SUPER NOVA PETROLEUM CORP.
(Formerly Super Nova Minerals Corp.)

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED
FEBRUARY 28, 2014

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITORS' REVIEW OF CONDENSED 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 condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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.

SUPER NOVA PETROLEUM CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
[Expressed in Canadian dollars]
[Unaudited]

	For the three months ended February 28		For the nine months ended February 28	
	2014	2013	**2014**	2013
Expenses				
Administrative fees	**$17,479**	$13,171	**$68,135**	$34,521
Consulting fees	**18,000**	32,500	**41,418**	76,500
Corporate communications	**915**	82,924	**32,702**	156,778
Filing fees and regulatory fees	**3,411**	4,049	**12,458**	20,904
Listing fees	**-**	-	**-**	183,937
Office	**16,750**	3,429	**25,033**	21,920
Professional fees	**12,502**	8,125	**53,605**	70,834
Stock-based compensation	**98,991**	-	**98,991**	-
Rent	**1,644**	8,484	**19,402**	31,453
Travel and Entertainment	**131**	5,895	**5,579**	21,930
	169,823	158,577	**357,323**	618,777
Other Items				
Flow through share premium	**1,663**	-	**1,663**	-
Write down of exploration and evaluation	**854,033**	-	**854,033**	-
Net loss and comprehensive loss	**$ 1,025,519**	$ 158,577	**$ 1,213,019**	$ 618,777
Net loss per share, basic and diluted	**$ 0.03**	$ 0.01	**$ 0.04**	$ 0.04
Weighted average number of shares outstanding – basic and diluted	**33,947,835**	18,619,402	**31,065,964**	16,423,576

(The accompanying notes are integral part of these unaudited condensed interim financial statements)

SUPER NOVA PETROLEUM CORP.
Condensed Interim Statements of Financial Position
[Unaudited – Expressed in Canadian dollars]

	Note	**February 28 2014 (Unaudited)**	May 31 2013 (Audited)
ASSETS		**$**	$
Current assets			
Cash and cash equivalents		**695**	1,522
Receivables and prepayments	4	**2,912**	20,722
		3,607	22,244
Non-current assets			
Exploration and evaluation assets	5	**822,642**	1,502,417
		822,642	1,502,417
Total assets		**826,249**	1,524,661
LIABILITIES			
Accounts payable and accrued liabilities		**188,618**	197,551
Short term loan	7	**45,000**	-
Due to related parties	7	**278,618**	112,330
Flow through share premium liabilities	11	**14,240**	12,577
		526,476	322,458
SHAREHOLDERS' EQUITY			
Share capital	6	**2,517,604**	2,336,536
Share subscription received	6	**-**	29,250
Contributed Surplus		**158,771**	-
Deficit		**(2,376,602)**	(1,163,583)
		299,773	1,202,203
Total liabilities and equity		**826,249**	1,524,661

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the board of directors on April 29, 2014 and signed on its behalf by:

"/s/Wolf Wiese"	*"/s/ Rita Tung"*
Wolf Wiese, Director	Rita Tung, Director

(The accompanying notes are integral part of these unaudited condensed interim financial statements)

SUPER NOVA PETROLEUM CORP.
Condensed Interim Statements of Changes in Equity
For the nine months ended February 28, 2014 and 2013
[Unaudited Expressed in Canadian dollars]

Share Capital

	Number of Shares	Amount	Share subscription received	Deficit	Total
		$	$	$	$
Balance, May 31, 2012	13,566,550	1,093,629	81,200	(425,155)	749,674
Property option payment	1,450,000	145,000	-	-	145,000
Private placement	4,830,328	410,200	(81,200)	-	329,000
Share issued upon amalgamation	1,006,447	100,645			100,645
Share issuance cost	-	(1,493)	-	-	(1,493)
Loss for the period	-	-	-	(618,777)	(618,777)
Balance, February 28, 2013	20,853,325	1,747,981	-	(1,043,932)	704,049
Balance, May 31, 2013	**26,448,880**	**2,336,536**	**29,250**	**(1,163,583)**	**1,202,203**
Property Option payment	**1,500,000**	**60,000**			**60,000**
Private placement	**6,225,000**	**95,650**	**-**	**-**	**95,650**
Share based payment	**-**	**158,771**	**-**	**-**	**158,771**
Share subscriptions	**-**	**-**	**(29,250)**	**-**	**(29,250)**
Share issuance for debt	**508,344**	**25,418**	**-**	**-**	**25,418**
Loss for the period	**-**	**-**	**-**	**(1,213,019)**	**(1,213,019)**
Balance, February 28, 2014	**34,682,224**	**2,676,375**	**-**	**(2,376,602)**	**299,773**

The accompanying notes are integral part of these unaudited condensed interim financial statements)

SUPER NOVA PETROLEUM CORP.
Condensed interim statements of Cash Flows
[Unaudited – Expressed in Canadian dollars]

	Three months ended February 28		Nine months ended February 28	
	2014	2013	2014	2013
Cash flows from operating activities	$	$	$	$
Loss for the period	**(1,025,519)**	(158,577)	**(1,213,019)**	(618,777)
Items not affecting cash:				
Flow through shares premium	**1,663**	-	**1,663**	-
Issuance of shares upon amalgamation	**-**	-	**-**	100,645
Stock base payment	**98,990**	-	**98,990**	-
Write down of exploration and evaluation assets	**854,033**	-	**854,033**	-
	(70,833)	(158,577)	**(258,333)**	(518,132)
Non-cash working capital adjustments:				
Change in receivables and prepayments	**495**	26,664	**17,810**	46,243
Change in accounts payable and accrued liabilities	**(29,453)**	(105,940)	**(8,250)**	49,355
Change in due to related parties	**88,023**	84,774	**166,288**	82,862
Net cash flow in operating activities	**(11,768)**	(153,079)	**(82,485)**	(339,672)
Cash flow used in investing activities				
Investment in exploration and evaluation assets	**2,424**	(52,000)	**(29,742)**	(109,459)
Net cash flows used in investing activities	**2,424**	(52,000)	**(29,742)**	(109,459)
Cash flow from financing activities				
Proceeds from issuance of shares, net of share issuance cost	**-**	217,007	**95,650**	327,507
Short term loan	**10,000**	-	**45,000**	-
Proceeds from subscription	**-**	(12,000)	**(29,250)**	-
Net cash flows from financing activities	**10,000**	205,007	**111,400**	327,507
Net (decrease) in cash	**656**	(72)	**(827)**	(121,624)
Cash, beginning of the period	**39**	737	**1,522**	122,289
Cash, ended of the period	**695**	665	**695**	665

Supplemental disclosures with respect to cash flows (Note 9)

(The accompanying notes are integral part of these unaudited condensed interim financial statements)

1. NATURE AND CONTINUANCE OF OPERATIONS

Super Nova Petroleum Corp., formerly Super Nova Minerals Corp. (the "Company") was incorporated on January 21, 2005, under the British Columbia Business Corporations Act. The current registered office of the Company is located at Suite 1100, 736 Granville Street, Vancouver, British Columbia, V6Z 1G3 while the current corporate office is located at Suite 900, 525 Seymour Street, Vancouver, British Columbia, V6B 3H7. On October 2, 2012, Super Nova Minerals Corp. was amalgamated with 0922519 B.C. Ltd., and the resulting company continued under the name of Super Nova Minerals Corp. In April 2014, the Company changed its name to Super Nova Petroleum Corp. from Super Nova Minerals Corp..

The principal activity of the Company is the acquisition, exploration and development of mineral properties in British Columbia and Quebec, Canada and oil and gas properties in Montana and Texas, United States. On October 22, 2012, the Company's common shares are listed for trading on the Canada National Stock Exchange ("CNSX") under the symbol "SNP". On October 21, 2013, the Company has been approved to trading on the O.T.C. Pinksheets under the symbol "SNOVF".

The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production.

The Company is a junior exploration company and has incurred losses and negative cash flows from operations since inception, and therefore, ongoing operations of the Company are dependent upon its ability to receive continued financial support, equity or debt financings. Management is actively targeting sources of additional financing which would assure the continuation of the Company's operations and exploration programs. To the extent financing is not available, rental payments, and other payments may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

a) Statement of Compliance

These unaudited condensed interim financial statements ("Financial Statements") have been prepared in accordance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and therefore, these Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2013.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for derivative financial instruments, and financial instruments which are measured at fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All financial information in these financial statements is presented in Canadian dollars, except as otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting periods. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Actual results could differ materially from those reported.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The provision of deferred tax is based on judgments in applying income tax law and estimates on timing, likelihood and reversal of temporary differences between the accounting and tax basis of the assets and liabilities;
- The estimated value of exploration and evaluation costs which is included in the statement of financial position;
- The assessment of indications of impairment of each of the exploration and evaluation assets and related determination of the net realizable value and write-down of those assets where applicable.

b) Refundable tax credits and mining duties

The Company is entitled to apply for government grants in the form of refundable tax credits and mining duties in respect of qualifying mining exploration expenses incurred. These recoveries are accounted for using the cost reduction approach whereby amounts received are applied against the cost of related assets or expenditures.

c) Foreign currency

The Company's functional currency is the Canadian dollar. Monetary assets and liabilities denominated in currencies other than the Canadian dollar are initially recorded at the respective spot rate of exchange at the date of the transaction, and then translated into Canadian dollars at the rates of exchange prevailing at the reporting date. All differences are taken to profit or loss on the statement of loss and comprehensive loss. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Revenues and expenses are translated at average rates throughout the reporting period.

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral and oil and gas properties are capitalized by property after the Company has obtained the legal right to explore the property.

Exploration and evaluation expenditures for each area of interest are carried forward as an asset, provided that such costs are expected to be recouped in full through successful development and exploration of the area of interest or, alternatively, by its disposal or through farm-out arrangements.

Once development commences, these costs are reclassified to property, plant and equipment and are

charged to operations upon commercial production on a unit-of-production method based on proven and probable reserves.

The recoverability of amounts recorded as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The costs recovered on exploration and evaluation assets in excess of the carrying amounts are recognized in income.

e) Decommissioning liabilities

The fair value of the statutory, contractual, constructive or legal liabilities associated with the retirement and reclamation of mining assets are recorded when incurred, with a corresponding increase to the carrying amount of the related production assets. The amount recognized is the estimated cost of decommissioning, discounted to its present value using the Company's risk free rate. Changes in the estimated timing of decommissioning or decommissioning cost estimates and changes to the risk free rates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to the related production assets. The unwinding of the discount on the decommissioning provision is charged to net earnings or loss.

The Company recognizes a decommissioning liability in the period in which it is incurred when a reasonable estimate of the fair value can be made. Management reviews these estimates and changes on a periodic basis; if an indication exists, the changes are applied prospectively. The fair value of the estimated provision is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production basis over the life of the proved developed reserves. The liability amount is increased each reporting period due to the passage of time and this amount is charged to earnings in the period. Actual costs incurred upon settlement of the obligations are charged against the provision to the extent of the liability recorded and the remaining balance of the actual costs is recorded in the statement of loss.

f) Impairment of long-lived assets

At each reporting date, all capitalized exploration and evaluation expenditure are assessed for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they are charged to operations. Exploration areas where reserves have been discovered, but require major capital expenditures before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group, at the lowest level for which identifiable cash flows

are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

g) Stock-based compensation

The fair value of stock options granted is measured at grant date using the Black-Scholes option pricing model. Where options are granted to consultants for goods or services rendered, the options are measured at the fair value of the goods or services received by the Company. If the fair value of the goods and services received cannot be reliably measured, the fair value of the stock options granted is used instead. At each reporting date, prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are expected to ultimately vest is computed. The movement in cumulative expense is recognized in the statement of loss and comprehensive loss with a corresponding entry within equity, against reserves. No expense is recognized for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in reserves, are credited to share capital.

h) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, if later, all options and warrants were exercised. The proceeds from exercise would be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted loss per share is the same as basic loss per share.

i) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as

the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable and available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. It is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments.

- *Financial assets at fair value through profit or loss*

  A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and include cash, which is initially recognized at fair value.

- *Loans and receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current or non-current assets based on their maturity date. Assets in this category include receivables and are measured at amortized cost less impairment.

- *Available-for-sale financial assets*

  Available-for-sale financial assets are either designated as available for sale or not classified in any other categories. They are initially recognized at fair value plus transaction costs and are subsequently carried at fair value, with unrealized gains and losses recorded in other comprehensive income until disposition or other-than-temporary impairment at which time the gain or loss is recorded in earnings. The Company does not have any available-for-sale financial assets.

Financial liabilities

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

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

Other financial liabilities – are initially recognized at fair value and subsequently stated at amortized cost and include accounts payable and accrued liabilities and due to related parties. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the statement of financial position.

Impairment of financial assets

At each reporting date the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

- Financial assets carried at amortization: the loss is the difference between the amortized cost and its value of estimated future cash flows, discounted using the instrument's original effective interest rate;
- Available-for-sale financial asset: The loss is the amount comprising the difference between its original cost and its current fair value, less any impairment previously recognized in the statement of loss and comprehensive loss This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net loss.

Reversals of impairment losses on financial assets carried at amortized cost are recorded through the statement of loss and comprehensive loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss had been recognized. Impairment on available-for-sale instruments is not reversed.

k) Flow-through Shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and ii) share capital. Upon expenses being incurred, the Company derecognizes the flow-through premium liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income.

3. CHANGES IN ACCOUNTING POLICIES

The Company has applied the following new and revised IFRSs in these unaudited condensed interim financial statements.

IFRS 13, Fair value measurement, provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The Standard defines fair value on the basis of exit price notion and use a fair value hierarchy, which results in a market-based, rather than entity-specific measurement. The Company adopted IFRS 13 on June 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at June 1, 2013.

The Company also adopted the amendments to ***IAS 1, Presentation of Financial Statements***, and effective June 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

4. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments are comprised of the following:

As at		February 28, 2014		May 31, 2013
GST Receivables	$	2,912	$	7,409
Exploration tax credits receivable		-		13,313
Receivables and prepayments	$	2,912	$	20,722

5. EXPLORATION AND EVALUATION ASSETS

	Marbridge	Iron Ridge	Preissac	Elk Hills	Bakken	
	(a)	(b)	(c)	(d)	(e)	Total
	$	$	$	$	$	$
Balance, May 31, 2012	353,027	350,634	-	-	-	703,661
Acquisition cost	-	-	174,000	641,555		815,555
Exploration expenditure	(13,313)	(16,242)	-	-	-	(29,555)
Tax credit	2,781	9,975	-	-	-	12,756
Balance, May 31, 2013	342,495	344,367	174,000	641,555	-	1,502,417
Acquisition cost	-	-	-	38,479	135,780	174,259
Write down	-	-	(174,000)	(680,034)	-	(854,034)
Balance, February 28, 2014	**342,495**	**344,367**	**-**	**-**	**135,780**	**822,642**

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its properties and, to the best of its knowledge; these titles are in good standing. However, this should not be construed as a guarantee of title. The mineral properties may be subject to prior claims, arguments or transfers and rights of ownership may be affected by undetected defects.

a) Marbridge Property, Quebec

Pursuant to a series of agreements, the Company entered into an option agreement to acquire a 100% interest in Marbridge Property, located in the Lamotte Township, Quebec.

The property is subject to a net smelter return royalty of 3%, of which 2% may be purchased for $1,000,000.

At the year ended May 31, 2013, the Company paid the total cash $83,950 and issued 1,300,000 shares value at $130,000 to the Optionors and incurred $170,170 in exploration expenditures. The Company received a tax credit on qualifying exploration expenditures for the total of $41,625, which was recognized again exploration expenditures.

The Company dropped 44 of the 52 claims comprising part of the Marbridge Property located in northwestern Quebec.

b) Iron Ridge Property, British Columbia

Pursuant to a series of agreements, the Company entered into an option to acquire 100% interest in the Iron Ridge Property, located near Creston, British Columbia. Pursuant to the agreements, the Company agreed to the following payments:

		Cash	Shares
Upon signing of the Option Agreement (issued)	$	-	1,300,000
1st cash payment (paid)		9,000	-
2nd cash payment (paid)		30,000	-
Share Issuance (issued)		-	2,000,000
60 days from the listing on CNSX (December 21, 2012)		6,000	-
	$	45,000	3,300,000

The property is subject to a net smelter return royalty of 3%, of which 2% may be purchased for $1,000,000.

At the year ended May 31, 2013, the Company paid the total cash payments to the Optionors of $39,000 and issued 3,300,000 shares valued at $230,000 to the Optionors and incurred $91,609 in exploration expenditures. The Company received a tax credit on qualifying exploration expenditures for the total of $16,242, which was recognized again exploration expenditures.

During the nine months ended February 28, 2014, the Company entered into an amendment to waive the $6,000 cash payments.

c) Preissac Property, Quebec

On November 2, 2012, the Company entered into a purchase agreement (the “Preissac Agreement”) with Pristine Capital Corp. (“Pristine”) to acquire 100% in the Preissac Property, located in the Rouyn-Noranda-Val dor mining camp in Northwest Quebec. To purchase the property the Company agreed to the following payments:

		Cash	Shares
No later than two days following the CNSX approval (issued)	$	-	1,450,000
On or before January 15, 2013		10,000	-
On or before February 28, 2013		20,000	-
	$	30,000	1,450,000

At the year ended May 31, 2013, the Company issued 1,450,000 shares valued at $174.000 and did not have any exploration expenses associated with this property.

During the nine months ended February 28, 2014, the Company entered an amendment to waive the $30,000 cash payments.

The Company dropped all mineral claims comprising the Preissac Property located in northwestern Quebec and wrote off costs of $174,000 to the statement of loss and comprehensive loss.

d) Elk Hills Property

Pursuant to a series of agreements, the Company entered into a farmout (the “Farmout Agreement”) with Elk Hills Petroleum Canada Ltd. and Elk Hills Heavy Oil LLC (the “Farmors”). Under the terms of the agreement, the Company has a right to acquire a 50% working interest in both Morris Block and Cottonwood Creek Lease Projects within the Elk Hills Property, until the Farmors receive a total of $3,000,000 in net revenue from oil production through their fully carried working interest and an 87.5% working interest thereafter, by completing the following:

(i) Making the following cash payments:

	Cash
Initial payment (paid)	$ 47,000
February 25, 2013 (paid)	25,000
March 15, 2013 ($10,000 paid)	48,000
April 30, 2013	30,000
May 31, 2013	100,000
July 31, 2013	150,000
One week subsequent to the first well for the 5 spot being spudded	300,000
	$ 700,000

(ii) Issue common shares to the shareholders of Elk Hills Petroleum Canada Ltd. totalling 16,786,665 as follows:
- 5,595,555 shares within five business days after the CNSX approval (issued)
- 5,595,555 shares within one week of drilling, casing and logging a well on Cottonwood Creek Prospect
- 5,595,555 shares after all lifting costs and flow rates have been established by a huff and puff on either the Bauwens 15-13 well or the newly drilled Cottonwood Creek Prospect well.

(iii) Drill, core and case one well in the Cottonwood Creek Prospect no later than April 30, 2013

(iv) Start a Steam Injection Test at the Bauwens well or the newly drilled and cased Cottonwood Creek well within 60 days after the Cottonwood Creek well is drilled and cased and no later than July 31, 2013;

(v) Complete a 5 spot well consisting of drilling an injection well and thereafter drilling four additional producing wells surrounding the injection well in an area on the Morris Block or in the Cottonwood Creek Area designated by the Farmors; the drilling of the 5 Spot well shall commence within 60 days of the completion of the Steam Injection Test.

The Elk Hills Property is subject to royalty totalling 20%, of which 10% will be payable by the Company until the $3,000,000 in net revenue from oil production is reached and 17.5% thereafter.

On August 12, 2013, the Company and Farmors reached an agreement that replaced and superseded the original agreement and its amendment. The new agreement retained the same working interest percentages as were contemplated in the original series of agreements. The terms and conditions to acquire the interest were changed to the following:

(i) Cash payment requirements:

	Cash
Upon signing of the contract, non-refundable payment (paid)	$ 25,000
Within 30 days of signing of the agreement (September 12, 2013); plugging costs associated with existing wells on the property	15,000*
On or before September 15, 2013, non-refundable payment	25,000**
On or before September 30, 2013; cost to renew top leases	35,000*
On or before November 30, 2013; non-refundable payment	25,000
On March 31, 2014 or 45 days after receiving permits for steam testing, whichever is later	100,000
On July 15, 2014 or 45 days after receiving five spot permits, whichever is later	150,000
Within 90 day of extracting first barrel of oil from the five spot well	340,000
	$ 715,000

*subsequent to period end the Company was in negotiations with the Farmors on these payments.
**subsequent to period end the due date of this payment was extended 45 days.

The Farmors shall be responsible for keeping all lease underlying the Farmout Lands in good standing at all times during the term of the Farmout Agreement until such time as the Farmee has earned its 87.5 working interest.

(ii) Common stock:

- The Company agreed to issue 16,750,000 shares of its common stock upon receiving approval from CNSX. These shares will be held in escrow and will be released to Elk Hills Petroleum as follows: 25% upon receiving approval from CNSX, and 25% every six months following the initial release.
- Upon signing of the agreement, the Company agreed to issue 500,000 shares of its common stock as a finders fee. Subsequent to year end issuance of these shares was under negotiation with the Farmors.

(iii) Drilling:

- No later than November 15, 2013 - drill, core and case one well in the Cottonwood Creed Prospect.
- No later than June 1, 2014 – start steam injection test on Bauwens or Cottonwood Creek Prospect well.
- Within 60 days of completion of the steam injection test – complete five spot well.

As the year ended May 31, 2013, the Company paid cash payment of $82,000 and issued 5,595,555 shares valued at $559,555, and did not have any exploration expenses associated with this property.

During the nine months ended February 28, 2014, the parties entered into a farmout agreement to amend as all Shares issued to it pursuant to this Agreement shall be subject to statutory imposed resale restrictions by a legend should be endorsed on the certificates representing all Shares issued to Elk Hills.

On December 13, 2013, the Company has decided not to proceed with the Elk Hills project. (see news release of August 22, 2013) and wrote off costs of $680,034 to the statement of loss and comprehensive loss. The Company is negotiating with certain parties on an alternative oil project in Montana.

Subsequent to February 28, 2014, the Company has defaulted on its obligations under the Farmout Agreement and the parties wish to settle all outstanding claims relating to the Company's breach of the Farmout Agreement pursuant to which the Company will issue 650,000 common shares (the "Settlement Shares") of the Company to or at the direction of the Farmors. The issuance of common share is subject to the approval of CSE.

e) Bakken Land, Montana, USA

On January 2014, the Company and Norstra Energy Inc. (the "Farmor") entered into a Farmout Agreement which grants an option to the Company to earn an optioned 80% working interest in approximately 10,000 acres of contiguous property located in the Bakken Formation in North-West Montana, USA (the "Farmout Lands"). The Farmout Lands have been divided into three separate blocks and the Company has an option to earn 80% working interest in each block by drilling a vertical well at each Block.

The Company has committed to the following payment: Initial Block: the Company will earn an 80% interest in the initial block of the Farmout Lands upon paying the Farmor $1,400,000 and successfully drilling an initial well, as a producer or dry hole, on the initial block lands.
The $1,400,000 will be applied as follows:

1. $385,000 – to reimburse the Farmor for costs incurred to date on the Framout Lands
2. $1,015,000 – being the balance of the estimated cost for the drilling of a 8,900 foot well on the

initial block lands.

a) $25,000 within 30 days of execution of the agreement
b) $15,000 to be paid monthly commencing 60 days after execution of the agreement, with the balance of all funds (after deducting all costs paid by the Company to drill the well) due on later than 12 months from the date of the agreement.

Second Block: Upon successful completion of the well on the initial block lands per the above terms, the Company will have the option, within 240 days from the date of rig release from the drilling of the initial block, to commence the drilling of an 8,900 foot vertical well on the second block to earn 80% working interest in the second block, subject to completion of a well on the second block as a producer or a dry hole.

Third Block: Upon successful completion of the well on the second block lands per the above terms, the Company will have the option, within 240 days from the date of rig release from the drilling of the second block, to commence the drilling of an 8,900 foot vertical well on the third block to earn an 80% working interest in the third block, subject to completion of a well on the third block as a producer or a dry hole.

The Farmout Lands are subject to a royalty burdens totalling 16% and the initial block is subject to an additional royalty of 3.5%. The Farmor will retain a 20% carried working interest in all blocks.

On January 29, 2014, the Company entered a purchase agreement with Glen Landry, an individual, to purchase a 100% working interest or 80% net revenue interest in an oil and gas leases covering 6,000 acres of property located in the Bakken Formation in North-West Montana, USA in by issuing 1,500,000 common shares of the Company and 1,500,000 share purchase warrants to Glen Landry. Each share purchase warrant is exercisable into one common share of the Company at $0.075 per share during the first year, $0.10 per share during the second year and $0.125 per share during the third year of the exercise period. Further, in the event that commercially feasible oil and gas reserves are discovered on the Property, the Company will issue an additional 3,500,000 common shares to the Vendor.

On February 6, 2014, the 1,500,000 common shares and the 1,500,000 share purchase warrants were issued to Glen Landry. The estimated fair value of common share at the issuance was $60,000 and the estimated fair value of the share purchase warrants was $59,779.

f) McAfee Well, Frio County, Texas

On February 14, 2014, the Company entered an option agreement with Benlex,LLC ("Optionor") to acquire an optioned 90% pre-payout working interest (being a 67.5% net revenue interest) and 50% post-payout working interest (being a 37.5% net revenue interest) in an oil and gas lease (the "Lease") covering the McAfee Well located in Pearsall Field, Frio County, Texas by paying the following:

- US$20,000 on or before February 24, 2014, (the "One-Time Fee") (paid)
- Additional US$20,000 on or before March 31, 2014 – to reimburse costs incurred by the Optionor to date on the Lease (paid)
- Additional US$630,000 on or before May 30, 2014 – being the balance of the estimated cost for the drilling of a horizontal extension to the McAfee Well.

Upon payment of the US$670,000 set out above, the Company will have earned a 90% pre-payout working interest in the Lease until such time as the Company has recovered all costs actually incurred to complete the drilling of the horizontal extension to the McAfee Well, including the full US$670,000 reference above.

Thereafter, the Company's interest will be reduced to a 50% working interest (37.5% net revenue interest) in the Lease.

Subsequent to period ended February 28, 2014, the Company pursuant to optional agreement, the Company paid US$40,000 to Optionor of McAfee Well property.

The Company received an NI 51-101 report on the McAfee Well in March 2014 (refer to the Company's news release of March 13, 2014.)

6. SHARE CAPITAL

Common shares

Authorized: An unlimited number of common shares without par value.

On June 13, 2012, the Company closed a private placement of 1,212,000 common shares, which comprised of 500,000 non-flow-through common shares at $0.10 per share, of which $10,000 was received prior to May 31, 2012 and 712,000 flow-through common shares at $0.12 per share, of which $85,440 was received prior to May 31, 2012 for total proceeds of $135,440. A flow-through share premium liability of $14,240 was recorded as a result of the private placement.

On September 27, 2012, the Company closed a private placement of 705,000 common shares at a price of $0.10 per share for gross proceeds of $35,500. A total of 350,000 common shares issued as part of this private placement were used to pay $35,000 in debt owed to the certain debt holders of the Company.

On October 2, 2012, upon amalgamation with 519 B.C, the Company issued 1,006,447 common shares with a fair value of $100,645 to the former shareholders of 519 B.C. The total cost of these shares was attributed to listing of the Company on CNSX and expensed as listing fees.

On November 6, 2012, pursuant to the Preissac purchase agreement, the Company issued 1,450,000 common shares with a fair value of $174,000.

On January 18, 2013, the Company closed a private placement of 1,146,662 units at a price of $0.075 per unit for gross proceeds of $86,000. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of two years at an exercise price of $0.15 per share during the first year and $0.20 per share during the second year.

On February 20, 2013, the Company closed a private placement of 1,766,666 units at a price of $0.075 per unit for gross proceeds of $57,580. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of two years at an exercise price of $0.125 per share during the first year and $0.175 per share during the second year. A total of 998,933 units issued as part of this private placement were used to pay the debt owed to certain debt holders for a total of $74,920. The Company paid $1,493 in finder's fees for this private placement.

On March 11, 2013, pursuant to the Farmout Agreement, the Company issued 5,595,555 common shares with a fair value of $559,555.

On July 19, 2013, the Company issued 508,334 common shares in settlement of debt in the amount of

$25,417 with an unrelated party.

On August 29, 2013, the Company closed a private placement of 5,390,000 units at a price of $0.01 per unit for gross proceeds of $53,900. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of four years at an exercise price of $0.05 per share during the first year, $0.10 per share during the second year, $0.15 per share during the third year and $0.20 per share during the fourth year.

On October 24, 2013, the Company closed a private placement of 835,000 units at a price of $0.05 for gross proceeds of $41,750, of which a total of $29,250 subscription were received prior to August 31, 2013. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of two years at an exercise price of $0.06 per share during the first year and $0.10 per share during the second year.

On February 6, 2014, pursuant to a property purchase agreement dated January 29, 2014 (re: Bakken Formation 6,000 acres), the Company issued 1,500,000 common shares at a price of $0.04 per share to vendor.

Subsequent to February 28, 2014, the Company closed a private placement of 3,739,966 non flow through unit $0.06 each for gross proceeds of $224,398. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of three years at an exercise price of $0.075 per share during the first year, $0.10 per share during the second year and $0.125 per share during the third year.

Escrowed Common Shares

At the period ended February 28, 2014, 2,871,629 (February 28, 2013: nil) common shares were held in escrow and were due to be released in stages up to November 30, 2015.
Subsequent to February 28, 2014, 2,153,721 common shares were held in escrow.

Stock options

The Company grants stock options to employees, directors, officers, and consultants of the Company as compensation for services pursuant to its Stock Option Plan (the "Plan").

Options have a maximum expiry period of up to five years from the grant date and are subject to the minimum vesting requirements, as determined by the Board of Directors. The number of options that may be issued under the Plan may not exceed 10% of the number of issued and outstanding common shares of the Company at the time of granting of options.

On February 7, 2014, the Company granted 2,475,000 stock options, vested immediately, to management, employee, and directors exercisable for a period of five years at $0.07 per option.

Subsequent to three months ended February 28, 2014, the Company granted 700,000 stock options, vested immediately, to the employee exercisable for a period of five years at $0.07 per option.

The following table summarize the continuity of the Company's stock options:

	Number of Options	Weight average price	
At June 1, 2013	-	-	
Granted	2,475,000	$	0.07
At February 28, 2014	**2,475,000**	**$**	**0.07**

Information regarding options outstanding as February 28, 2014 is as follows:

Number of options outstanding and exercisable	Exercise price		Expiry date	Remaining contractual life (years)
2,475,000	$	0.07	February 7, 2019	4.95

The option-based awards dollar values $0.07 per option was calculated using a Black-Scholes model, which includes assumptions for rick-free interest rates 1.59%, volatility of 354.88%, and the expected option life of 5 years.

Share purchase warrants

The following table summarizes the warrants activity.

	Number of warrants	Weighted Average Price*	
At May 31, 2012	-	$	-
Issued	2,913,328	$	0.135
Expired	-		-
Balance at May 31, 2013 (audited)	2,913,328		0.135
Issued	7,725,000		0.050
Balance at February 28, 2014	**10,638,328**	**$**	**0.073**

*based on the exercise price of the warrants at balance sheet date

Information regarding share purchase warrants outstanding as February 28, 2014 is as follows:

Number of warrants outstanding and exercisable		Exercise price	Expiry date	Remaining contractual life (years)
1,146,662	$	0.15	January 18, 2015	0.9
1,766,666		0.125	February 20, 2015	1.0
5,390,000		0.05	August 29, 2017	3.5
835,000		0.05	October 24, 2015	1.6
1,500,000		0.075	February 6, 2017	2.9
10,638,328				

As at February 28, 2014, the weighted-average remaining contractual life of warrants was 2.14 years.

On February 6, 2014, pursuant to property purchase agreement dated January 29, 2014 (re: Bakken Formation 6,000 Acres). Each warrant is exercisable into a common share for three years at a price of $0.075 per share during the first year and $0.10 per share during the second year and $0.125 per share during the third year of the exercise period.

Subsequent to February 28, 2014, 3,739,966 were issued.

7. RELATED PARTY TRANSACTIONS

All related transactions balances are unsecured, interest-free, and repayable on demand. Related party transactions not disclosed elsewhere include the following:

a) Key management personnel compensation

The Company considers senior officers and directors to be key management. During the three months and nine months ended February 28, 2014 the remuneration for key management was $12,100 and $45,000 respectively (same period last year - $ 23,500 and $64,275 As at February 28, 2014, a total of $128,769 (May 31, 2013 $112,330) payable to key management remained outstanding.

b) Other related party transactions

Golden Dawn Minerals Inc. ("GOM"), a public traded company with common directors and officers of the Company, provides office space and administration services to the Company. During the three and nine months ended February 28, 2014, the Company incurred $23,702 and $85,215 , respectively, (same period last period - $21,198 and $90,671) payable to GOM for its services provided. As at February 28, 2014, a total of $149,944 (May 31, 2013 - $64,382)

b) Loans received from related party

As at February 28 2014, the Company obtained a $30,000 unsecured loan (same period last year $nil) from an officer and director of the Company, which loan is payable on demand with no interest accruing thereon. The issuer also obtained a $15,000 loan (same period last year $nil) from a relative of an officer and director, which loan is payable on demand with $1,000 in interest accruing thereon. Subsequent to February 28, 2014, the

Company paid off the loan $30,000 and received $25,000 unsecured loan.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist of Goods and Services Tax ("GST") receivable from the Canadian government and are considered low risk.

Currency risk

The Company operates primarily in Canadian dollars and, as such, is not affected by the fluctuations of the Canadian dollar with other currencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Interest rate risk

The Company normally invests in short-term interest bearing financial instruments. There is a minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificate included in cash as they would be held in large financial institutions.

Fair value measurements of financial assets and liabilities

Disclosure about significance of inputs used in making fair value measurements is as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of receivables, due to related parties and accounts payable and accrued liabilities, approximate their current fair values because of their nature and relatively short maturity dates or durations.

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

- During the nine months ended February 28, 2014, the Company issued 1,500,000, value at $60,000 common shares (same period last year - 1,450,000, valued at $174,000) were issued for the acquisition of exploration and evaluation assets.
- During nine months ended February 28, 2014, the Company issued 508,344 common shares as payment for $25,418 (same period last year - $nil) owed to the unrelated debt holders.
- As at February 28, 2014, a total of $68,739 (same period last year - $25,587) in exploration and evaluation assets were accrued through accounts payable and accrued liabilities.

10. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management since the period ended February 28, 2014. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

11. COMMITMENTS

Flow-Through Exploration Expenditures

During the year ended May 31, 2013, the Company raised the total of $85,440 in flow-through funds, which the Company is committed to use in exploration activities on its active projects. The Company allocated $14,240 of the proceeds to the flow through share premium liability and the remaining proceeds of $71,200 to share capital. As the end of December 31, 2013, the Company did not incur all eligible exploration expenses which resulted in a penalty and accrued interest totaling approximately $10,000.