

Weststar Resources Corp.

Condensed Interim Financial Statements

Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

Weststar Resources Corp.

Nine Months Ended September 30, 2015

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Smythe Ratcliffe LLP, Chartered Accountants 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.

November 30, 2015

Weststar Resources Corp.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	September 30, 2015	December 31, 2014
Assets		
Current		
Cash	\$ 25,779	\$ 90,004
Receivables (note 6)	11,378	18,160
Share subscriptions receivable (note 10)	-	57,000
Prepaid expenses	5,000	47,250
	42,157	212,414
Investments (note 7)	-	60,750
Advances to North Road Ventures Inc. (note 8)	107,500	-
Property and Equipment (note 9)	1,703	1,327
Exploration and Evaluation Assets (note 10)	1	1
	\$ 151,361	\$ 274,492
Liabilities		
Current		
Accounts payable and accrued liabilities (note 12)	\$ 167,244	\$ 147,741
	167,244	147,741
Shareholders' Equity (Deficiency)		
Share Capital (note 11)	14,426,589	14,278,181
Share Subscriptions Received	23,000	-
Reserves (note 11)	4,064,349	3,901,439
Accumulated Other Comprehensive Income	-	27,050
Deficit	(18,529,821)	(18,079,919)
	(15,883)	126,751
	\$ 151,361	\$ 274,492

Going Concern (note 2)
Commitments (note 14)
Subsequent Event (note 15)

Approved on behalf of the Board:

"Keith Anderson"	"William Rascan"
..... Director Director
Keith Anderson	William Rascan

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

Weststar Resources Corp.
Condensed Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Expenses				
Accounting, legal and audit (note 12)	\$ 2,288	\$ 750	\$ 7,100	\$ 2,650
Amortization	160	180	480	540
Consulting fees (note 12)	118,497	65,500	304,497	141,709
Management fees (note 12)	31,500	31,500	94,500	94,500
Office and general	1,737	2,853	7,267	6,394
Rent	2,250	-	5,250	-
Share-based payments	-	28,459	1,410	66,123
Shareholder communications and investor relations	21,625	313	22,186	5,326
Transfer agent and filing fees	2,376	1,950	22,607	24,150
	180,433	131,505	465,297	341,392
Realized gain on available-for-sale investments (note 7)	(9,535)	(2,150)	(15,395)	(6,472)
Gain on settlement of debt	-	(10,337)	-	(10,337)
Net Loss for the Period	170,898	119,018	449,902	324,583
Items that may be reclassified subsequently to profit or loss				
Unrealized loss (gain) on available-for-sale investments (note 7)	(3,700)	3,750	27,050	-
Comprehensive Loss for the Period	\$ 167,198	\$ 122,768	\$ 476,952	\$ 324,583
Basic and Diluted Loss Per Share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02
Weighted Average Number of Common Shares Outstanding – Basic and Diluted				
	32,579,490	19,959,164	32,579,490	19,403,845

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

Weststar Resources Corp.
Condensed Interim Statements of Cash Flows
For the Nine Months Ended September 30
(Unaudited - Expressed in Canadian Dollars)

	2015	2014
Operating Activities		
Net loss for the period	\$ (449,902)	\$ (324,583)
Items not involving cash		
Amortization	480	540
Share-based payments	1,410	66,123
Realized gain on available-for-sale investments	(15,395)	(6,472)
Gain on settlement of debt	-	(10,337)
Changes in non-cash working capital		
Receivables	6,782	(8,368)
Prepaid expenses	42,250	(75,000)
Accounts payable and accrued liabilities	19,503	(37,875)
Cash Used in Operating Activities	(394,872)	(395,972)
Investing Activities		
Proceeds from sale of investments	49,095	6,472
Advances to North Road Ventures Inc.	(107,500)	-
Acquisition of equipment	(856)	-
Exploration and evaluation asset expenditures	-	(260)
Cash Provided by (Used in) Investing Activities	(59,261)	6,212
Financing Activity		
Share subscriptions received	80,000	-
Shares issued for cash, net of issue costs	309,908	491,443
Cash Provided by Financing Activity	389,908	491,443
Outflow of Cash	(64,225)	101,683
Cash, Beginning of Period	90,004	1,586
Cash, End of Period	\$ 25,779	\$ 103,269

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2015	2014
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Private placement proceeds allocated to warrants	\$ 161,500	\$ -
Shares issued for exploration and evaluation assets	\$ -	\$ 106,500
Fair value of options exercised	\$ -	\$ 79,336
Shares issued for debt settlement	\$ -	\$ 122,580

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

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Weststar Resources Corp. (the "Company") is a Vancouver, British Columbia, based company incorporated on October 27, 2004 in the province of British Columbia. During the year ended December 31, 2006, the Company completed its initial public offering on the TSX Venture Exchange ("TSX-V"), and the Company's shares were listed for trading on September 22, 2006. On February 10, 2015, the Company delisted from the TSX Venture Exchange and began trading on the Canadian Securities Exchange (the "Exchange") under the symbol "WER".

The principal address of the Company is located at 1656 Scarborough Crescent, Port Coquitlam, British Columbia, Canada, V3C 2R1.

On June 9, 2014, the Company consolidated its common shares on a one new for two old share basis. All share and per share amounts have been revised to reflect the consolidation.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. The Company incurred an operating loss during the nine months ended September 30, 2015 of \$449,902 (September 30, 2014 - \$324,583) and has a deficit of \$18,529,821 (December 31, 2014 - \$18,079,919), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale ("AFS") and fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (Continued)

c) Approval of the condensed interim financial statements

The condensed interim financial statements of Weststar Resources Corp. for the nine months ended September 30, 2015 were approved and authorized for issue by the Board of Directors on November 30, 2015.

d) Use of estimates and judgments

The preparation of these condensed interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim 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 may affect both the period of revision and future periods.

The key area of judgment applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- The carrying value of the exploration and evaluation assets and the recoverability of the carrying value.

Assets or cash-generating units (“CGUs”) are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s resource properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

The key estimates applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The recoverability of deferred tax assets;
- Provision for reclamation costs, among others; and
- Assumptions used to calculate share-based payments.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the condensed interim financial statements, as appropriate.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended December 31, 2014. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014.

5. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as financial assets at FVTPL; receivables, Advances to North Road Ventures, and share subscription receivable, as loans and receivables; investments, as AFS; and accounts payable and accrued liabilities, as other financial liabilities, which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) 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 manages credit risk, in respect of cash and cash equivalents, by placing at major Canadian financial institutions. The Company has minimal credit risk.

b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2015 equal \$167,244 (December 31, 2014 - \$147,741). All of the liabilities presented as accounts payable are due within 90 days of September 30, 2015.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at September 30, 2015 the Company is not exposed to significant market risk.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

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. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

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.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended September 30, 2015. The Company is not subject to external restrictions on its capital.

6. RECEIVABLES

Receivables at September 30, 2015 consisted of GST recoverable of \$11,378 (December 31, 2014 - \$18,160).

7. INVESTMENT

Canada Coal Inc. ("CCK")

The Company received 500,000 common shares of CCK pursuant to the disposition of exploration and evaluation assets during the year ended December 31, 2010. The 500,000 common shares are subject to escrow and are released on a staged basis, with 10% released on February 29, 2012, and 15% to be released every six months thereafter for a period of 36 months.

At December 31, 2014, the fair value of the remaining 75,000 common shares of CCK held was \$750.

During the nine months ended September 30, 2015, the Company sold 75,000 common shares of CCK for proceeds of \$1,400, resulting in a realized gain of \$1,400. The Company also realized a gain of \$3,700 previously recorded in accumulated other comprehensive income during the year ended December 31, 2014 related to the common shares of CCK.

Saint Jean Carbon Inc. ("SJL")

The Company received 3,000,000 common shares of SJL, valued at \$30,000, pursuant to the disposition of exploration and evaluation assets during the year ended December 31, 2014 (note 9).

At December 31, 2014, the fair value of the 3,000,000 common shares of SJL held was \$60,000.

During the nine months ended September 30, 2015, the Company sold 3,000,000 common shares of SJL for proceeds of \$47,695, resulting in a realized gain of \$17,695.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

8. ADVANCES TO NORTH ROAD VENTURES INC.

On July 21, 2015, the Company signed a letter of intent to purchase shares of North Road Ventures Inc. ("North Road"), a private British Columbia company, representing up to a 50% interest in North Road. North Road is in the process of submitting a Health Canada application for a license issued under the Medicinal Marihuana for Medical Purposes Regulations ("MMPR").

Upon signing a definitive agreement, the Company can acquire a 50% interest in North Road by paying \$30,000 in cash or common shares of the Company, and issuing an aggregate 15,000,000 common shares of the Company over a series of milestones while obtaining the MMPR license. The Company shall be granted a right of first refusal in all business opportunities that may come available to North Road and to purchase the remaining 50% interest in North Road at a 15% discount to the amount offered by a third party offeror. Signing the definitive agreement is subject to the Company completing a financing to fund the purchase and conducting due diligence for a period of up to 120 days during which time the Company may loan funds to assist North Road in furthering its MMPR application. The Company will be required to fund the Ready to Build/Pre-License Inspection stage of the MMPR application via loans to North Road, with such amounts to be determined. If the Company is unable to fund the Ready to Build/Pre-License Inspection stage, the Company's interest in North Road shall be decreased at that stage.

A definitive agreement has not been signed and the letter of intent does not represent a change of business for the Company.

During the nine months ended September 30, 2015, the Company advanced \$107,500 to North Road in order to further the MMPR license application. The amount advanced is without interest. Should North Road submit a MMPR license application by June 30, 2016, based on the MMPR rules in place when the letter of intent with North Road was signed on July 21, 2015, the amount advanced will be forgiven. If the MMPR license application is not submitted by June 30, 2016, then the amount advanced will be repaid to the Company by July 20, 2016. All expenses directly or indirectly incurred by North Road in relation to preparing the MMPR license application will be forgiven. At September 30, 2015, the MMPR license application had not been completed.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

9. PROPERTY AND EQUIPMENT

	Computer Equipment	Office Equipment	Total
Cost			
Balance, December 31, 2013 and 2014	\$ 2,724	\$ 2,032	\$ 4,756
Addition	856	-	856
Balance, September 30, 2015	\$ 3,580	\$ 2,032	\$ 5,612
Amortization			
Balance, December 31, 2013	\$ 1,835	\$ 874	\$ 2,709
Amortization	489	231	720
Balance, December 31, 2014	2,324	1,105	3,429
Amortization	341	139	480
Balance, September 30, 2015	\$ 2,665	\$ 1,244	\$ 3,909
Net Book Value, December 31, 2014	\$ 400	\$ 927	\$ 1,327
Net Book Value, September 30, 2015	\$ 915	\$ 788	\$ 1,703

10. EXPLORATION AND EVALUATION ASSETS

Axe Property

Pursuant to an option agreement dated July 19, 2005, the Company acquired a 70% interest (originally 66%, but amended by mutual consent) in the Axe claims situated in the Similkameen Mining District, British Columbia. As consideration for the property, the Company paid \$5,000, issued 150,000 common shares at a fair value of \$243,500 and incurred exploration costs of \$500,000.

Pursuant to an agreement dated March 23, 2007, the Company acquired four additional claims. As consideration for the claims, the Company paid \$15,000. The claims are subject to a 2% net smelter royalty ("NSR"), and under the terms of the agreement the Company has the right to purchase the NSR in stages for up to \$3,000,000.

On March 21, 2012, the Company entered into an option agreement with Xstrata Copper Canada ("Xstrata") and Bearclaw Capital Corp. ("Bearclaw"). Under the terms of the option agreement, the Company and Bearclaw agreed to grant Xstrata an option to earn a 51% interest where Xstrata would have the sole and exclusive right to carry out exploration activities on and evaluate the Axe Property. In order to exercise the option, during the earn-in period, Xstrata was required to incur \$3,000,000 of expenditures in exploration activities on the Axe Property.

During the earn-in period, Xstrata was required to pay to the Company and Bearclaw (collectively, in proportion to their participating interests in the Axe Property, which are 70% for the Company and 30% for Bearclaw):

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION ASSETS (Continued)

Axe Property (continued)

- \$25,000 immediately (received);
- \$25,000 on March 31, 2013 (received);
- \$30,000 on March 31, 2014;
- \$40,000 on March 31, 2015; and
- \$60,000 on March 31, 2016.

If Xstrata exercised the option, the Company, Bearclaw and Xstrata would enter into a formal joint venture agreement. Under the option agreement, the Company and Bearclaw also granted Xstrata a right of first refusal ("ROFR") over any direct or indirect sale or transfer by the Company and/or Bearclaw of any of their respective interest in the Axe Property. The ROFR would terminate at the end of the earn-in period if Xstrata had not exercised the option.

On July 3, 2013, the Company received notification from Xstrata electing to terminate its option agreement.

On August 23, 2013, the Company and Bearclaw entered into a Letter of Intent ("LOI") to enter into an option agreement with Copper Mountain Mining Corp. ("Copper Mountain"). The option agreement was completed with an effective date of February 12, 2014. Under the terms of the option agreement, the Company and Bearclaw agreed to grant Copper Mountain an option to earn a 75% undivided interest in and to the Axe Property.

Copper Mountain could earn a 51% interest in the Axe Property by incurring \$3,000,000 of expenditures in exploration activities on the Axe Property during a five year period, with a minimum of \$100,000 per year. Copper Mountain was to pay to the Company and Bearclaw (collectively, in proportion to their participating interests in the Axe Property, which are 70% for the Company and 30% for Bearclaw):

- \$5,000 upon signing the LOI (received);
- \$20,000 upon completion of the agreement (received);
- \$30,000 on February 12, 2015;
- \$50,000 on February 12, 2016;
- \$100,000 on February 12, 2017;
- \$150,000 on February 12, 2018; and
- \$200,000 on February 12, 2019.

If Copper Mountain exercised the option, the Company, Bearclaw and Copper Mountain would enter into a formal joint venture agreement. Copper Mountain would be the initial operator holding a 51% participating interest, and the Company and Bearclaw, a 34.3% and 14.7% participating interest, respectively.

Upon exercise of the option, Copper Mountain would have the option to acquire an additional 24% undivided interest in the Axe Property (increasing its interest to 75%, absent other adjustments) by incurring an additional \$6,000,000 in expenditures on the Axe Property in two stages of \$3,000,000 per stage. In the event Copper Mountain exercised the second option and acquires an undivided 75% interest in the Axe Property, the Company and Bearclaw would have a 17.5% and 7.5% participating interest, respectively.

The \$30,000 payment has not been received and the Company has determined that Copper Mountain is in default of the agreement. The Company does not plan to further develop the Axe property without a joint venture partner. Accordingly, the property was deemed to be impaired at December 31, 2014 and written down to \$1.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION ASSETS (Continued)

East Miller Claims and Page Property

On September 25, 2013 (amended December 10, 2013), the Company entered into an agreement to acquire a 100% interest in 9 mineral claims in Quebec, Canada. On January 6, 2014, the Company issued 1,250,000 common shares (valued at \$75,000) as consideration for the acquisition and 125,000 common shares (valued at \$7,500) as finders' fees.

On December 16, 2013, the Company entered into an agreement to acquire a 100% interest in the Page Property comprising 16 mineral claims in the Porcupine Mining Division of Ontario. On January 8, 2014, the Company issued 300,000 common shares (valued at \$24,000) as consideration for the acquisition.

On December 10, 2014, the Company sold its interests in the East Miller Claims and the Page Property to SJL in exchange for 3,000,000 common shares of SJL (valued at \$30,000). The sale resulted in a loss on sale of \$76,760.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

Title to exploration and evaluation interests

Although the Company has taken steps to verify the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

	Axe Property	East Miller Claims and Page Property	Total
Balance, December 31, 2013	\$ 1,587,458	\$ -	\$ 1,587,458
Acquisition costs	-	106,760	106,760
Sale of exploration and evaluation assets		(106,760)	(106,760)
Impairment of acquisition and exploration costs	(1,587,457)	-	(1,587,457)
Balance, December 31, 2014 and September 30, 2015	\$ 1	\$ -	\$ 1

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value

Issued share capital

During the nine months ended September 30, 2015

On July 22, 2015, the Company closed a non-brokered private placement and issued 6,460,000 units at a price of \$0.05 per unit for gross proceeds of \$323,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of \$0.075. The Company allocated \$161,500 of the proceeds to the common shares and \$161,500 of the proceeds to the warrants based on the residual value method. The Company paid a finder's fees of \$12,100 and other share issue costs of \$992.

Share subscriptions receivable of \$57,000 outstanding at December 31, 2014 were collected, and an additional \$23,000 in share subscriptions were received for a private placement that closed subsequent to September 30, 2015 (note 15(a)).

During the year ended December 31, 2014

On January 6, 2014, the Company issued 1,375,000 common shares of the Company as payment and finder's fees for the East Miller Claims (note 10).

On January 8, 2014, the Company issued 300,000 common shares of the Company as payment for the Page Property (note 10).

On February 28, 2014, the Company issued 1,225,800 common shares of the Company in order to settle debts of \$122,580 with directors, officers, consultants and a company with common directors. The Company recognized a gain on debt settlement of \$61,290 (note 13).

On September 18, 2014, the Company closed the first tranche of a non-brokered private placement and issued 8,140,000 units at a price of \$0.05 per unit for gross proceeds of \$407,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of \$0.075. The Company paid finder's fees of \$13,900 and other share issue costs of \$2,907.

On December 16, 2014, the Company closed the second tranche of a non-brokered private placement and issued 2,940,000 units at a price of \$0.05 per unit for gross proceeds of \$147,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of \$0.075. The Company paid finder's fees of \$9,000 and other share issue costs of \$955. Share subscriptions proceeds of \$57,000 were received subsequent to December 31, 2014.

On December 23, 2014, the Company issued 236,944 common shares of the Company in order to settle debts of \$19,777 with directors, officers, consultants and a company with common directors. The Company recognized a gain on debt settlement of \$12,669 (note 13).

During the year ended December 31, 2014, the Company received \$101,250 on the exercise of 1,012,500 share options. The Company transferred \$79,336 from the share-based payments reserve to share capital on the exercise of the options.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL (Continued)

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	September 30, 2015		December 31, 2014	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	12,135,250	\$ 0.09	1,055,250	\$ 0.14
Issued	8,000,000	\$ 0.075	11,080,000	\$ 0.075
Expired	(1,055,250)	\$ 0.20	-	-
Outstanding, end of period	19,080,000	\$ 0.075	12,135,250	\$ 0.09

During the year ended December 31, 2014

During the year ended December 31, 2014, the exercise price of the warrants granted February 22, 2013 increased from \$0.14 to \$0.20 as per the original terms.

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	September 30, 2015	December 31, 2014
February 22, 2015	-	\$ 0.20	-	1,055,250
September 16, 2016	0.96	\$ 0.075	8,140,000	8,140,000
December 16, 2016	1.21	\$ 0.075	2,940,000	2,940,000
July 27, 2017	1.82	\$ 0.075	8,000,000	-
	1.36	\$ 0.075	19,080,000	12,135,250

Share options

The Company has adopted a share option plan pursuant to which 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 consultants of the Company, non-transferable 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 at the time of grant and the options are exercisable for a period not to exceed 10 years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL (Continued)

Share options (continued)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Options granted to directors, employees and consultants vest immediately. Options granted to consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Share option transactions and the number of share options outstanding are summarized as follows:

	September 30, 2015		December 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	2,012,500	\$ 0.06	1,550,000	\$ 0.23
Granted	100,000	\$ 0.05	1,830,000	\$ 0.06
Exercised	-	-	(1,012,500)	\$ 0.10
Expired	-	-	(355,000)	\$ 0.30
Outstanding, end of year	2,112,500	\$ 0.06	2,012,500	\$ 0.06

During the nine months ended September 30, 2015

During the nine months ended September 30, 2015, the Company granted 100,000 share options to a consultant with an expiry date of one year from the date of grant and exercise price of \$0.05 per share. The options granted are fully vested and exercisable upon grant.

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its share options granted with the following weighted-average assumptions: risk-free interest rate of 0.57%; expected dividend yield of zero; expected share price volatility of 260%; and expected life of 1 year. The Company used historical volatility to estimate the volatility of the share price. The weighted average grant date fair value of each option was \$0.05. Accordingly, \$1,410 was recognized as share-based payment expense during the nine months ended September 30, 2015.

During the year ended December 31, 2014

During the year ended December 31, 2014, the Company granted 1,830,000 share options to consultants with expiry dates of two to three years from the date of grant and exercise prices ranging from \$0.05 to \$0.10 per share. All the options granted are fully vested and exercisable upon grant.

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its share options granted with the following weighted-average assumptions: risk-free interest rate of 1.11%; expected dividend yield of zero; expected share price volatility of 148%; and expected life of 2.08 years. The Company used historical volatility to estimate the volatility of the share price. The weighted average grant date fair value of each option was \$0.05. Accordingly, \$74,055 was recognized as share-based payment expense during the year ended December 31, 2014.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL (Continued)

Share options (continued)

During the year ended December 31, 2014, the Company received \$101,250 on the exercise of 1,012,500 share options. The Company transferred \$79,336 from the share-based payments reserve to share capital on the exercise of the options.

During the year ended December 31, 2014, the Company amended the exercise price of 645,000 share options granted on July 9, 2012, from \$0.30 to \$0.10. To calculate the incremental value of the amendment, the Company used the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.15%; expected dividend yield of zero; expected share price volatility of 149%; expected life of 3.23 years. The Company used the historical volatility to estimate the volatility of the share price. The incremental value of \$5,640 was recorded as share-based payment expense.

The following share options were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	September 30, 2015	December 31, 2014
March 11, 2016	0.45	\$ 0.05	100,000	-
April 7, 2016	0.52	\$ 0.10	207,500	207,500
June 13, 2016	0.70	\$ 0.055	150,000	150,000
July 2, 2016	0.76	\$ 0.05	750,000	750,000
July 4, 2016	0.76	\$ 0.055	50,000	50,000
August 22, 2016	0.90	\$ 0.05	300,000	300,000
September 5, 2016	0.93	\$ 0.05	100,000	100,000
July 9, 2017	1.78	\$ 0.10	315,000	315,000
November 25, 2017	2.16	\$ 0.07	140,000	140,000
	0.99	\$ 0.06	2,112,500	2,012,500

12. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss for the nine months ended September 30:

	2015	2014
Short-term compensation	\$ 99,500	\$ 102,000

The amounts charged to the Company for the services provided have been determined by negotiation among the parties, and in certain cases, by signed agreements. These transactions were in the normal course of operations.

Of the \$99,500 recorded as short-term compensation for the nine months ended September 30, 2015 (2014 - \$102,000), \$5,000 (2014 - \$4,500) was recorded as accounting, legal and audit fees, \$94,500 was recorded as management fees (2014 - \$94,500) and \$nil (2014 - \$3,000) was recorded as shareholder communications and investor relations.

Weststar Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2015

(Unaudited - Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

As at September 30, 2015, accounts payable and accrued liabilities included \$35,228 (December 31, 2014 - \$44,000) due to current and former directors and officers. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

During the year ended December 31, 2014, the Company issued 430,000 common shares of the Company in order to settle debts of \$43,000 with directors and officers of the Company and 441,070 common shares of the Company in order to settle debts of \$44,107 with a company with common directors and officers.

13. SEGMENTED DISCLOSURE

The Company currently operates in one industry segment, being mineral exploration, and in one geographic area, being Canada.

14. COMMITMENTS

The Company entered into management services and consulting agreements with officers, directors and consultants expiring on various dates from August 1, 2015 to June 1, 2016 with a total monthly commitment of \$12,500. All the management services and consulting agreements can be terminated with 90 days' notice.

15. SUBSEQUENT EVENT

On October 26, 2015, the Company closed a non-brokered private placement and issued 10,180,000 units at a price of \$0.05 per unit for gross proceeds of \$509,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of \$0.075.