Abenteuer Resources Corp.

Condensed Interim Consolidated Financial Statements

Nine Month Period Ended September 30, 2015

(Expressed in Canadian Dollars)

NOTICE TO READER

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

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

Abenteuer Resources Corp.

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

	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current assets			
Cash		$ 188,329	$ 67,017
Short-term investments	3	-	207,595
Prepaid expenses and other deposits	5	7,350	50,665
Accounts receivable and other receivables	4	11,785	36,700
		207,464	361,977
Non-current assets			
Reclamation and other deposits	6	33,058	33,058
Oil properties	7	446,295	514,970
		479,353	548,028
		686,817	910,005
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	75,088	58,974
Non-current liabilities			
Decommissioning obligations	9	111,914	110,463
		187,002	169,437
Shareholders' equity			
Share capital	11	2,819,649	2,819,649
Reserves	11	363,677	363,677
Deficit		(2,683,511)	(2,442,758)
		499,815	740,568
		$ 686,817	$ 910,005

Nature of Operations and Going Concern (Note 1)

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 25, 2015. They were signed on the Board's behalf by:

"David Parry"

David Parry - Director

"J. Lewis Dillman"

J. Lewis Dillman - Director

Abenteuer Resources Corp.

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

	Notes	Three Month Period Ended September 30, **2015**	Three Month Period Ended September 30, 2014	Nine Month Period Ended September 30, **2015**	Nine Month Period Ended September 30, 2014
REVENUE					
Oil sales		**$ 64,604**	$ 131,009	**$ 166,286**	$ 491,921
Royalty income		**-**	1,860	**-**	5,595
Royalty expense and freehold mineral tax		**(7,232)**	(14,723)	**(17,469)**	(31,733)
		57,372	118,146	**148,817**	465,783
EXPENSES					
General and administrative	14	**64,858**	222,423	**246,599**	571,470
Operating expenses	14	**74,529**	108,183	**168,262**	307,943
		139,387	330,606	**414,861**	879,413
OTHER ITEMS					
Impairment of oil property		**(20,936)**	-	**(20,936)**	-
Income from third party interest in license tender		**-**	-	**45,000**	-
Interest income		**324**	877	**1,227**	4,239
		(20,612)	877	**25,291**	4,239
Net loss and comprehensive loss for the period		**$ (102,627)**	$ (211,583)	**$ (240,753)**	$ (409,391)
Basic and diluted loss per common share		**$ (0.01)**	$ (0.01)	**$ (0.01)**	$ (0.02)
Weighted average common shares outstanding					
Basic		**18,278,266**	18,278,266	**18,278,266**	18,278,266
Diluted		**18,278,266**	18,278,266	**18,278,266**	18,278,266

See accompanying notes to the condensed interim consolidated financial statements

Abenteuer Resources Corp.

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

		Share capital		Reserves				
	Notes	Number of Shares	Amount	Option	Warrant	Total	Deficit	Total
Balance at December 31, 2013		**18,278,266**	**$ 2,819,649**	**$ 295,774**	**$ 26,530**	**$ 322,304**	**$ (1,872,315)**	**$ 1,269,638**
Incentive stock options granted	11	-	-	41,373	-	-	-	-
Loss for the period		-	-	-	-	-	(409,391)	(409,391)
Balance at September 30, 2014		**18,278,266**	**2,819,649**	**337,147**	**26,530**	**363,677**	**(2,281,706)**	**901,620**
Loss for the period		-	-	-	-	-	(161,052)	(161,052)
Balance at December 31, 2014		**18,278,266**	**2,819,649**	**337,147**	**26,530**	**363,677**	**(2,442,758)**	**740,568**
Loss for the period		-	-	-	-	-	(240,753)	(240,753)
Balance at September 30, 2015		**18,278,266**	**$ 2,819,649**	**$ 337,147**	**$ 26,530**	**$ 363,677**	**$ (2,683,511)**	**$ 499,815**

See accompanying notes to the condensed interim consolidated financial statements

Abenteuer Resources Corp.

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

	Nine Month Period Ended September 30, 2015	2014
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	**$ (240,753)**	$ (409,391)
Items not affecting cash:		
Depletion	**47,739**	133,674
Accretion	**1,451**	2,559
Share-based payments	**-**	41,373
Impairment of oil property	**20,936**	-
Interest income	**-**	3,507
Changes in non-cash working capital items:		
Decrease (increase) in receivables	**24,915**	(38,243)
Decrease in prepaids	**43,315**	(249)
Increase (decrease) in accounts payable and accrued liabilities	**16,114**	59,948
	(86,283)	(206,822)
INVESTING ACTIVITIES		
Redeem short-term investment	**207,595**	478,000
Oil and gas property expenditures	**-**	(253,305)
	207,595	224,695
Change in cash during the period	**121,312**	17,873
Cash - beginning of period	**67,017**	50,129
Cash - end of period	**$ 188,329**	$ 68,002

During the nine month periods ended September 30, 2015 and 2014, the Company had no significant non-cash investing or financing transactions.

1. Nature of Operations and Going Concern

Abenteuer Resource Corp. (the "Company") was incorporated under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company's registered office is Suite 1578 – 609 Granville Street, Vancouver, BC, Canada, V7Y 1G5. The Company is engaged primarily in the exploration for, and the production of, petroleum reserves in Western Canada. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "ABU".

These condensed interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company operates in a cyclical industry where levels of cash flow have historically been correlated to market prices for oil. Several adverse conditions and material uncertainties, including low oil prices, cast significant doubt upon the going concern assumption. The Company had cash of $188,329, consolidated working capital of $132,376, consolidated deficit of $2,683,511 and losses of $240,753 as at and for the nine month period ended September 30, 2015.

The Company expects to incur further losses in the development of its business which casts substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon the acquisition and development of additional oil properties, and ultimately to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to maintain cash flows and continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's condensed interim consolidated financial statements and such adjustments could be material.

2. Basis of Preparation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Condensed Interim Financial Reporting" 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 accounting policies applied in these condensed interim consolidated financial statements are based on IFRS effective for the period ended December 31, 2014, as issued and outstanding as of April 30, 2015, the date the Board of Directors approved the annual audited financial statements. The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2014.

3. Short-term Investments

The Company redeemed a variable rate term deposit on August 13, 2015. As at September 30, 2015, the Company had $Nil (December 31, 2014 - $207,000) invested and earning interest based on the Bank of Montreal's prime rate less 1.95%.

(Unaudited - Expressed in Canadian dollars)

4. Accounts Receivable and Other Receivables

	September 30, 2015	December 31, 2014
	($)	($)
Value-added tax receivable	3,051	5,634
Trade receivables	8,734	31,066
	11,785	36,700

5. Prepaid Expenses and Other Deposits

	September 30, 2015	December 31, 2014
	($)	($)
Prepaid expenses	7,350	5,747
Office rent deposit	-	44,918
	7,350	50,665

6. Reclamation and Other Deposits

The Company has a reclamation bond having a value of $33,508 ($20,000 Well and $13,058 Battery) that is held by the Saskatchewan Industry and Resources in the event that well King 03-27-004-07 W2 becomes orphaned. The bond earns interest at a rate of 1.95% per annum.

7. Oil Properties

The Company has working interests in six wells in southeastern Saskatchewan at Kingsford. All of the wells are horizontal wells (HZ), with the exception of Well #1.

Well #		Working Interest (%)	Net Revenue Interest (%)
1	King 141/08-13-004-07 W2M	45.90	39.02
2	King 91/06 HZ 1D08-13-1D06-18-04-06 W2M	13.00	13.00
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45.90	39.02
4	King 4D8-14/2A11-13-004-07 W2	10.50	8.93
5	King 03-27-004-07 W2	100.00	84.50
6	Steelman 191/07-18-004-06W2	13.00	13.00

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The Company reviews each CGU for indicators of possible impairment at the end of each reporting period. During the nine month period ended September 30, 2015, the Company identified impairment indicators with respect to Well #3, specifically that the well has been shut-in for nine months and has not produced any oil. The Company has estimated that there is no recoverable value from the well, and recorded an impairment loss of $20,936.

(Unaudited - Expressed in Canadian dollars)

7. Oil Properties (continued)

As a result of a decrease in forecast oil and natural gas prices, an indication of potential impairment was identified for all CGUs as at December 31, 2014. Recoverable amounts for the Company's CGUs were estimated based on FVLCD, calculated using the present value of the CGUs' expected future cash flows (after-tax). The primary source of cash flow information was derived from a report on the Company's oil and gas reserves (the "Citadel Report") which was prepared by an independent qualified reserve evaluator, Citadel Engineering Ltd. ("Citadel").

The projected cash flows in the Citadel Report reflect current market assessments of key assumptions, including long-term forecasts of commodity prices, inflation rates, and foreign exchange rates (Level 3 fair value inputs). Cash flow forecasts are also based on past experience, historical trends and Citadel's evaluation of the Company's reserves and resources to determine production profiles and volumes, operating costs, maintenance and future development capital expenditures. Production profiles, reserves volumes, operating costs, capital expenditures are consistent with the estimates approved through the Company's annual reserves evaluation process. Future cash flow estimates are discounted using after-tax risk adjusted discount rates that reflect the risk specific to the assets in the CGU. The after-tax discount rate applied in the impairment calculation as at December 31, 2014 was 10% for all CGUs.

Based on this analysis, it was concluded that the recoverable amount of Well #3 exceeded its carrying value, and accordingly, the Company recognized an impairment of $48,005 in respect of Well #3 in the year ended December 31, 2014.

The Company recognized an impairment recovery of $13,543 in respect of Well #1 in the year ended December 31, 2014.

Forecast future prices used in the impairment evaluation as at December 31, 2014 reflect benchmark AECO-C prices adjusted for basis differentials to determine local reference prices, transportation costs and tariffs, heat content and quality as follows:

	2015	**2016**	**2017**	**2018**	**2019 (1)**
Oil ($/bbl)	63.50	68.58	74.07	79.99	85.19

(1) Prices escalate at 2% per annum thereafter.

(Unaudited - Expressed in Canadian dollars)

7. Oil Properties (continued)

2015	Well #1	Well #2	Well #3	Well #4	Well #5	Well #6	Total
	($)	($)	($)	($)	($)	($)	($)
Cost:							
At December 31, 2014	391,618	82,728	729,680	347,266	507,233	250,898	2,309,423
Additions	-	-	-	-	-	-	-
Decommissioning change in estimate	-	-	-	-	-	-	-
At September 30, 2015	391,618	82,728	729,680	347,266	507,233	250,898	2,309,423
Depletion:							
At December 31, 2014	(258,860)	(58,009)	(475,810)	(234,585)	(354,282)	(76,016)	(1,457,562)
Charge for the period	(11,959)	(2,149)	(21)	(5,742)	(9,316)	(18,552)	(47,739)
At September 30, 2015	(270,819)	(60,158)	(475,831)	(240,327)	(363,598)	(94,568)	(1,505,301)
Impairment:							
At December 31, 2014	(103,978)	-	(232,913)	-	-	-	(336,891)
Charge for the period	-	-	(20,936)	-	-	-	(20,936)
At September 30, 2015	(103,978)	-	(253,849)	-	-	-	(357,827)
Net book value:							
At December 31, 2014	28,780	24,719	20,957	112,681	152,951	174,882	514,970
At September 30, 2015	**16,821**	**22,570**	**-**	**106,939**	**143,635**	**156,330**	**446,295**

2014	Well #1	Well #2	Well #3	Well #4	Well #5	Well #6	Total
	($)	($)	($)	($)	($)	($)	($)
Cost:							
At December 31, 2013	392,474	82,779	731,464	348,418	521,289	15,637	2,092,061
Additions	-	-	-	-	-	233,501	233,501
Decommissioning change in estimate	(856)	(51)	(1,784)	(1,152)	(14,056)	1,760	(16,139)
At December 31, 2014	391,618	82,728	729,680	347,266	507,233	250,898	2,309,423
Depletion:							
At December 31, 2013	(250,037)	(54,530)	(464,242)	(225,462)	(329,495)	-	(1,323,766)
Charge for the year	(8,823)	(3,479)	(11,568)	(9,123)	(24,787)	(76,016)	(133,796)
At December 31, 2014	(258,860)	(58,009)	(475,810)	(234,585)	(354,282)	(76,016)	(1,457,562)
Impairment:							
At December 31, 2013	(117,521)	-	(184,908)	-	-	-	(302,429)
Charge for the year	13,543	-	(48,005)	-	-	-	(34,462)
At December 31, 2014	(103,978)	-	(232,913)	-	-	-	(336,891)
Net book value:							
At December 31, 2013	24,916	28,249	82,314	122,956	191,794	15,637	465,866
At December 31, 2014	**28,780**	**24,719**	**20,957**	**112,681**	**152,951**	**174,882**	**514,970**

(Unaudited - Expressed in Canadian dollars)

8. Accounts Payables and Accrued Liabilities

	September 30, 2015	December 31, 2014
	($)	($)
Trade payables	29,338	23,974
Accrued liabilities	45,750	35,000
	75,088	58,974

9. Decommissioning Provisions

	September 30, 2015	December 31, 2014
	($)	($)
Balance, beginning	110,463	123,190
Change in estimate	-	(16,139)
Accretion expense	1,451	3,412
Balance, end	111,914	110,463

The Company's provision for restoration and environmental obligations consists of costs accrued based on the current best estimate of reclamation activities that will be required at the completion of petroleum extraction activities. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by a third party specialist. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The Company has calculated the fair value of the asset retirement obligation using a risk free discount rate of 1.7% (December 31, 2014 – 1.7%). The estimated total future undiscounted cash flows to settle the asset retirement obligations are $130,961 (December 31, 2014 - $130,961) and are expected to be incurred over a period of approximately 17 years.

10. Related Party Transactions

The Company incurred the following transactions with directors and companies that are controlled or significantly influenced by Directors of the Company during the nine month periods ended September 30, 2015 and 2014.

	September 30, 2015	September 30, 2014
	($)	($)
Director fees paid or accrued to two independent directors of the Company	18,000	18,000
Consulting fees paid or accrued to a corporation significantly influenced by a director of the Company	26,250	118,098
Mineral royalties paid or accrued to the Chief Executive Officer ("CEO") of the Company.	1,084	2,282
	45,334	138,380

(Unaudited - Expressed in Canadian dollars)

10. Related Party Transactions (continued)

Key management compensation

	September 30, 2015	September 30, 2014
	($)	**($)**
Management fees paid or accrued to a corporation controlled by the CEO of the Company	18,000	18,000
Professional fees paid or accrued to a corporation controlled by the Chief Financial Officer ("CFO") of the Company	36,000	36,000
	54,000	54,000

a) As at September 30, 2015, a total of $462 (December 31, 2014 - $2,324) was included in accounts payable and accrued liabilities as owing to the CEO of the Company for mineral royalties and reimbursable expenses.

b) As at September 30, 2015, a total of $17,685 (December 31, 2014 - $2,520) was included in accounts payable and accrued liabilities as owing to two directors of the Company for director fees.

c) As at September 30, 2015, a total of $18,750 (December 31, 2014 - $Nil) was included in accounts payable and accrued liabilities as owing to a corporation significantly influenced by a director of the Company for consulting fees.

11. Share Capital

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

Issued share capital

There are no preferred shares issued or outstanding. There were no common shares issued during the nine month period ended September 30, 2015 or the year ended December 31, 2014.

Stock options

The Company has adopted a fixed incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

(Unaudited - Expressed in Canadian dollars)

11. Share Capital (continued)

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company.

There were no changes in stock options during the nine month period ended September 30, 2015.

The following table summarizes the options outstanding as at September 30, 2015:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Time to Expiry
	($)		(Yrs)
April 7, 2019	0.10	675,000	3.52
November 24, 2016	0.20	1,150,000	1.15
Total	0.09	1,825,000	2.03

During the year ended December 31, 2014, the Company granted 675,000 incentive stock options with a strike price of $0.10 and an expiration date of April 7, 2019. The options were determined to have a fair value of $41,373. The options were valued using a Black Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.71%
Expected volatility	82%
Expected dividend yield	Nil
Expected life of option	5 yrs

The options vested immediately and therefore the fair value calculated has been recognized as an expense in the year ended December 31, 2014.

12. Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its accounts receivable and other receivables. This risk is minimal as receivables consist primarily of petroleum sales to long standing customers with reputable credit history. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

12. Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within 12 months.

Historically, the Company's main source of funding has been through revenue earned from its operating well interests and the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its short-term investments as they are exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company's net loss.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the nine month period ended September 30, 2015. The Company's earnings and its ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of oil. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

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 equity, comprising share capital, net of accumulated deficit. As at September 30, 2015 the Company had an equity balance of $499,815.

(Unaudited - Expressed in Canadian dollars)

12. Financial Risk Management (continued)

The Company manages its capital requirements by maintaining a budgeting and forecasting process to determine whether equity funding is required.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are cash, short term investments, a reclamation bond, and accounts receivable. Financial liabilities included in the statement of financial position are accounts payable and accrued liabilities. The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short term to maturity.

13. Segmented Information

The Company operates in a single reportable operating segment – the acquisition, production, exploration and development of oil properties. The Company operates in one geographic segment located in Canada.

14. Expense by Nature

General and administrative expense for the nine month periods ended September 30, 2015 and 2014 are comprised of the following:

	September 30, 2015	September 30, 2014
	($)	**($)**
Office rent	28,935	78,869
Director fees	18,000	18,000
Management fees	18,000	18,000
Professional and consulting fees	75,770	251,633
Property investigation	-	32,817
Share-based payments	-	41,373
Transfer and filing fees	10,066	11,605
Travel	26,435	66,817
Administrative and other	69,393	52,356
	246,599	571,470

(Unaudited - Expressed in Canadian dollars)

14. Expense by Nature (continued)

Operating expense for the nine month periods ended September 30, 2015 and 2014 are comprised of the following:

	September 30, 2015	September 30, 2014
	($)	($)
Personnel and labour	22,721	44,868
Depletion (Note 7)	47,738	133,674
Accretion of decommissioning provision (Note 9)	1,451	2,559
Power	18,567	30,153
Trucking	18,881	26,565
Supplies and other	58,904	70,124
	168,262	307,943