NORTH SOUTH PETROLEUM CORP.

(*formerly Valor Ventures Inc.*)

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JULY 31, 2015 AND 2014

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of North South Petroleum Corp. (formerly Valor Ventures Inc.)

We have audited the accompanying financial statements of North South Petroleum Corp. (formerly Valor Ventures Inc.), which comprise the statements of financial position as at July 31, 2015 and July 31, 2014, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended July 31, 2015 and July 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North South Petroleum Corp. (formerly Valor Ventures Inc.) as at July 31, 2015 and July 31, 2014, and its financial performance and its cash flows for the years ended July 31, 2015 and July 31, 2014 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Vancouver, B.C.
November 19, 2015

Chartered Professional Accountants

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NORTH SOUTH PETROLEUM CORP. (*formerly Valor Ventures Inc.*)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	July 31, 2015 $	July 31, 2014 $
ASSETS			
Current assets			
Cash		1,111,476	156,354
GST receivable		880	524
Prepaid expenses		833	894
TOTAL ASSETS		1,113,189	157,772
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5(b)	5,944	4,240
TOTAL LIABILITIES		5,944	4,240
SHAREHOLDERS' EQUITY			
Share capital	4	2,273,193	1,240,513
Share-based payments reserve		392,307	213,816
Deficit		(1,558,255)	(1,300,797)
TOTAL SHAREHOLDERS' EQUITY		1,107,245	153,532
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,113,189	157,772

Nature of Operations and Name Change - see Note 1

Event after the Reporting Period - see Note 9

These annual financial statements were approved for issue by the Board of Directors on November 17, 2015 and are signed on its behalf by:

/s/ ***Craig Taylor***
Craig Taylor
Director

/s/ ***Marc Cernovitch***
Marc Cernovitch
Director

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

NORTH SOUTH PETROLEUM CORP. (*formerly Valor Ventures Inc.*)
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended July 31, 2015 $	2014 $
Expenses			
Accounting and administrative	5(b)	25,055	17,350
Audit		5,825	7,677
Bank charges		496	240
Legal		2,000	-
Office		1,146	108
Professional fees		36,000	-
Regulatory fees		11,605	7,598
Rent		-	3,000
Share-based compensation	4(d)	173,667	-
Shareholder costs		1,397	1,100
Transfer agent		9,176	4,810
Travel		166	-
		266,533	41,883
Loss before other items		(266,533)	(41,883)
Other items			
Interest income		6,996	2,429
Foreign exchange gain		2,079	-
		9,075	2,429
Net loss and comprehensive loss for the year		(257,458)	(39,454)
Loss per share - basic and diluted		$(0.03)	$(0.03)
Weighted average number of common shares outstanding		8,283,771	1,291,990

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

NORTH SOUTH PETROLEUM CORP. (*formerly Valor Ventures Inc.*)
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Note	Year Ended July 31, 2015				
		Share Capital				
		Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at July 31, 2014	4(b)	1,291,990	1,240,513	213,816	(1,300,797)	153,532
Common shares issued for cash:						
- private placement	4(c)	22,000,000	1,100,000	-	-	1,100,000
Share issue costs		-	(67,320)	4,824	-	(62,496)
Share-based compensation	4(d)	-	-	173,667	-	173,667
Net loss for the year		-	-	-	(257,458)	(257,458)
Balance at July 31, 2015		23,291,990	2,273,193	392,307	(1,558,255)	1,107,245

	Note	Year Ended July 31, 2014				
		Share Capital				
		Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at July 31, 2013	4(b)	1,291,990	1,240,513	213,816	(1,261,343)	192,986
Net loss for the year		-	-	-	(39,454)	(39,454)
Balance at July 31, 2014		1,291,990	1,240,513	213,816	(1,300,797)	153,532

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

NORTH SOUTH PETROLEUM CORP. (*formerly Valor Ventures Inc.*)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended July 31,	
	2015	**2014**
	$	**$**
Operating activities		
Net loss for the year	(257,458)	(39,454)
Adjustments for:		
Share-based compensation	173,667	-
Changes in non-cash working capital items:		
GST receivable	(356)	(69)
Prepaid expenses	61	114
Accounts payable and accrued liabilities	1,704	838
Net cash used in operating activities	(82,382)	(38,571)
Financing activities		
Issuance of common shares	1,100,000	-
Share issue costs	(62,496)	-
Net cash provided by financing activities	1,037,504	-
Net change in cash during the year	955,122	(38,571)
Cash at beginning of year	156,354	194,925
Cash at end of year	1,111,476	156,354

Supplemental cash flow information - See Note 8

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

1. Nature of Operations and Name Change

The Company was incorporated under the laws of the Province of British Columbia on March 1, 2007. On May 19, 2015 the Company changed its name from Valor Ventures Inc. to North South Petroleum Corp. The Company is considered to be a capital pool company by the TSX Venture Exchange ("TSXV") and its common shares trade on the NEX Board of the TSXV under the trading symbol "NAS.H". The Company's head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

The Company's principal business objective has been the identification and evaluation of companies, businesses, properties, or assets with a view to acquisition or participation therein. As at July 31, 2015 the Company had working capital of $1,107,245 and expects that it has sufficient financial resources to continue to fund current levels of corporate administration and due diligence costs for the next twelve months. Where acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing.

2. Basis of Preparation

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

3. Significant Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

3. Summary of Significant Accounting Policies (continued)

(i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Amounts Receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Receivables are classified as loans and receivable. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as other financial liabilities initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable are classified as loans and receivables.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At July 31, 2015 and 2014 the Company has not classified any financial liabilities as fair value through profit or loss.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

3. Summary of Significant Accounting Policies (continued)

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the allocation of proceeds received on sale of units to the underlying common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in private placements is determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

Income tax expense comprises current and deferred income tax. Income tax is recognized in the statement of comprehensive income (loss), except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In this case the income tax is also recognized in other comprehensive income (loss) or directly in equity, respectively.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3. Summary of Significant Accounting Policies (continued)

Deferred income tax is provided on temporary differences. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss Per Share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

Currency

The functional currency of the Company is Canadian dollars and these financial statements are presented in Canadian dollars. Transactions of the Company that are denominated in foreign currencies are recorded in Canadian dollars at exchange rates in effect at the related transaction date. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at the balance sheet date. Exchange gains or losses, if any, arising from the translation of foreign currency denominated monetary assets and liabilities are included in operations.

New Accounting Standards Adopted During the Year

Effective August 1, 2014 the following standards were adopted but did not have a material impact on the Company's financial statements:

(i) IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities.

(ii) IFRS 10 Investment Entities - Amendment.

New Accounting Standards and Interpretations Issued but Not Yet Adopted

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

(i) IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

(ii) IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2017.

(iii) IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

4. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited preferred shares without par value. All issued common shares are fully paid.

4. Share Capital (continued)

(b) *Share Consolidation*

On March 23, 2015 the Company consolidated its share capital on a one new for five old basis. All share and per share amounts in these financial statements have been adjusted to reflect the consolidation.

(c) *Reconciliation of Changes in Share Capital*

(i) On April 7, 2015 the Company completed a non-brokered private placement financing of 22,000,000 common shares at a price of $0.05 per share for gross proceeds of $1,100,000. The Company paid a finder's fee of $35,550 cash and issued 711,000 finder's warrants at a fair value of $4,824. Each finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.05 per share expiring April 7, 2016. The fair value of the finder's warrants have been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.58%; expected volatility of 120.0%; an expected life of one year; a dividend yield of 0%; and an expected forfeiture rate of 0%. As at July 31, 2015 the finder's warrants remained outstanding.

The Company incurred $26,946 for legal and filing costs.

East West Petroleum Corp. ("East West"), a public company trading on the TSXV, purchased 3,900,000 common shares of the private placement. On closing of the private placement East West owned approximately 16.74% of the issued and outstanding common shares of the Company and a director of East West was subsequently appointed a director of the Company. In addition, on May 22, 2015 a director of East West was also appointed as a director of the Company and another director of East Was appointed as the corporate secretary of the Company.

(ii) The Company did not conduct any equity financings during the year ended July 31, 2014.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During fiscal 2015 the Company granted share options to purchase 967,500 (2014 - nil) common shares and recorded compensation expense of $173,667 (2014 - $nil).

The fair value of share options granted during fiscal 2015 have been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.59%; expected volatility of 110.59%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

The weighted average fair value of all share options granted during fiscal 2015 was $0.18 (2014 - $nil) per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

4. Share Capital (continued)

A summary of the Company's share options at July 31, 2015 and 2014 and the changes for the years ending on those dates, is as follows:

	2015		2014	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of year	-	-	36,666	3.50
Granted	967,500	0.27	-	-
Expired	-	-	(36,666)	3.50
Balance, end of year	967,500	0.27	-	-

As at July 31, 2015, 967,500 options were outstanding at an exercise price of $0.27 expiring June 8, 2018.

See also Note 9.

(e) *Escrow Shares*

As at July 31, 2015 and 2014, 76,666 common shares were held in escrow.

5. Related Party Disclosure

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(a) During fiscal 2015 the Company recorded $110,841 (2014 - $nil) as share-based compensation for share options granted to officers and directors of the Company.

(b) The Company's corporate secretary was appointed on May 22, 2015. Since the appointment $4,800 was incurred for accounting and administration services provided by a private company owned by the Company's corporate secretary. As at July 31, 2015 the amount was unpaid and has been included in accounts payable and accrued liabilities.

(c) See also Note 4(c).

6. Income Taxes

Deferred income tax assets and liabilities of the Company as at July 31, 2015 and 2014 are as follows:

	2015 $	2014 $
Deferred income tax assets		
Loss carry forwards	354,313	328,775
Other	14,002	273
	368,315	329,048
Valuation allowance	(368,315)	(329,048)
Net deferred income tax assets	-	-
Deferred income tax liabilities	-	-

6. Income Taxes (continued)

The recovery of income taxes shown in the statements of comprehensive loss differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes as follows:

	2015 $	2014 $
Income tax rate reconciliation		
Combined federal and provincial income tax rate	26%	26%
Expected income tax recovery	66,939	10,258
Non-deductible share-based compensation	(45,153)	-
Share issuance cost	3,774	335
Other	(22)	-
Unrecognized benefit of income tax losses	(25,538)	(10,593)
Actual income tax recovery	-	-

As at July 31, 2015 the Company has non-capital losses of $1,362,741 (2014 - $1,264,518) and accumulated tax pools of $53,856 (2014 - $1,051) carried forward for Canadian income tax purposes and are available to reduce taxable income of future years. The non-capital losses expire commencing in 2028 through 2035.

7. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	July 31, 2015 $	July 31, 2014 $
Cash	FVTPL	1,111,476	156,354
Accounts payable and accrued liabilities	Other liabilities	(5,944)	(4,240)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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

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

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

The recorded amounts for cash and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

7. Financial Instruments and Risk Management (continued)

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at July 31, 2015				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	1,111,476	-	-	-	1,111,476
Accounts payable and accrued liabilities	(5,944)	-	-	-	(5,944)

	Contractual Maturity Analysis at July 31, 2014				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	156,354	-	-	-	156,354
Accounts payable and accrued liabilities	(4,240)	-	-	-	(4,240)

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to identify and evaluate potential business acquisitions and to negotiate acquisitions or participation agreements. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

8. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the years ended July 31, 2015 and 2014, are as follows:

	2015 $	2014 $
Financing activities		
Finder's warrants issued	(4,824)	-
Share-based payment reserve	4,824	-
	-	-

9. Event after the Reporting Period

Subsequent to July 31, 2015 the Company granted share options to its directors, officers and consultants to purchase 760,000 common shares of the Company, at an exericse price of $0.20 per share, for a period of five years.