieve its continued expansion. Such risks, if they materialize, could have a material adverse effect on the Company's business, financial

condition, liquidity and results of operations.

Available Workforce

Our continued success will depend on the performance and continued service of the Company's employees. We rely on the ability to attract new engineers, research and development staff, production personnel and key sales and marketing employees. During the coming year, we will continue to develop our employees and search for key new hires, however there is no assurance that the Company will be able to retain existing personnel or attract, hire and retain additional qualified personnel.

Possible Adverse Effect of Future Government Regulations

The Company's operations are subject to a variety of laws, regulations and licensing requirements of federal, state, county, and municipal authorities. The loss of such licenses, or the imposition of conditions to the granting or retention of such licenses, could have a material adverse effect on the Company. The Company believes that it is in material compliance with applicable laws and regulatory requirements.

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting to provide reasonable assurance that material information about the Company would have been known to them and regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The CEO and CFO have evaluated and concluded that the Company's disclosure controls and procedures are adequate and effective for providing reasonable assurance that material information relating to the Company, would have been known to them as of the year ended December 31, 2015.

As well, as of the end of the year ended December 31, 2015, the CEO and CFO have evaluated and concluded that the Company's internal controls over financial reporting have been adequate to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. However, control systems, no matter how well designed and operated, have inherent limitations, therefore, those systems, although determined to be adequately designed, can provide only reasonable assurance that the objectives of the system are met.

During the year ended December 31, 2015, there was no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

VERSUS LLC. MANAGEMENTS DISCUSSION & ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2016

General

This Management's Discussion and Analysis ("MD&A") of Versus LLC. ("Versus" or the "Company") is dated June 7, 2016 and provides an analysis of Versus' financial results for three month period ended March 31, 2016 ("Q1 2016") compared to the quarter ended March 31, 2015 ("Q1 2015").

The following information should be read in conjunction with the Company's March 31, 2016 unaudited financial statements with accompanying notes and December 31, 2015 audited financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Q1 2016 financial statements follow the same accounting policies and methods of computation as compared with the most recent fiscal financial statements.

This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions, including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of Company. Actual results could differ materially from those discussed in these forward-looking statements due to a number of factors. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.

All dollar figures are expressed in US dollars unless otherwise stated.

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements about our activities, events and developments that we expect to or anticipate may occur in the future including, for example, statements about our business outlook, assessment of market conditions, strategies, future plans and future sales. Forward-looking statements normally contain words like believe, expect, anticipate, plan, intend, continue, estimate, may, will, should and similar expressions. Such statements are not guarantees of future performance. They are based on management's expectations and assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances.

We have based these statements on estimates and assumptions that we believed were reasonable when the statements were prepared. Our actual results could be substantially different because of the risks and uncertainties associated with our business. Important risks that could cause such differences include, but are not limited to, the length of sales cycles, rapid technological advancement, competition, the availability of critical inputs, foreign exchange rate occurrences, and doing business in foreign countries. Additionally, differences could arise because of events that are announced or completed after the date of this report, including mergers, acquisitions, other business combinations and divestitures.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update any forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

Description of Business

Versus is a software company headquartered in Los Angeles, California. Versus has spent the last year working with software engineers from Originate, Inc. and attorneys from Manatt Phelps and Phillips LLP per the incubation agreement with Originate Labs, the initial investor in the project.

Versus has developed business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players. The Versus platform facilitates several types of multiplayer matches for prizes that include real-money, consumer packaged goods (CPG) and downloadable content (DLC). The Versus business model is to partner with existing video game developers and publishers to offer pay-to-play tournaments and matches of popular games, sharing a certain portion of the pay-to-play buy-in amount with the publisher/developers. The Resulting Issuer believes that the market for real-money video game matches will be very large, just as sports betting, daily fantasy sports, and e-sports have all become large and growing markets.

Versus is also in the process of prosecuting a number of patents in the areas of player verification and authentication, so that players' identities, ages, and locations can be assessed accurately prior to any real-money game is played. Versus also has filed, and is prosecuting patents in the area of conditional prize distribution, such that each player can receive prizes that are legal in their jurisdiction. The goal is to make the Versus platform legal for all players, of all ages, everywhere Versus-enabled games are played.

While Versus is working closely with a number of video game publisher/developers, the Versus platform is not currently available in any games and as such, Versus has never generated any revenue from operations.

The market for Versus-enabled games will initially be the United States and Canada, followed by expansion into Asia and Europe, according to the release schedules of the Versus developer/publisher partners. As Versus will be integrated directly into the games, the majority of the marketing spend/customer acquisition costs will be borne by the publisher developers when they release their games.

Discussions with potential publisher/developer partners have centered around a revenue-sharing model that will allow Versus to receive approximately 2% of the top-line buy-in amount for matches where real money is the prize and approximately 20% of the top-line buy-in amount for matches where downloadable content is the prize.

The Versus publisher/developer dashboard, the primary way that publisher/developer partners will interact with the Versus system, will allow our partners to "turn on" or "turn off" features, game types, and regions as the technology, business, and legal/regulatory environments evolve. For example, a publisher may choose to release only DLC prize tournaments in the United States initially before turning on real money gaming in the United States, or turning on DLC matches in Canada or the United Kingdom. They can also turn off features and regions selectively if business demands require it.

The current technology is in alpha/demo phase, with multiple patent claims filed. The business has secured letters of intent from multiple international publisher/developers and is on schedule to begin technical integration this year (2016) with the hope of releasing a Versus-enabled game within twelve (12) months of listing on the CSE.

Selected Financial Information

The following sets out selected financial information from the Company's two most recently completed financial years and are derived from the Company's financial statements. Users of this information should read the following in conjunction with those statements thereto. The following figures are expressed in US dollars.

For the year ended	December 31, 2015 ($)	December 31, 2014 ($)	December 31, 2013 ($)
Revenue	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
Expenses	249,344	536,562	-
Operating Loss	(249,344)	(536,562)	-
Net Loss for the period	(249,344)	(536,562)	-
Total Assets	236,580	300	88
Total Liabilities	265,000	7,500	-
Total Shareholders' Equity	(28,420)	(7,200)	(88)

Overall Performance

The Company focused its efforts through March 31, 2016 on continued development of the Versus software platform and in developing early partnerships with gaming studios to integrate the software. No revenues occurred for the quarter. Overall expenses increased from $94,254 in Q1 2015 to $218,020 for Q1 2015 primarily because of an increase in the use of third party consultants to develop the software platform.

The company's pipeline for developer integration is significantly increased over the past fiscal year, with ongoing conversation with over 20 studios. To date, no sales backlog exists, nor any expectation for booking revenues until prototype development is complete and early integrations occur.

In order to continue to meet expected customer demand and fulfill projected growing order backlog, the Company will need and continues to pursue ongoing financing to facilitate growth and working capital, primarily for platform expansion and game integration. This will be mostly in the form of software development labor, either in-house or through third party providers of such services. The Company is confident that development and integrations can be ramped up to meet expected demand.

During the quarter ended March 31, 2016, the Company continued to invest resources towards ongoing business development to grow the sales funnel. Such sales and marketing expenses include travelling, attending and participating in targeted industry tradeshows and exhibitions.

Selected Quarterly Information

Key financial information for the last eight quarters is summarized as follows, reported in US dollars:

Quarter ended	3/31/ 2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Gross Profit	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Expenses	$218,021	62,761	54,214	38,115	94,254	159,646	99,650	122,804

Net Income (Loss)	(218,021)	(62,761)	(54,214)	(38,115)	(94,254)	(159,646)	(99,650)	(122,804)
Assets	32,989	236,580	300	300	300	300	300	300
Liabilities	279,430	265,000	7,500	7,500	7,500	7,500	300	300
Members' Surplus (Deficiency)	(246,441)	(28,420)	(7,200)	(7,200)	(7,200)	(7,200)	-	-

Discussion of Fiscal Year Operations

Revenue

The company had no revenue in the current fiscal year of operations.

Gross Margins

The company had no gross margins in the current fiscal year of operations.

Operating Expenses

Overall operating expenses were $218,021 for the three months ended March 31, 2016, compared to $94,254 in the three months ended March 31, 2015, representing an increase of $142,189. The majority of the increase was in the area of consulting fees.

During the three months ended March 31, 2016, consulting expenses were $179,076, compared to $73,111 during the three months March 31, 2015, representing a 145% increase. The increase in Consulting expenses related primarily to increased spending on 3rd party software development partners to develop the Versus platform.

For the three months ended March 31, 2016, general and administrative expenses were $9,299, compared to $1,475 during the three months ended March 31, 2015, representing a 530% increase. The increase to G&A expense is directly attributed to the growing outreach efforts regarding business development including increased travel and conference attendance.

Management fees expenses were $19,315 during the three months ended March 31, 2016, compared to $12,085 during the three months ended March 31, 2015, representing a 60% increase. The Company expects to expand outreach efforts regarding business development in order to drive potential adoption of the Versus platform.

Profession fees increased to $10,330 for the three months ended March 31, 2016, compared to $7,583 for the three months ended March 31, 2016, representing a 36% increase. The increase related to additional legal and accounting fees related to the proposed acquisition by Opal Energy.

Proposed Transaction

On March 16, 2016, the Company entered into an Acquisition Agreement (the "Agreement") with Opal Energy, Inc. ("Opal") which sets out the terms of a business acquisition wherein Opal will acquire all of the issued and outstanding ownership interests ("Versus Units") of the Company. Opal Energy is a mining company based in Canada which is reorganizing its business to cease mining operations and instead focus on the gaming industry such that the acquired Versus operations will be the primary operations of the resulting entity. Opal was traded on the TSX.V stock exchange and intends to list on the CSE upon the close of the Versus acquisition.

Under the terms of the Agreement, the transaction will proceed as follows:

a) Opal will advance US$250,000 (the "Advance") to the Company (advanced);

b) Opal will organize a new United States subsidiary ("Newco");

c) Opal will buy approximately 37.5% of the Versus Units from the existing members of the Company (the "Selling Members") for an aggregate cash payment of US$1,500,000 (the "Initial Payment");

d) All Versus Units will be contributed to Newco in exchange for shares of Newco, and the shares of Newco issued to the Selling Members shall be exchangeable into common shares of Opal with a total value of

US$2,500,000, representing approximately 30% of the issued and outstanding common shares of Opal after the Concurrent Financing (Defined in (e) below), and common share purchase warrants with a total value of US$1,250,000 and an exercise price of $0.20 per share for a period of 36 months from the date of closing; and

e) Opal will complete an equity financing (the "Concurrent Financing") to raise a minimum gross proceeds of US$3,000,000, inclusive of the Initial Payment, at a price not less than $0.20 per unit ("Unit"). Each Unit will consist of one common share and one half of a common share purchase warrant wherein each whole warrant is exercisable into a common share at a price of $0.40 per share for a period of 24 months from the closing date of the Concurrent Financing.

This transaction is subject to a number of conditions including, but not limited to, regulatory and shareholder approval, and the completion of the Concurrent Financing.

Should the transaction be terminated due to the material breach, default, gross negligence, willful misconduct or fraud of the Company under this Agreement, then the Company shall repay the Advance to Opal within 30 calendar days of termination of the transaction. If the transaction is terminated for any other reason, then the Company shall be irrevocably entitled to the Advance, and within 10 days of such a termination, the Company shall issue Class A units of the Company to Opal with a percentage interest equal to 5.88% on a fully diluted basis.

A finder's fee of approximately 1,000,000 common shares will be payable in connection with the transaction, subject to acceptance and compliance with all CSE and regulatory policies.

Outlook

The video game industry is over a $100 billion dollar market according to Gartner research and has seen enormous growth in the last ten years. In particular, the last five years have seen an explosion the category of paid downloadable content (DLC) where players purchase items and game elements online and they are downloaded into their PC, gaming console, or mobile device. Multiple publisher/developers made in excess of $1 billion dollars of revenue in 2015 having their players purchase in-game upgrades and content. King games was purchased by Blizzard in November of 2015 for $5.9 billion due in large part to King's history of creating games with significant DLC revenue streams.

There are multiple games that have over one million daily active users, including several competitive multiplayer games that have developed their own professional electronic sports (e-sports) communities. These e-sports competitions regularly draw spectators, both in-person and online in the millions. The DOTA world championships in 2015 were held at Madison Square Garden in New York, and more people watched the League of Legends world championship online than watched all of the 2015 Stanley Cup Finals combined. ESPN and their affiliates now carry news of major e-sports events, nearly half of the most-viewed YouTube channels are video game oriented, and Twitch, a live streaming platform specifically designed for video gamers, was sold to Amazon for nearly $1 billion.

There is an enormous appetite for competitive video gaming, and unlike fantasy gaming models where players wager on the performance of famous athletes, the Versus platform allows players to play against their friends directly, or challenge the world themselves to showcase their skills and win money and prizes. Versus has developed a technology that allows players to play their favorite games, legally, for real money and prizes.

The Market

The global video game market exceeds $100 billion per year and the online gaming (gambling) market according to H2 Gambling Capital and Statista is over $40 billion per year. In addition, according to Newzoo and Superdata, the e-sports market is projected to have a 20%+ compound annual growth rate over the next three years.

Versus works for every demographic. According to the Entertainment Software Association, over 45% of active US gamers in 2013 were women, and almost 70% were over 18, including 36% over age 35. Research suggests that there are over 90 million gamers in the US alone who are eligible (both by age and state of residence) for real-money video game tournaments, and according to Mintel, at least 25% of that number are eager to play for real money.

Versus Growth Strategy

Versus will work directly with video game publisher developers to integrate the Versus platform directly into games so

that players can access the pay-to-play match functionality whenever they play their favorite games. This enterprise sales/business to business approach will take longer to execute than building a third party site where players must log in to the game as well as the stand-alone site – that said, this approach will yield a much better experience for players who will be able to play with less friction. It will also lower the customer acquisition cost for the platform as it will be readily available to the millions of regular players of our partner company's games, as opposed to a third party site where we would have to advertise directly to players to convince them that they should not only buy the game, but join the Versus platform as well.

Versus has already entered into agreements with multiple publisher developers to begin due diligence on direct-integration. With the funds that Versus is raising, we estimate that we will integrate into our first game in the next twelve months, although additional capital could speed up development and allow us to integrate into multiple games simultaneously.

Competition

Versus will face competition as a service provider in the PC, console, mobile and physical tournament markets. These markets vary by publisher as Versus provides integrated and licensed business-to-business (B2B) services. Every partner of Versus prioritizes select markets based upon their individual titles released on one or more of the following platforms: PC, console, mobile and physical tournaments.

Versus is focused on establishing its service offerings in North America with publishers with a global audience first, serving game developers and publisher's audiences in additional regions based upon mutual priorities as the business scales with partners. Global publishers at present emphasize North America, Europe, and Asia (specifically South Korea, Taiwan and China where PC eSports are mature).

There is limited direct competition with Versus at present, but this will likely increase as the business of eSports around both professional and amateur gaming competition matures. While Versus is unique in that it is a white-labeled B2B service providing in-game features serving partners' pre-existing player bases, companies such as World Gaming (previously Virgin Gaming), Major League Gaming (MLG) and the ESL (Electronic Sports League) provide physical professional tournaments and around-game tournament services for amateurs which include stakes and prizing.

Unikrn offers an eSports wagering service where people can watch and bet on eSports such as League of Legends, Counter-Strike and DOTA 2. Versus is different in that it allows the players to play the games for real money and other prizes rather than simply watching and wagering on professional players. Unlike fantasy sports, Versus allows the players a chance to play their friends, or play against all-comers, to better satisfy their competitive passions.

There are a number of other companies that are circling the pay-to-play tournament space, but none have focused on the legal and regulatory elements of pay-to-play tournaments in the same way that Versus has. Further, the Versus IP portfolio includes international patent filings that, if granted, would cover a number of key areas for prize-based video games, including player identification and conditional prizing, two elements that make the Versus platform legal for all players, everywhere.

While categorically competitive with Versus, many of these around-game offerings create player friction as the amateur players must register with third party services outside of their games of choice, play assigned matches and self-report their win/loss records. These services are also brand centric to third party providers, not developer/publisher centric like the Versus business model designed to address the maturation of eSport across the gaming industry. This is because the game industry is expanding from the traditional games-as-product or consumer packaged goods (CPG) model to games-as-service models. Previously, tournament competitions and eSports related activity were promotional events focused on supporting launch window sales of game releases. Tournament structures evolved as major game titles adopted annualized release schedules which permit activity structured across a "season" of player events like traditional sport. In more recent years, as free-to-play (F2P) game titles have seen explosive growth, eSports has shifted from a promotion at launch to become core to the strategy of marketing "games-as-service" models. Versus benefits from this as developer/publisher partners are taking more direct planning and ownership of eSports activity at the pro level and the services provided facilitate daily opportunities for amateur players.

Mobile games, with the largest addressable market of players, have seen early experimentation from competitors offering stakes with mixed results. Skillz, Gamblit, bSpot and others provide stakes for simple mobile games at present. Versus' core focus is with partners managing games and new intellectual property in genres with established cultures in which the players value increased engagement when stakes elevate their experiences in contrast to games that would otherwise be ignored without the inclusion of stakes.

Future Product Roadmap

Beyond the development of the pay-to-play platform and the integration into popular, global PC and console games, Versus is already preparing additional intellectual property and software roadmaps for the next stage of development. Versus plans to take advantage of the large and growing video game spectator market by working with multiple distribution channels including YouTube, Twitch, and even the traditional media of television. We believe that viewers who already consume video game content at astonishing rates will be even more engaged with the addition of gaming stakes.

Versus is also pursuing a number of patents in and around the gaming/gambling space that could make the portfolio easier to license, or more valuable to any number of players in the entertainment vertical. The fundraising will enable Versus to prosecute additional patents, develop new technologies, and become a key part of the large, and growing e-sports universe.

Liquidity and Capital Resources

At March 31, 2016, the Company had cash of $32,989, and working capital of $3,559 compared to $300 and $(7,200), respectively, at March 31, 2015.

Cash used in operating activities was $141,091 for the three month period ended March 31, 2016, compared to cash used in operating activities of $nil for the three month period ended March 31, 2015. The increase is attributable to higher expenses related to initial development work on the Versus gaming platform.

No cash was used in investing activities in 2016 to date or in 2015.

No cash was used in financing in the three months ended March 31, 2016. This compares to no cash used in financing in the three months ended March 31, 2015.

The financial statements have been prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern which contemplates the realization of asset and settlement of liabilities in the normal course of business for the foreseeable future. The Company has experienced operating losses and cash outflow from operations as a result its product development and business development activities in its core markets. Through these initiatives, the Company is advancing towards its ability to offer a product to market and generate sales. However, the timing of when products may be ready for market may be impacted by issues that are outside of the Company's control and as a result the Company strategy to increase its sales and business development efforts may require ongoing financing.

The Company had cash of $32,989 at March 31, 2016 (March 31, 2015 the Company had $300), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to continue to support the operations with financing initiatives primarily through, but not limited to, the issuance of equity.

The company has entered into a definitive agreement to be acquired by Opal Energy and as part of that transaction, intends raise additional equity capital. Alternative financing options may include obtaining bank credit facilities and short-term loans from third parties, or loans from related parties. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures.

The Company has primarily obtained its main source of funding from equity issuances, though it will consider all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or part. There can be no assurance of continued access to finance in the future, and an ability to secure such finance may require the Company to substantially curtail operations and sales and marketing activities.

Capital Structure

As at the date of this MD&A, the Company has authorized 7,325 Class A Units and 2,675 Class B Units for issuance of which 7,325 Class A Units is outstanding and 1,625 Class B units is outstanding. There are no options or warrants outstanding as of the date of this MD&A. Of the Class B Units, 1,050 units are held in an incentive pool and are

reserved for current and/or future employees and advisors.

	Class A Units	Class B Units
Balance – August 21, 2013 (inception)	-	-
Issuance of founder units	7,325	1,500
Balance – December 31, 2014	7,325	1,500
Incentive Shares for Additional Management	-	125
Balance – December 31, 2015	7,325	1,625
Issuance of units	-	-
Balance – March 31, 2016	7,325	1,625

During the three months ended March 31, 2016, the Company did not issue any units.

During the three months ended March 31, 2105, the Company did not issue any units.

At inception of the Company, 7,325 Class A units and 1,500 Class B units were issued to founders of the Company.

Use of Financial Instruments and Financial Risk Management

The Company classifies all financial instruments as either financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial instruments are measured at amortized cost.

The Company has designated its cash as FVTPL, which is measured at fair value. Trade receivables and other receivables are classified as loans and receivables, which are measured at amortized cost. Trade and other payables are classified as other financial liabilities which are measured at amortized cost.

Financial Risk Management

The financial risks arising from the Company's operations are credit risk, liquidity risk, interest rate risk, and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts. This risk related to cash is managed through the use of a major financial institution which has high credit quality as determined by the rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows, as well as future equity and debt financing.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

Currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding its cash and cash equivalents in US and Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and statement of financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to hedge a portion of foreign currency fluctuations.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Related Party Transactions

The Company's related parties includes key management personnel and companies related by way of directors and shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

(a) Key Management Personnel Compensation

	March 31, 2016	December 31, 2015	December 31, 2014
Salaries and short-term benefits	$ 19,315	$ 86,659	$ 100,877
	$ 19,315	$ 86,659	$ 100,877

Key management includes the Company's Board of Directors and members of senior management.

(b) Other Related Party Transactions

On December 1, 2015, the Company entered into a services agreement for software development services with a related party. By March 31, 2016, the Company has paid $154,076 related to software development.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities,

inventory valuation and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Allowances for Doubtful Accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

Accounting Standards and Amendments Issued but Not Yet Adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended March 31, 2016:

IFRS 9 'Financial Instruments: Classification and Measurement' was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 Financial Instruments – Recognition and measurement 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 (loss). Where such equity instruments are measured at fair value through other comprehensive income (loss), 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 (loss) indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, 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 (loss). The effective date of these amendments has not yet been determined. The Company has not yet assessed the impact of the adoption of IFRS 9 on its financial performance or its financial position.

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of the adoption of this standard on its financial performance or its financial condition.

Risk Factors

The following are major risk factors management has identified which relate to the Company's business activities. Such risk factors could materially affect the Company's future financial results, and could cause events to differ materially from those described in forward-looking statements relating to the Company. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

Capitalization and Commercial Viability

The Company will require additional funds to continue operations. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the curtailment of operations, liquidation of assets, seeking additional capital on less favourable terms and/or other remedial measures.

History of Operating Losses

The Company has an accumulated deficit since its incorporation through March 31, 2016 of $1,022,348. The deficit may increase in the near term, as the Company continues its product development and establishes sales channels for its new products.

General Economic Conditions

The Company currently operates in the United States and, like all global businesses, it has been subject to the impact of the current global credit and financial crisis on consumers in its areas of operations and the discretionary spending available to them. General economic conditions have resulted in reduced consumer and government spending and have impacted the Company's financial results. Should these conditions continue to prevail, there will be further pressure on the Company's financial results.

Key Employees

The success of the Company is largely dependent on the performance of its key employees and directors. The failure to retain key employees and directors and to attract and retain additional key employees with necessary skills could have a material adverse impact upon the Company's growth and profitability. Competition for highly skilled management, technical and other employees is intense. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the departure of any of the members of the Company's executive team or key directors could have a material adverse effect on the Company's business, results of operations and financial condition.

Supply Chain

The Company has single-sourced supplier relationships, either because alternative sources are not readily or economically available or because the relationship is advantageous due to performance, quality, support, delivery, capacity, or price considerations. If these sources are unable or unwilling to supply services or products in a timely and reliable manner, the Company could experience temporary distribution interruptions, delays, or inefficiencies, adversely affecting our results of operations. Even where alternative suppliers are available, qualification of the alternatives and establishment of reliable suppliers could result in delays affecting operating results adversely.

New Products and Technology Change Risk

The Company operates in a competitive marketplace; there are no guarantees that the Company can maintain or expand its advantages. The Company invests significant resources in the development of products and continually seeks to improve its current product offerings. The success of the Company continues to depend upon market acceptance of its new products, its existing products and its ability to refine and enhance current product lines. In some situations new legislation is driving requirements for various subsets of the Company's products particularly in the area of gaming. Should legislation change or public opinion change relating to various issues surrounding skill-based gaming, there would be no guarantee that the Company would maintain sales of these products.

Competition

The Company's markets are competitive and rapidly changing. Many competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater name recognition and a larger installed customer base. As this market develops, a number of companies with greater resources could attempt to increase their presence in this market by acquiring or forming strategic alliances with our competitors or business partners.

The Company's success will depend significantly on management's ability to adapt to these competing forces, to develop more advanced products more rapidly and less expensively than our competitors, and to educate potential customers as to the benefits of using the Company's services. The Company's future and existing competitors could introduce products with superior features, scalability and functionality at lower prices than our products and could bundle existing or new products with other more established products in order to compete with the Company. The Company expects additional competition from other established and emerging companies. Increased competition may result in price reductions, reduced gross margin and loss of market share, any of which could materially and adversely affect the Company's business. The Company may not be able to compete successfully against current and future competitors, and failure to do so would harm the business.

Ability to Maintain Profitability and Manage Growth

There can be no assurance that the Company's business and growth strategy will enable the Company to be profitable in the future. The Company's future operating results will depend on a number of factors, including (i) the efficiency and effectiveness of the Company's marketing and advertising programs, (ii) the Company's ability to continuously improve its service to achieve new and enhanced customer benefits, better quality service and reduced costs, (iii) the Company's ability to successfully identify and respond to emerging trends in the security industry, (iv) the level of competition in the security industry and (v) the ability to manage attrition level and subscriber replacement costs.

There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations.

Intellectual Property Risks

The Company has taken steps to protect its proprietary technology. The Company relies on a combination of trademark, trade secrets, patents, laws and other intellectual property protection methods to protect its proprietary technology. These steps may not completely protect the Company's proprietary technology, nor give it a competitive edge. Others may independently develop substantially equivalent technology or gain access to our trade secrets. If the Company is unable to protect its intellectual property, the business over time could be materially affected. The Company will pursue all avenues available to it, if necessary, to enforce its patents, and to protect its trademarks and other intellectual property rights owned by the Company.

Technological Change, New Products and Standards

The technology industry is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render the Company's existing products and systems obsolete. The Company's products employ complex technology and may not always be compatible with current and evolving technical standards and products developed by others. Failure or delays by the Company to meet or comply with the requisite and evolving industry or user standards could have a material adverse effect on the Company's business, results of operations and financial condition.

Intellectual Property Risks

Because much of the Company's potential success and value lies in its ownership and use of intellectual property, its failure to protect its intellectual property may negatively affect its business and value. The Company typically enters into confidentiality or license agreements with its employees, consultants, customers, strategic partners and vendors in an effort to control access to and distribution of its products, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the Company's proprietary technology without authorization.

Reliance on Information Systems and Technology

The Company's business relies upon information technology systems to effectively service its customers at the point of sale. Its information technology systems may be vulnerable to unauthorized access, computer viruses, system failures, other malicious acts or acts of nature. Should a significant disruption to its information technology to occur, the Company's earnings could be adversely affected through loss of revenue and the costs to rectify the disruption. The Company is in an industry with many competitors that lay claim to intellectual property. The Company may receive notice from a third party asserting the Company has infringed on their intellectual property rights. As a result of such claims the Company's earnings could be adversely affected by costly litigation, product injunctions or consumption of management attention. The Company may also be required to expend significant capital and resources to protect against the threat of security, encryption and authentication technology breaches or to alleviate problems caused by such breaches.

Reliance on Third Party Licenses

The Company relies on certain software that it licenses from third parties, including a software program that is integrated with internally developed software and used in the Company's products to perform key functions. There can be no assurance that these third-party licenses will continue to be available to the Company on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses, could result in delays or reductions in product and service deployment until equivalent software can be developed, identified, licensed and integrated, which could materially adversely affect the Company's business, results of operations and financial condition.

Effectiveness and Efficiency of Sales and Marketing Expenditures

The Company's future growth and profitability will be dependent in part on the effectiveness and efficiency of the Company's sales and marketing expenditures, including the ability of the Company to (i) create greater awareness of the Company's products and services, (ii) determine the appropriate messaging and media mix for future sales and marketing expenditures, and (iii) effectively manage sales and marketing costs in order to maintain acceptable operating margins. There can be no assurance that the Company will experience benefits from sales and marketing

expenditures in the future. In addition, no assurance can be given that the Company's planned sales and marketing expenditures will result in increased sales, will generate sufficient levels of product and service awareness or that the Company will be able to manage such sales and marketing expenditures on a cost-effective basis.

Product Liability

The Company faces the inherent risk of exposure to product liability claims in the use of their products. While there will be continued attempts to take appropriate precautions including the purchase of liability insurance, there can be no assurance that the Company will avoid significant product liability exposure. There can be no assurance that adequate insurance coverage for future coverage for future commercial activities will be available at all, or at acceptable cost, or that a product liability claim would not materially adversely affect the business or financial condition.

Risk Associated with International Operations

Management of the Company believes that its future growth and profitability opportunities will require expansion of its sales further in the United States and into other foreign markets. This expansion will require significant management attention and financial resources and could adversely affect the Company's operating margins. In order to increase international sales in subsequent periods, the Company may establish additional foreign operations, incur substantial infrastructure costs, hire additional personnel and recruit international resellers. To the extent that the Company is unable to expand international sales in a timely and cost-effective manner, the Company's business, results of operations and financial condition could be materially adversely affected. In addition, even with the possible recruitment of additional personnel and international resellers, there can be no assurance that the Company will be successful in maintaining or increasing international market demand for the Company's products and services. In the future, it is expected that a portion of revenues may be realized in other foreign currencies as a result of international sales. The Company may use hedges to mitigate the risk of foreign currency exposure.

Key Employees

The success of the Company is largely dependent on the performance of its key employees and directors. Failure to retain key employees and directors and to attract and retain additional key employees with necessary skills could have a material adverse impact upon the Company's growth and profitability. Competition for highly skilled management, technical and other employees is intense. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the departure of any of the members of the Company's executive team or key directors could have a material adverse effect on the Company's business, results of operations and financial condition.

Expansion

The success of the Company's continued expansion will depend upon many factors, including the ability of the Company to maintain acceptable attrition rates and control of operating costs and generate positive cash flow over an extended period. There can be no assurance that the Company will be able to grow or achieve its continued expansion. Such risks, if they materialize, could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations.

Available Workforce

Our continued success will depend on the performance and continued service of the Company's employees. We rely on the ability to attract new engineers, research and development staff, production personnel and key sales and marketing employees. During the coming year, we will continue to develop our employees and search for key new hires, however there is no assurance that the Company will be able to retain existing personnel or attract, hire and retain additional qualified personnel.

Possible Adverse Effect of Future Government Regulations

The Company's operations are subject to a variety of laws, regulations and licensing requirements of federal, state, county, and municipal authorities. The loss of such licenses, or the imposition of conditions to the granting or retention of such licenses, could have a material adverse effect on the Company. The Company believes that it is in material compliance with applicable laws and regulatory requirements.

SCHEDULE "C"

PRO-FORMA FINANCIAL STATEMENTS

[See Attached.]

OPAL ENERGY CORP.

Pro Forma Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

March 31, 2016

OPAL ENERGY CORP.
Pro Forma Consolidated Statement of Financial Position
As at March 31, 2016
(Unaudited)
(Expressed in Canadian Dollars)

	Opal as at March 31, 2016	Versus as at March 31, 2016	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	($)	($)		($)	($)
ASSETS					
Current assets					
Cash	284,597	42,961	4(a)	(2,079,525)	
			4(b)	(280,000)	
			4(b)	4,000,000	
			4(c)	(75,000)	1,893,033
GST receivable	6,399	-		-	6,399
Prepaid expenses	11,988	-		-	11,988
	302,984	42,961		1,565,475	1,911,420
Investment in Versus, LLC	-	-	4(a)	1,331,500	
			4(a)	2,079,525	
			4(a)	4,332,344	
			4(a)	(7,743,369)	-
Advance	325,572	-	4(b)	(325,572)	-
Exploration and evaluation assets	568,922	-		-	568,922
Intangible assets	-	-	4(a)	8,064,306	8,064,306
Restricted deposit	11,500	-		-	11,500
	1,208,978	42,961		9,304,209	10,556,148
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current liabilities					
Accounts payable and accrued liabilities	136,702	38,326		-	175,028
Decommissioning liability	78,430	-		-	78,430
	215,132	38,326		-	253,458
Advance	-	325,572	4(a)	(325,572)	-
	215,132	363,898		(325,572)	253,458
Shareholders' equity (deficiency)					
Share capital	79,655,085	116	4(a)	(116)	
			4(a)	4,332,344	
			4(b)	4,000,000	
			4(b)	(280,000)	
			4(b)	(99,600)	
			4(d)	250,000	87,857,829
Reserves	4,044,461	986,351	4(a)	(986,351)	
			4(a)	1,331,500	
			4(b)	99,600	5,475,561
Deficit	(82,705,700)	(1,307,404)	4(a)	1,307,404	
			4(c)	(75,000)	
			4(d)	(250,000)	(83,030,700)
	993,846	(320,937)		9,629,781	10,302,699
	1,208,978	42,961		9,304,209	10,556,148

OPAL ENERGY CORP.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the Year Ended December 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

	Opal Year Ended December 31, 2015	Versus Year Ended December 31, 2015	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	($)	($)		($)	($)
Expenses					
Consulting fees	267,426	130,935		-	398,361
Finders fees	-	-	4(d)	250,000	250,000
Foreign exchange gain	(7,130)	-		-	(7,130)
Interest expense	13,401	-		-	13,401
Management fees	-	110,802		-	110,802
Office and general	37,121	13,397		-	50,518
Other income	(6,053)	-		-	(6,053)
Professional fees	65,856	63,677	4(c)	75,000	204,533
Property investigation costs	18,774	-		-	18,774
Reclamation expense	78,430	-		-	78,430
Rent	64,000	-		-	64,000
Shareholder relations	103,370	-		-	103,370
Share-based compensation	79,494	-		-	79,494
Transfer agent and filing fees	36,677	-		-	36,677
Travel	144,030	-		-	144,030
Loss and comprehensive loss	(895,396)	(318,811)		(325,000)	(1,539,207)

OPAL ENERGY CORP.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the Three Month Period Ended March 31, 2016
(Unaudited)
(Expressed in Canadian Dollars)

	Opal Three Month Period Ended March 31, 2016	Versus Three Month Period Ended March 31, 2016	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	($)	($)		($)	($)
Expenses					
Consulting fees	52,750	245,764		-	298,514
Finders fees	-	-	4(d)	250,000	250,000
Foreign exchange loss	20,960	-		-	20,960
Management fees	-	26,508		-	26,508
Office and general	13,484	12,763		-	26,247
Other income	(413)	-		-	(413)
Professional fees	38,062	14,177	4(c)	75,000	127,239
Rent	15,000	-		-	15,000
Shareholder relations	28,698	-		-	28,698
Transfer agent and filing fees	7,828	-		-	7,828
Travel	27,679	-		-	27,679
Loss and comprehensive loss	(204,048)	(299,212)		(325,000)	(828,260)

NOTE 1 – BASIS OF PRESENTATION

Opal Energy Corp. ("Opal" or the "Company") was continued under the Business Corporations Act (British Columbia) on January 7, 2007. The Company is publicly traded on the Canadian Securities Exchange ("CSE") under the trading symbol "OPA". Its registered and head offices are located at Suite 302 – 1620 West 8th Avenue, Vancouver, BC, V6J 1V4. On March 16, 2016, the Company entered into a definitive acquisition agreement to complete an arm's length business combination (the "Transaction") with Versus, LLC ("Versus"), a private held limited liability company formed under the laws of Nevada that is engaged in the business of developing software to enable real-money online gambling.

The unaudited pro forma consolidated financial statements of Opal as at and for the three month period ended March 31, 2016 and the year ended December 31, 2015 have been prepared by the management of the Company in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the Transaction between Opal and Versus. The unaudited pro forma consolidated statement of financial position has been prepared from information derived from and should be read in conjunction with the following:

1. The audited consolidated financial statements of Opal as at and for the year ended December 31, 2015;
2. The audited financial statements of Versus as at and for the year ended December 31, 2015;
3. The unaudited condensed interim consolidated financial statements of Opal as at and for the three month period ended March 31, 2016; and
4. The unaudited interim financial statements of Versus as at and for the three month period ended March 31, 2016;

Opal is the acquiring company and its assets and liabilities, equity and historical operating results are included at their historical carrying values, and the net assets of Versus will be recorded at fair value as at the date of the Transaction. Transaction costs that were incurred in connection with the Transaction, other than costs associated with the financing, have been expensed as incurred.

It is management's opinion that the unaudited pro forma consolidated financial statements include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in Note 3 in accordance with IFRS applied on a basis consistent with Versus' and Opal's accounting policies.

The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Company as if the transactions had been effected on March 31, 2016. The unaudited pro forma consolidated statements of loss and comprehensive loss are intended to reflect the results of operations of the Company as if the transactions had been effected on January 1, 2015. The unaudited pro forma consolidated financial statements are not necessarily indicative of the financial position or results of operations which would have occurred if the transaction had actually occurred on March 31, 2016, January 1, 2015 or January 1, 2016, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited financial statements of the Company as described in note 3 to the audited financial statements for the year ended December 31, 2015.

NOTE 3 – PROPOSED TRANSACTION

On March 16, 2016, Opal and Versus entered into an acquisition agreement whereby Opal will acquire voting control of all of the issued and outstanding securities of Versus. Under the terms of the agreement, the following events must occur at closing of the Transaction:

- Prior to the closing of the Transaction, the Company shall complete an arm's-length private placement of units (the "Transaction Financing") for gross proceeds of not less than US$2,750,000, with each unit being issued at a price of $0.25 and comprising one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire an additional common share of Opal at a price of $0.40 for a period of two years from the date of issuance. Opal may pay finders' fees in connection with the Transaction Financing;
- Upon closing of the Transaction, Opal will acquire voting control of all of the issued and outstanding securities of Versus in consideration for the payment of US$1,500,000 cash and Versus members receiving the right to exchange their membership units for an aggregate of US$2,500,000 of common shares in Opal and US$1,250,000 of share purchase warrants in Opal. Each whole warrant will entitle the holder to acquire an additional common share of Opal at a price of $0.20 for a period of three years from the date of issuance with a forced conversion if Opal's shares trade at or greater than $0.60 per share for more than thirty continuous trading days on the CSE; and
- Upon closing of the Transaction, the Company shall make payment of a finder's fee in an amount equal to 1,000,000 common shares of Opal, subject to the maximum amount permitted by the policies of the CSE.

The completion of the Transaction is subject to a number of conditions, including receipt of applicable regulatory and shareholder approvals and completion of the Transaction Financing. There can be no assurance that the Transaction will be completed as proposed or at all.

NOTE 4 – PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position has been presented giving effect to the following assumptions and pro forma adjustments:

a) Acquisition

The Transaction constitutes a business combination and is accounted for using the acquisition method under IFRS 3, Business Combinations. Accordingly, the assets and liabilities of Opal are included in the unaudited pro forma consolidated statement of financial position at their historic cost values as at March 31, 2016. The net assets of Versus are included in the unaudited pro forma consolidated statement of financial position at their fair values as at March 31, 2016. The historical values of Versus' share capital, warrant reserve and deficit are eliminated. Opal will issue 17,329,375 common shares and 8,664,688 share purchase warrants in exchange for voting control of all of the issued and outstanding securities of Versus. Each whole warrant will entitle the holder to acquire an additional common share of Opal at a price of $0.20 for a period of three years from the date of issuance. The common shares and warrants issued by Opal for the acquisition of Versus are recorded as additional amounts in shareholders' equity and are set out as follows along with a summary of the fair value of net identifiable assets acquired:

NOTE 4 – PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

The purchase price is allocated as follows:

	Amount ($)
Fair value of Opal shares (17,329,375 common shares at $0.25 per share)	4,332,344
Fair value of share purchase warrants (8,664,688 share purchase warrants) [1]	1,331,500
Cash consideration	2,079,525
	7,743,369
Net assets (liabilities) of the Company:	
Cash	42,961
Intangible assets [2]	8,064,306
Accounts payable and accrued liabilities	(38,326)
Advance	(325,572)
	7,743,369

[1] A fair value of $1,331,500 was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	0.42%	Share price	$0.25
Expected volatility	90%	Strike price	$0.20
Expected dividend yield	0%	Expected term	3.00 yrs
Expected forfeiture rate	0%	Fair value per warrant	$0.15

[2] The intangible assets acquired from Versus include customer relationships and intellectual property based on a proprietary platform developed for use in the gaming industry.

[3] Upon completion of the Transaction, the advance of $325,572 made by Opal to Versus will be eliminated.

b) Transaction Financing

The Company shall complete a non-brokered private placement of 16,000,000 units for estimated gross proceeds of $4,000,000 wherein each unit will be issued at a price of $0.25 and comprising one common share of the Company and a common share purchase warrant that entitles the holder to acquire an additional common share at a price of $0.40 for a period of two years from the date of issuance. A fair value of $Nil was estimated with respect to these share purchase warrants using the residual value method.

In connection with the Transaction Financing, it is estimated that finders' fees totaling $280,000 will be paid in cash representing 7% of the gross proceeds raised from their efforts. Additionally, it is estimated that 1,120,000 finders' warrants will be issued representing 7% of the units sold from their efforts. The fair value of the finders' warrants has been estimated at $99,600 using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	0.42%	Share price	$0.25
Expected volatility	90%	Strike price	$0.40
Expected dividend yield	0%	Expected term	2.00 yrs
Expected forfeiture rate	0%	Fair value per warrant	$0.09

NOTE 4 – PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

c) Transaction Costs

Direct transaction costs are estimated to total $75,000 with respect to legal, audit and accounting related, and financial advisory fees. These costs have been expensed.

d) Finder's Fee

As permitted by CSE policy, it is estimated that the Company will pay $250,000 as a finder's fee in connection with the Transaction through the issuance of 1,000,000 common shares at $0.25 per share.

NOTE 5 – PRO FORMA SHARE CAPITAL

The number of shares issued and outstanding after giving effect to the assumptions and pro forma adjustments discussed in Note 4 is as follows:

	Note	Number of Shares	Amount ($)
Opal shares issued and outstanding at March 31, 2016		41,974,728	79,655,085
Common shares issued to Versus in connection with the Transaction	4(a)	17,329,375	4,332,344
Common shares issued pursuant to Transaction Financing (US$2,750,000)	4(b)	16,000,000	4,000,000
Finders' fees paid in warrants		-	(99,600)
Finders' fees paid in cash		-	(280,000)
Finder's fees paid in shares	4(e)	1,000,000	250,000
		76,304,103	87,857,829

NOTE 6 – INCOME TAXES

The pro forma effective statutory Canadian income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is approximately 26%.

NOTE 7 – FOREIGN EXCHANGE

The financial statements of Versus are reported in United States dollars ("USD"). Below is a schedule that translates the financial statements of Versus as at and for the three month period ended March 31, 2015 and for the year ended December 31, 2015 into Canadian dollars ("CDN"). The statement of financial position was translated from USD to CDN at the March 31, 2016 exchange rate of 1.3023. The statement of loss and comprehensive loss for the three month period ended March 31, 2016 was translated from USD to CDN at the period-end average of 1.372. The statement of loss and comprehensive loss for the year ended December 31, 2015 was translated from USD to CDN at the year-end average of 1.279.

	Versus as at March 31, 2016 (USD)	**Versus as at March 31, 2016 (CDN)**
	($)	**($)**
ASSETS		
Current		
Cash	32,989	42,961
	32,989	42,961
LIABILITIES & MEMBERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities	29,430	38,326
Advances	250,000	325,572
	279,430	363,898
MEMBERS' DEFICIENCY		
Membership units	89	116
Contributed surplus	757,397	986,351
Deficit	(1,003,927)	(1,307,404)
	(246,441)	(320,937)
	32,989	42,961

NOTE 7 – FOREIGN EXCHANGE (continued)

	Versus Three Month Period Ended March 31, 2016 (USD)	**Versus Three Month Period Ended March 31, 2016 (CDN)**
	($)	**($)**
EXPENSES		
Consulting fees	179,076	245,764
Management fees	19,315	26,508
Office and general	9,300	12,763
Professional fees	10,330	14,177
Loss and comprehensive loss	218,021	299,212

	Versus Year Ended December 31, 2015 (USD)	**Versus Year Ended December 31, 2015 (CDN)**
EXPENSES		
Consulting fees	102,405	130,935
Management fees	86,659	110,802
Office and general	10,478	13,397
Professional fees	49,802	63,677
Loss and comprehensive loss	249,344	318,811

SCHEDULE "D"

STATEMENT OF EXECUTIVE COMPENSATION
For the year ended December 31, 2015

[See Attached.]

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than $150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers").

The Named Executive Officers of the Corporation during the most recently completed financial year were Wayne Tisdale, President and Chief Executive Officer (Mr. Tisdale was appointed President and Chief Executive Officer on April 29, 2015), Jamie Newall, President and Chief Executive Officer (Mr. Newall was appointed President and Chief Executive Officer on October 25, 2011 and resigned on April 29, 2015), and David Hughes, Chief Financial Officer. There were no other Named Executive Officers during the most recently completed financial year, as no other employees earned in excess of $150,000 in the financial year ended December 31, 2015.

Philosophy and Objectives

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings for Shareholders. The Board of Directors set the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin, companies included in the Corporation’s benchmark group are Declan Resources Inc., Suparna Gold Corp. and Pantheon Ventures Ltd. In setting such levels, the Board of Directors relies primarily on their own experience and knowledge.

Compensation

The Corporation compensates its executive officers based on their skill and experience levels and the existing stage of development of the Corporation. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Corporation’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate. Second, the Board of Directors awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Corporation does not provide pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and Board of Directors from time to time determine the stock option grants to be made pursuant to the

incentive plan of the Corporation (the "Plan"). Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors does not have pre-existing performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its executive officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation's compensation program includes certain mechanisms to ensure risk taking behaviour falls within reasonable risk tolerance levels, including (i) the establishment of a compensation package that is competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin; and (ii) utilizing long term incentive plans (option based awards) for diversification and alignment with risk realization periods.

Neither executive officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on the Corporation's financial resources and prospects.

The Corporation does not currently have any agreements in place setting the terms of the relevant Named Executive Officers compensation. Compensation of the Named Executive Officers is reviewed by the Corporation's Board of Directors on an annual basis.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the years ended December 31, 2015, December 31, 2014 and December 31, 2013 to the Named Executive Officers.

Name and Principal Position	Year				Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
		Salary ($)	Share-Based Awards ($)	Option-Based Awards[3] ($)	Annual Incentive Plans	Long-Term Incentive Plans			
David Hughes[1] *Chief Financial Officer*	2015	12,000	Nil	8,423	Nil	Nil	Nil	Nil	20,423
	2014	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
	2013	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
Wayne Tisdale[2] *President and Chief Financial Officer*	2015	Nil	Nil	8,423	Nil	Nil	Nil	Nil	8,423
Jamie Newall[4] *Former Chief Executive Officer*	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Hughes was appointed Chief Financial Officer on June 30, 2009. The table above reflects the compensation paid to Hughes Consulting Ltd., a company controlled by Mr. Hughes.
(2) Mr. Tisdale was appointed President and Chief Executive Officer on April 29, 2015.
(3) The options related to the option-based awards were granted on April 29, 2015.
(4) Mr. Newall acted as President and Chief Executive Officer from October 25, 2011 to April 29, 2015.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following is a summary of the material terms of the Plan and is qualified in its entirety by the full text of the Plan, which is attached hereto as Schedule "C":

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- Under the Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12 month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12 month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12 month period.
- The exercise price for options granted under the Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the stock exchange on which the Common Shares are listed and posted for trading or a quotation system for a published market upon which the price of the Common Shares is quoted (the “Market”), as may be selected for such purpose by the Board of Directors.
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Plan are non-assignable, except by will or by the laws of descent and distribution.

The following table sets forth all share-based or option-based awards outstanding as at the financial year ended December 31, 2015 to the Corporation's Name Executive Officers. The table also includes awards granted before December 31, 2015 to the Corporation's Name Executive Officers:

	Option-based Awards				**Share-based Awards**		
Name	**Number of securities underlying unexercised options (#)[4]**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Wayne Tisdale[1] *President and Chief Executive Officer*	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil
Jamie Newall[2] *Former President and Chief Executive Officer*	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Hughes[3] *Chief Financial Officer*	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil

Note:

(1) Mr. Tisdale was appointed President and Chief Executive Officer on April 29, 2015.
(2) Mr. Newall acted as President and Chief Executive Officer from October 25, 2011 to April 29, 2015.
(3) Mr. Hughes was appointed Chief Financial Officer on June 30, 2009.
(4) The options related to the option-based awards were granted on April 29, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth all share-based or option-based awards that vested in or were earned by the Corporation's Named Executive Officers during the financial year ended December 31, 2015.

Name	Option-based awards – Value vested during the year ($)[4]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Wayne Tisdale[1] *President and Chief Executive Officer*	8,423	Nil	Nil
Jamie Newall[2] *Former President and Chief Executive Officer*	Nil	Nil	Nil
David Hughes[3] *Chief Financial Officer*	8,423	Nil	Nil

Note:
(1) Mr. Tisdale was appointed President and Chief Executive Officer on April 29, 2015.
(2) Mr. Newall acted as President and Chief Executive Officer from October 25, 2011 to April 29, 2015.
(3) Mr. Hughes was appointed Chief Financial Officer on June 30, 2009.
(4) The options related to the option-based awards were granted on April 29, 2015.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

Pursuant to the terms of the Plan, if an optionee holds his or her option as director, employee or consultant of the Corporation and such optionee ceases to be a director, employee or consultant of the Corporation, other than by reason of death, then the optionee may exercise such part of the option as is exercisable immediately prior to the time of ceasing to be a director, employee or consultant of the Corporation within a period which is the earlier of the normal expiry date of the option and 90 days following ceasing to be a director, employee or consultant of the Corporation and all unexercised options of the optionee will immediately terminate forthwith without further notice.

If an optionee engaged in investor relations activities ceases to be employed to perform investor relations activities, other than by reason of death, then the optionee may exercise such part of the option as is exercisable immediately prior to the time of ceasing to be employed to perform investor relations activities within a period which is the earlier of the normal expiry date of the option and 30 days following ceasing to be employed to perform investor relations activities and all unexercised options of the optionee will immediately terminate forthwith without further notice.

In the event of the death of an optionee, any options which the optionee could have exercised immediately prior to death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the option and 12 months after the optionee's death and all unexercised options of the optionee will immediately terminate forthwith without further notice.

In the event of a consolidation or merger in which the Corporation is not the surviving company, or in the event the Common Shares are converted into securities of another entity or exchanged for other consideration, or in the event of an offer for fifty percent or more of shares being made by a third party that constitutes a take-over bid as that term is defined in the *Securities Act* (British Columbia) or would constitute a take-over bid as that term is defined in the *Securities Act* (British Columbia) but for the fact that the offeree is not in British Columbia, the Board may make such arrangements as the Board deems appropriate for the exercise of outstanding options or continuance of outstanding options.

Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive

Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Director Compensation

The Corporation has no standard arrangement pursuant to which directors are compensated by the Corporation for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the Market. The following table sets forth compensation that was paid to any director of the Corporation for the director's services as a director during the financial year ended December 31, 2015.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)[8]	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Wayne Tisdale[1]	Nil	Nil	8,423	Nil	Nil	Nil	8,423
Brandon Boddy[2]	Nil	Nil	8,423	Nil	Nil	120,000	128,423
Michael Curtis[3]	Nil	Nil	8,423	Nil	Nil	Nil	8,423
David Hughes[4]	Nil	Nil	8,423	Nil	Nil	12,000	20,423
Jamie Newall[5]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Emma Nicholson[6]	Nil	Nil	7,901	Nil	Nil	Nil	7,901
Gerald Tuskey[7]	Nil	Nil	8,423	Nil	Nil	12,478	20,901

Notes:
(1) Mr. Tisdale was appointed as a director of the Corporation on April 29, 2015.
(2) Mr. Boddy was appointed as a director of the Corporation on January 22, 2015. The table above reflects the compensation paid to Boddy & Co. Investments Ltd., a company controlled by Mr. Boddy.
(3) Mr. Curtis was appointed a director of the Corporation on September 26, 2008.
(4) Mr. Hughes was appointed a director of the Corporation on October 9, 2008.
(5) Mr. Newall was appointed a director of the Corporation on October 25, 2011 and resigned on April 29, 2015.
(6) Ms. Nicholson was appointed a director of the Corporation on October 18, 2010 and resigned on April 29, 2015.
(7) Mr. Tuskey was appointed a director of the Corporation on October 1, 2008.
(8) The options related to the option-based awards were granted on April 29, 2015.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

Incentive plan awards – Outstanding share-based awards and option-based awards

The following table sets forth all share-based or option-based awards outstanding at the financial year ended December 31, 2015 to the Corporation's directors. The table also includes awards granted before December 31, 2015 to the Corporation's directors:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[8]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Wayne Tisdale[1]	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil
Brandon Boddy[2]	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil
Michael Curtis[3]	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil
David Hughes[4]	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil
Jamie Newall[5]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Emma Nicholson[6]	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil
Gerald Tuskey[7]	100,000	0.10	April 29, 2020	10,000	Nil	Nil	Nil

Notes:
(1) Mr. Tisdale was appointed as a director of the Corporation on April 29, 2015.
(2) Mr. Boddy was appointed as a director of the Corporation on January 22, 2015.
(3) Mr. Curtis was appointed a director of the Corporation on September 26, 2008.
(4) Mr. Hughes was appointed a director of the Corporation on October 9, 2008.
(5) Mr. Newall was appointed a director of the Corporation on October 25, 2011 and resigned on April 29, 2015.
(6) Ms. Nicholson was appointed a director of the Corporation on October 18, 2010 and resigned on April 29, 2015.
(7) Mr. Tuskey was appointed a director of the Corporation on October 1, 2008.

(8) The options related to the option-based awards were granted on April 29, 2015.

Incentive plan awards – value vested or earned during the year

The following table sets forth all share-based or option-based awards that vested in or were earned by the Corporation's directors during the financial year ended December 31, 2015.

Name	Option-based awards – Value vested during the year ($)[8]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Wayne Tisdale[1]	8,423	Nil	Nil
Brandon Boddy[2]	8,423	Nil	Nil
Michael Curtis[3]	8,423	Nil	Nil
David Hughes[4]	8,423	Nil	Nil
Jamie Newall[5]	Nil	Nil	Nil
Emma Nicholson[6]	7,901	Nil	Nil
Gerald Tuskey[7]	8,423	Nil	Nil

Notes:

(1) Mr. Tisdale was appointed as a director of the Corporation on April 29, 2015.
(2) Mr. Boddy was appointed as a director of the Corporation on January 22, 2015. The table above reflects the compensation paid to Boddy & Co. Investments Ltd., a company controlled by Mr. Boddy from January 1, 2015 through October 31, 2015.
(3) Mr. Curtis was appointed a director of the Corporation on September 26, 2008.
(4) Mr. Hughes was appointed a director of the Corporation on October 9, 2008.
(5) Mr. Newall was appointed a director of the Corporation on October 25, 2011 and resigned on April 29, 2015.
(6) Ms. Nicholson was appointed a director of the Corporation on October 18, 2010 and resigned on April 29, 2015.
(7) Mr. Tuskey was appointed a director of the Corporation on October 1, 2008.
(8) The options related to the option-based awards were granted on April 29, 2015.