

FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: **Fortify Resources Inc** (the "Issuer")

Trading Symbol: **FTY**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the Securities Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

As at August 31, 2015 the company is indebted to a company controlled by a director of the company for \$40,500. (February 28, 2015 - \$39,000).

During the six months ended August 31, 2015, the company incurred rent to a company controlled by a director of the company of \$3,000. (2014 - \$1,500)

- (b) A description of the transaction(s), including those for which no amount has been recorded.

Management Fee

Office Space Rent

- (c) The recorded amount of the transactions classified by financial statement category.

\$20,000 Management Fee. The amount is included in accounts payable.

\$20,500 Office Space Rent. The amount is included in accounts payable.

- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

\$20,000. Unsecured, non-interest bearing and due on demand.

\$20,500. Unsecured, non-interest bearing and due on demand.

- (e) Contractual obligations with Related Persons, separate from other contractual obligations.

N/A

- (f) Contingencies involving Related Persons, separate from other contingencies.

N/A

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

N/A

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A								

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The issuer is authorized to issue an unlimited number of no par value common shares.

- (b) number and recorded value for shares issued and outstanding,

The issuer has 4,525,319 shares issued and outstanding at August 31, 2015.

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

The issuer has 3,225,318 warrants outstanding as at August 31, 2015. 2,183,651 warrants are exercisable into one common share at \$0.15 per share expiring on

October 12, 2015 and 1,041,667 are exercisable into one common share at \$0.25 per share expiring on October 12, 2015.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at August 31, 2015, the Company has 195,000 shares held in escrow with the following release dates and amounts:

Number of Shares	
36 months after listing date (November 2, 2015)	195,000
	195,000

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

John Versfelt – President, Chief Executive Officer & Director

James Glass– Director

Carl von Einsiedel – Director

Calvin Lucyshyn – Chief Financial Officer & Director

Darren Timmer – Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

See attached

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated **November 5, 2015**

John A. Versfelt

Name of Director or Senior Officer

"John A. Versfelt"

Signature

President & CEO

Official Capacity

Issuer Details Name of Issuer Fortify Resources Inc	For Quarter Ended August 31, 2015	Date of Report 15/11/05
Issuer Address 20 Sixth Street		
City/Province/Postal Code New Westminster, BC V3L 2Y8	Issuer Fax No. (604) 527-9126	Issuer Telephone No. (604) 527-8146
Contact Name John A. Versfelt	Contact Position President & CEO	Contact Telephone No. (604) 527-8146
Contact Email Address jav@armc.ca	Web Site Address	

FORTIFY RESOURCES INC.

Interim Financial Statements

August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim financial statements they must be accompanied by a notice indicating that these interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

FORTIFY RESOURCES INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

	August 31, 2015 \$	February 28, 2015 \$
	(unaudited)	
ASSETS		
Current assets		
Cash	46,613	63,752
Amounts receivable	2,158	1,687
Total current assets	48,771	65,439
Non-current assets		
Exploration and evaluation assets (Note 4)	30,858	25,858
Total assets	79,629	91,297
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 8)	61,737	57,010
Total liabilities	61,737	57,010
Shareholders' equity		
Share capital	284,521	284,521
Deficit	(266,629)	(250,234)
Total shareholders' equity	17,892	34,287
Total liabilities and shareholders' equity	79,629	91,297

Nature of business and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved and authorized for issue by the Board of Directors on October 29, 2015:

/s/ "James Glass"

James Glass, Director

/s/ "Craig Rademaker"

Craig Rademaker, Director

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

FORTIFY RESOURCES INC.

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three Months Ended August 31, 2015 \$	Three Months Ended August 31, 2014 \$	Six Months Ended August 31, 2015 \$	Six Months Ended August 31, 2014 \$
Revenue	–	–	–	–
Operating Expenses				
Filing fees	3,765	5,342	6,045	8,803
Office and general	62	38	87	100
Professional fees	336	2,388	7,263	8,080
Rent (Note 8)	1,500	1,500	3,000	3,000
Total expenses	5,663	9,268	16,395	19,983
Net loss and comprehensive loss	(5,663)	(9,268)	(16,395)	(19,983)
Net loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average shares outstanding	4,525,319	4,525,319	4,525,319	4,525,319

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

FORTIFY RESOURCES INC.

Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Share Capital		Deficit \$	Total Shareholders' Equity \$
	Shares	Amount \$		
Balance, February 28, 2014	4,525,319	284,521	(215,968)	68,553
Net loss for the period	–	–	(19,983)	(10,715)
Balance, August 31, 2014	4,525,319	284,521	(235,951)	48,570
Balance, February 28, 2015	4,525,319	284,521	(250,234)	34,287
Net loss for the period	–	–	(16,395)	(16,395)
Balance, August 31, 2015	4,525,319	284,521	(266,629)	17,892

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

FORTIFY RESOURCES INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three Months Ended August 31 2015 \$	Three Months Ended August 31, 2014 \$
Operating Activities		
Net loss	(16,395)	(19,983)
Changes in non-cash operating accounts:		
Amounts receivable	(471)	3,648
Accounts payable and accrued liabilities	4,727	1,938
Net cash used in operating activities	(12,139)	(14,397)
Investing Activities		
Exploration and Evaluation expenditures	(5,000)	-
Net cash used in investing activities	(5,000)	-
Decrease in cash	(17,139)	(14,397)
Cash, beginning of period	63,752	87,037
Cash, end of period	46,613	72,640
Supplemental information		
Interest paid	-	-
Income taxes paid	-	-

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

FORTIFY RESOURCES INC.

Notes to the Financial Statements

August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1. Nature of Business and Continuance of Operations

Fortify Resources Inc. (the “Company”) was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral properties in Canada. To maintain exploration programs, mineral property interests and develop future projects beyond the exploration stage, the Company will need additional funding. The Company’s head office is located at 20 Sixth Street, New Westminster, BC V3L 2Y8.

These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at August 31, 2015, the Company has not generated any revenues and has an accumulated deficit of \$260,966. The ability of the Company to continue as a going concern is dependent on its ability to raise additional working capital when needed, and generate profitable operations from its operations. Although management estimates that the Company has sufficient working capital to meet anticipated expenditures for at least the ensuing year, there is no certainty that the Company’s current or future exploration projects will generate operating revenue or that the management can obtain the necessary financing at rates and terms that are suitable for the Company. These factors may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These interim financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting” of the International Financial Reporting Standards. The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended February 28, 2015.

(b) Basis of Presentation

The interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

(c) Use of Estimates and Judgments

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

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, and deferred income tax asset valuation allowances.

The application of the Company’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to make judgments regarding all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period. The Company is aware that material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

FORTIFY RESOURCES INC.

Notes to the Financial Statements

August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

3. Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after March 1, 2016 or later years.

- New standard IFRS 9, “Financial Instruments”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Exploration and Evaluation Assets

	Sericite East Property \$
Balance, February 28, 2015	25,858
Exploration costs	6,300
Balance, August 31, 2015	30,858

The Company owns a 100% interest in the Sericite East Property located in British Columbia, Canada, consisting of two mineral claims.

5. Accounts Payable and Accrued Liabilities

	August 31, 2015 \$	February 28, 2015 \$
Trade payables	13,102	15,907
Trade payables – related party (Note 7)	42,000	39,000
Accrued liabilities	6,635	2,103
	61,737	57,010

6. Share Capital

Authorized - unlimited common shares without par value

Issued and outstanding – 4,525,319 common shares

Escrow Shares

As at August 31, 2015, the Company has 195,000 (February 28, 2015 – 390,000) shares held in escrow, which will be released on November 2, 2015.

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the “Plan”) authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors. As of August 31, 2015, and February 28, 2015, the Company has no outstanding stock options.

FORTIFY RESOURCES INC.

Notes to the Financial Statements

August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

7. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, February 28, 2015 and August 31, 2015	3,225,318	0.18

As at August 31, 2015, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
2,183,651	0.15	October 12, 2015
1,041,667	0.25	October 12, 2015
3,225,318		

8. Related Party Transactions

- (a) As at August 31, 2015, the Company is indebted to a company controlled by a director of the Company for \$40,500 (February 28, 2015 - \$39,000). The amount is included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and due on demand.
- (b) During the six months ended August 31, 2015, the Company incurred rent to a company controlled by a director of the Company of \$3,000 (2014 - \$1,500).

9. Capital Management

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity financing. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 28, 2015.

FORTIFY RESOURCES INC.

Notes to the Financial Statements

August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

10. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

	Fair Value Measurements Using			Balance, August 31, 2015 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	46,613	–	–	46,613

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

(b) Credit Risk

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 exposure to credit risk is in its cash and amounts receivable. Cash is held with a major bank in Canada, which are high credit quality financial institutions as determined by rating agencies. Amounts receivable is comprised of GST refunds which are due from the Government of Canada, and the carrying amount of the financial assets represents the maximum credit exposure.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

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

FORTIFY RESOURCES INC.

Notes to the Financial Statements

August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

11. Proposed Transaction

Effective February 27, 2014, the Company entered into a definitive agreement with Pelkbuck Oil & Gas Ltd. ("Pelkbuck") to acquire 100% of the issued and outstanding shares of Pelkbuck, a privately held corporation existing under the laws of the British Virgin Islands. Its primary business is the exploration and development of oil and gas properties in Botswana. In consideration, the Company has agreed to issue one common share for each Pelkbuck share held which will result in the Pelkbuck shareholders holding approximately 89% of the common shares of the combined entity (the "Proposed Transaction"). The completion of the Proposed Transaction will result in a reverse take-over of the Company by the shareholders of Pelkbuck.

As part of the Proposed Transaction, an aggregate of 1,091,826 shares of the Company, which are currently owned by certain directors, officers and shareholders of the Company, will be sold to investors to be designated by Pelkbuck at \$0.10 per share. In addition, 2,183,651 share purchase warrants exercisable at \$0.15 per share were transferred at no cost, and 1,041,667 share purchase warrants exercisable at \$0.25 per share were sold to these parties at \$0.01 per share purchase warrant. The Proposed Transaction is subject to various conditions, including approval from the Canadian Securities Exchange and the completion by Pelkbuck of a financing for a minimum of \$750,000.

On July 20, 2015, the Company terminated the definitive agreement with Pelkbuck.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR FORTIFY RESOURCES INC.
FOR THE SIX MONTHS ENDED AUGUST 31, 2015**

Contact Information

**Fortify Resources Inc.
20 Sixth Street
New Westminster, BC
V3L 2Y8**

Telephone: (604) 527-8146

Facsimile: (604) 527-9126

BACKGROUND

This discussion and analysis of financial position and results of operations is prepared as at October 29, 2015 should be read in conjunction with the quarterly financial statements for the six months ended August 31, 2015 of Fortify Resources Inc. (the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management's Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company's future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance operations and growth, and (7) other factors beyond the Company's control.

Forward looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

OVERALL PERFORMANCE

The Company was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral natural resource properties in Canada.

During the year ended February 29, 2012, the Company acquired a 100% ownership in the Property being two (2) adjoining mineral tenures comprising 436.80 ha. located in the Iskut River District, northwestern British Columbia approximately 90 kilometers north of the community of Stewart. The claims which comprise the Property were staked pursuant to the B.C. Ministry of Energy and Mines MTO system (Mineral Titles Online System). The earliest expiry date of the claim package is September 30, 2016. The Company completed an NI 43-101 report on the Property and plans to pursue the exploration program outlined in the report.

The breakdown of the material components of exploration assets are as follows:

Type of Costs	Sericite East Property \$
Acquisition costs	7,322
Site visits, staking, sampling and technical reports	23,536
Total	30,858

As at August 31, 2015, the Company held assets totaling \$79,629, consisting of \$46,613 in cash, \$2,158 in taxes recoverable and \$30,858 in exploration and evaluation assets. During the six months ended August 31, 2015, the Company incurred a net loss of \$16,395.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters:

	Revenue \$	Net Loss for the Period \$	Basic and Diluted Loss Per Share \$
November 30, 2013	—	(7,319)	(0.00)
February 28, 2014	—	(14,652)	(0.01)
May 31, 2014	—	(10,715)	(0.00)
August 31, 2014	—	(9,268)	(0.00)
November 30, 2014	—	(8,349)	(0.00)
February 28, 2015	—	(5,934)	(0.00)
May 31, 2015	—	(10,732)	(0.00)
August 31, 2015	—	(5,663)	(0.00)

Factors causing significant variations in quarterly results are as follows:

For The Six Months Ended August 31, 2015

During the six months ended August 31, 2015, the Company did not earn any revenues, and incurred operating expenses of \$16,395, comprised mainly of \$7,263 of professional fees and \$6,045 of filing fees incurred in connection with filing the Company's annual financial statements and management discussion and analysis.

For the six months ended August 31, 2015, the Company incurred a net loss of \$16,395 and a loss per share of \$0.00.

For The three Months Ended August 31, 2015

During the three months ended August 31, 2015, the Company did not earn any revenues, and incurred operating expenses of \$5,663, comprised mainly of \$3,765 of filing fees incurred in connection with filing the Company's annual financial statements and management discussion and analysis. This is compared to \$5,342 of filing fees and \$2,388 in professional fees incurred during the second quarter of fiscal 2015.

For the three months ended August 31, 2015, the Company incurred a net loss of \$5,663 and a loss per share of \$0.00.

LIQUIDITY

The Company is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow. The acquisition and development of future mineral property interests that the Company acquires will depend on the Company's ability to obtain additional financing through the sale of its securities or from third party loans. There is no assurance that such financing will be available when required by or under terms favorable to the Company.

As at August 31, 2015, the Company had total assets of \$79,629, comprised of cash of \$46,613, amounts receivable of \$2,158 relating to GST refunds, and exploration and evaluation assets of \$30,858 relating to acquisition and exploration costs of the Company's mineral properties. Conversely, the Company had total liabilities of \$61,737, comprised of accounts payable and accrued liabilities for unpaid general expenditures, of which \$42,000 is owed to a company controlled by a director of the Company.

As at August 31, 2015, the Company had negative working capital of \$12,966 and did not issue any new debt or equity instruments for cash during the period.

Readers are cautioned that a number of factors beyond the control of the Company could result in the Company not being able to sustain its current position. Such factors could include adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others.

CAPITAL RESOURCES

The Company remains dependent upon equity markets for financing.

The Company believes it currently has sufficient funds on hand to complete the Stage 1 exploration program, estimated to cost \$55,000 less the expenditures incurred to August 31, 2015 and operating expenses for the next twelve months.

The Company has no cash flow from operations and is dependent upon raising equity financing to sustain its operations.

The Company has not issued dividends to date and has no plans to pay dividends in the foreseeable future.

TRANSACTIONS WITH RELATED PARTIES

As at August 31, 2015, the Company is indebted to a company controlled by a director of the Company for \$40,500 (February 28, 2015 - \$39,000). The amount is included in accounts payable and is unsecured, non-interest bearing and due on demand.

During the six months ended August 31, 2015, the Company incurred rent to a company controlled by a director of the Company of \$3,000 (2014 - \$1,500).

SHARE DATA

Capitalization as of August 28, 2015:

The Company is authorized to issue an unlimited number of common shares

As at August 31, 2015, and August 28, 2015 there are 4,525,319 common shares issued and outstanding, of which 195,000 common shares are held in escrow.

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors.

As at August 31, 2015 and July 22, 2015, there are no stock options outstanding.

Share Purchase Warrants

As at October 12, 2015, 3,225,318 warrants expired without exercise.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

PROPOSED TRANSACTIONS

Effective February 27, 2014, the Company entered into a definitive agreement with Pelkbuck Oil & Gas Ltd. ("Pelkbuck") to acquire 100% of the issued and outstanding shares of Pelkbuck, a privately held corporation existing under the laws of the British Virgin Islands. Its primary business is the exploration and development of oil and gas properties in Botswana. In consideration, the Company has agreed to issue one common share for each Pelkbuck share held which will result in the Pelkbuck shareholders holding approximately 89% of the common shares of the combined entity (the "Proposed Transaction"). The completion of the Proposed Transaction will result in a reverse take-over of the Company by the shareholders of Pelkbuck. As part of the Proposed Transaction, an aggregate of 1,091,826 shares of the Company, which are currently owned by certain directors, officers and shareholders of the Company, will be sold to investors to be designated by Pelkbuck at \$0.10 per share. In addition, 2,183,651 share purchase warrants exercisable at \$0.15 per share, and 1,041,667 share purchase warrants exercisable at \$0.25 per share shall be made available to such parties. The Proposed Transaction is subject to various conditions, including approval from the Canadian Securities Exchange and the completion by Pelkbuck of a financing for a minimum of \$750,000. On July 20, 2015, the Company terminated the definitive agreement with Pelkbuck.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates include the valuation of exploration and evaluation assets, and valuation of deferred income tax assets and valuation allowances. 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.

CHANGES IN ACCOUNTING POLICIES

The Company has not made any changes to its accounting policies since its incorporation date.

FINANCIAL AND OTHER INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee nor written risk management policies. The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

	Fair Value Measurements Using			Balance, August 31, 2015 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	46,613	—	—	46,613

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

(b) 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 exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The Company's receivables comprise of GST amounts due from the Government of Canada, and the carrying amount of the financial assets represents the maximum credit exposure.

(c) Currency Risk

The Company's functional currency is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank account is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS OR IPO VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company has had no significant revenue from operations. During the six months ended August 31, 2015, the Company incurred filing fees of \$6,045, professional fees of \$7,263, rent of \$3,000 and office and general expenses of \$87.

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company expects that its current capital resources will be sufficient to fund operations, other than the phase two exploration program, for about one year. Estimated total operating costs during the year are expected to total about \$30,000 for general and administration expenses and \$10,000 for the exploration program on a property during the next year. If the results of the phase one exploration program are successful, then the Company intends to incur a budgeted \$140,000 for a phase two exploration program. At present the Company only has sufficient funds to conduct a portion of the phase one exploration program and the Company will need to raise additional capital. There is no assurance that the Company will be successful in raising additional funds.

DISCLOSURE OF INTERNAL CONTROLS

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.