ARHT MEDIA INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the three months ended

April 30, 2015 and March 31, 2014

(Expressed in Canadian dollars)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of 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 condensed 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 the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

ARHT MEDIA INC.

Condensed Interim Consolidated Statements of Financial Position
Unaudited
(Expressed in Canadian dollars)
As at

	Note	April 30, 2015	January 31, 2015
		$	$
ASSETS			
CURRENT			
Cash and cash equivalents		1,093,428	114,365
Receivables		157,678	105,304
Deposit		16,070	15,897
Prepaid expenses		4,590	59,870
Total current assets		1,271,766	295,436
NON-CURRENT			
Equipment	3	254,684	111,923
TOTAL ASSETS		1,526,450	407,359
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		521,279	519,328
Deferred revenue		25,000	-
TOTAL LIABIILITIES		546,279	519,328
SHAREHOLDERS' EQUITY (DEFICIENCY)			
SHARE CAPITAL	4	10,346,502	8,705,860
OPTIONS	5	891,890	886,723
WARRANTS	5	514,740	35,712
(DEFICIT)		(10,772,961)	(9,740,264)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		980,171	(111,969)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		1,526,450	407,359

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 7)
Subsequent events (Note 10)

APPROVED ON BEHALF OF THE DIRECTORS:

"Rene Bharti" *"Paul Duffy"*

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

ARHT MEDIA INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
Unaudited
(Expressed in Canadian dollars)

	Note	For the three months ended April 30, 2015	For the three months ended March 31, 2014
		$	$
Expenses:			
Consulting and management fees	6	273,914	30,000
Research expenditures		349,981	23,300
Office, rent and supplies		159,406	725
Professional fees		74,392	3,750
Travel		66,050	4,457
Shareholder, communications and filing fees		43,217	1,688
Selling and marketing		40,567	-
Amortization		20,003	-
Share-based compensation	5, 6	5,167	23,250
Total net loss and comprehensive loss		(1,032,697)	(87,170)
Net loss per share - basic and diluted		(0.02)	(0.00)
Weighted average number of common shares outstanding		64,468,425	29,855,556

ARHT MEDIA INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
Unaudited
(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Share-based payments Options	Share-based payments Warrants	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
		#	$	$	$	$	$
Balance, January 31, 2015		60,984,964	8,705,860	886,723	35,712	(9,740,264)	(111,969)
Share-based compensation	5, 6	-	-	5,167	-	-	5,167
Private placement	4 (b) (v)	5,172,500	2,069,000	-	-	-	2,069,000
Share issuance cost	4 (b) (v)	-	(11,330)	-	-	-	(11,330)
Warrants issued	5	-	(514,740)	-	514,740	-	-
Warrant valuation on shares issuance	5	-	35,712	-	(35,712)	-	-
Finder's warrants exercised	5	248,000	62,000	-	-	-	62,000
Net (loss) for the period		-	-	-	-	(1,032,697)	(1,032,697)
Balance, April 30, 2015		66,405,464	10,346,502	891,890	514,740	(10,772,961)	980,171
Balance, December 31, 2013		23,750,000	900,100	239,250	-	(2,626,527)	(1,487,177)
Shareholder loan conversion	4 (b) (i)	8,125,000	650,000	-	-	-	650,000
Share-based compensation	4 (b) (i)	-	-	23,250	-	-	23,250
Net (loss) for the period		-	-	-	-	(87,170)	(87,170)
Balance, March 31, 2014		31,875,000	1,550,100	262,500	-	(2,713,697)	(901,097)

ARHT MEDIA INC.

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

	Note	For the three months ended April 30, 2015	March 31, 2014
		$	$
Cash (used) in operating activities			
Net (loss) for the period		(1,032,697)	(87,170)
Items not involving cash:			
Share-based compensation	5, 6	5,167	23,250
Amortization	3	20,003	-
Cash (used in) operating activities before change in working capital items		(1,007,527)	(63,920)
Net change in working capital items		29,684	17,079
Net cash (used in) operating activities		(977,843)	(46,841)
Cash provided by financing activities			
Proceeds from shareholder loan advances		-	100,000
Private placement	4 (b) (v)	2,069,000	-
Share issuance cost	4 (b) (v)	(11,330)	-
Share subscriptions received		-	150,000
Finder's warrants exercised		62,000	
Net cash provided by (used in) financing activities		2,119,670	250,000
Cash (used in) investing activities			
Expenditures on fixed assets	3	(162,764)	-
Net cash (used in) investing activities		(162,764)	-
Change in cash		979,063	203,159
Cash, beginning of period		114,365	38,846
Cash, end of period		1,093,428	242,005
Supplemental Information			
Private placement	4 (b)	2,069,000	-
Warrants issued on private placement	4 (b)	514,740	-
Shareholder loan conversion	4 (b)	-	650,000

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

ARHT Media Inc. (formerly Vast Exploration Inc., the "Company" or "ARHT") is a publicly traded company with the registered office located at Suite 805, 65 Queen Street West, Toronto, Ontario, M5H 2M5. The Company is traded on the TSX Venture Exchange (the "Exchange") under the symbol "ART". The Company creates lifelike digital representations for the purposes of proximity marketing through a variety of potential revenue streams across multiple media channels and distribution platforms.

The Company effected the closing of the reverse-takeover transaction (the "RTO") pursuant to an amalgamation agreement (the "Amalgamation Agreement") among the Company, its wholly-owned subsidiary and Delebrity Inc. ("Delebrity"), pursuant to which the Company acquired all of the issued and outstanding common shares of Delebrity by way of amalgamation between its wholly-owned subsidiary and Delebrity and following which the amalgamated company became a wholly-owned subsidiary of the Company. Under the terms of the Amalgamation Agreement, all of the outstanding Delebrity common shares were exchanged for common shares of the Company on a one for one basis, such that former shareholders of Delebrity continued as shareholders of the Company. As a result, 44,193,755 common shares were issued by the Company to former Delebrity shareholders, on a non-diluted basis. Included in the 44,193,755 common shares issued to security holders of Delebrity were 12,318,755 common shares issued in connection with a non-brokered private placement completed by Delebrity on April 25, 2014 (see Note 4(b)(ii)). As a result, former Delebrity shareholders held a controlling interest in the resulting issuer and the transaction constituted a reverse acquisition with Delebrity being the accounting acquirer. The comparative figures presented in these unaudited condensed interim consolidated financial statements are those of Delebrity. Subsequent to the RTO, Delebrity changed its fiscal year-end from December 31 to January 31.

On October 15, 2014, the Company completed its RTO with Delebrity and obtained final acceptance of the Exchange for the listing of its common shares. ARHT's common shares began trading on the Exchange on October 17, 2014 at market open under the ticker symbol "ART" as a Tier 2 Technology Issuer

Going concern

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. To date, the Company has not generated significant revenues and is dependent on the raising of sufficient capital to realize its assets and discharge its obligations. While the Company has been successful in obtaining financing in the past, there is no guarantee that it will continue to do so in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. These conditions include the fact that the Company has incurred operating losses since inception, has no source of operating cash flow, and that there can be no assurances that sufficient funding will be available to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds via private placement or debt financing. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required. Realization values may be substantially different from carrying values as shown in these financial statements. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments may be material.

At April 30, 2015, the Company had cash and cash equivalents of $1,093,428 (January 31, 2015 - $114,365). During the three months ended April 30, 2015, the Company incurred a net loss of $1,032,697 (three months ended March 31, 2014 - $87,170), used cash in operations totaling $977,843 (three months ended March 31, 2014 – $46,841), generated cash from financing activities of $2,119,670 (three months ended March 31, 2014 - $250,000) and used cash in investing activities of $162,764 (three months ended March 31, 2014 - $nil).

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN (CONTINUED)

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on June 23, 2015.

The condensed interim financial statements have been prepared on a historical cost basis except for those financial instruments carried at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements of the Company were prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") and IFRS, as issued by the International Accounting Standards Board ("IASB"), and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. These condensed interim consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out in the Company's annual consolidated financial statements for the thirteen month period ended January 31, 2015 were consistently applied to all the periods presented unless otherwise noted below. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the thirteen month period ended January 31, 2015.

Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiary ARHT Media (USA) Inc., a company incorporated in the State of California.

Subsidiaries
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2014 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of the following pronouncements on the Company's consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The amendments are effective for annual periods beginning on or after July 1, 2014.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 -Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 19 - Employee Benefits ("IAS 19") was amended by the IASB in November 2013 to simplify the accounting for contributions from employees or third parties to defined benefit plans that are independent of the number of years of service. The amendments to IAS 19 are effective for annual periods beginning on or after July 1, 2014.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

(Expressed in Canadian dollars)

3. EQUIPMENT

	Computer hardware	Computer software	Video projectors and screens	Total
Cost as at December 31, 2013	$ -	$ -	$ -	$ -
Additions	18,317	6,595	117,396	142,307
Cost as at January 31, 2015	$ 18,317	$ 6,595	$ 117,396	$ 142,307
Additions	-	-	162,764	162,764
Cost as at April 30, 2015	$ 18,317	$ 6,595	$ 280,160	$ 305,071
Accumulated amortization as at December 31, 2013	-	-	-	-
Change for the period	(2,563)	(4,396)	(23,425)	(30,384)
Accumulated amortization as at January 31, 2015	(2,563)	(4,396)	(23,425)	(30,384)
Change for the period	(1,302)	(1,649)	(17,053)	(20,003)
Accumulated amortization as at April 30, 2015	(3,865)	(6,045)	(40,478)	(50,387)
Net book value as at December 31, 2013	$ -	$ -	$ -	$ -
Net book value as at January 31, 2015	$ 15,754	$ 2,199	$ 93,971	$ 111,923
Net book value as at April 30, 2015	**$ 14,452**	**$ 550**	**$ 239,682**	**$ 254,684**

4. SHARE CAPITAL

(a) Authorized share capital

The Company’s authorized share capital consists of an unlimited number of common shares, with no par value.

(b) Common shares issued:

(Expressed in Canadian dollars)

4. SHARE CAPITAL (CONTINUED)

	Number of Shares #	Amount $
Balance, December 31, 2013	23,750,000	900,100
Settlement of shareholder loans (i)	8,125,000	650,000
Private placement (ii)	12,318,755	3,079,689
Share issuance cost (ii)	-	(86,000)
Value of finders' warrants (ii)	-	(53,280)
Vast shares outstanding at acquisition (iv)	16,669,209	4,167,283
Finders' warrant exercised	122,000	30,500
Value of warrants exercised	-	17,568
Balance, January 31, 2015	60,984,964	8,705,860
Finders' warrant exercised	248,000	62,000
Value of warrants exercised	-	35,712
Private placement (v)	5,172,500	2,069,000
Share issuance cost (v)	-	(11,330)
Value of warrants (v)	-	(514,740)
Balance, April 30, 2015	66,405,464	10,346,502

(i) On March 1, 2014, the Company issued 8,125,000 common shares to settle shareholder loans in the amount of $650,000 at a conversion rate of $0.08 per common share.

(ii) On April 25, 2014, in connection with the RTO, see Note 1, the Company completed a private placement for gross proceeds of $3,079,689 by issuing 12,318,755 shares at a price of $0.25 per share. A total of 400,000 shares were subscribed for by the Company's director for total proceeds of $100,000. A total of $86,000 of share issuance cost was paid, consisting of cash commission of $61,000 to finders, and $25,000 of legal fees. In addition, certain finders were issued a total of 370,000 finder's warrants. Each finder's warrant is exercisable until April 25, 2015 and entitles the holder to acquire one common share for cash consideration of $0.25. $537,600 of the proceeds received was used to settle the remaining portion of the shareholder loans payable, and $429,089 of the proceeds was applied to settle accounts payable.

(iii) Effective March 2, 2014, the Company split its issued and outstanding common shares on the basis of one and one quarter (1.25) post-split common shares for each one (1) pre-split common share. The share split did not adjust the terms of conversion or exercise of the outstanding convertible debentures which were convertible into 4,376,000 post-split common shares and outstanding stock options exercisable into 3,750,000 post-split common shares. All references to common shares and per share amounts reflected in these financial statements have been adjusted to retrospectively reflect the effect of this share split.

(iv) On October 15, 2014, Vast and Delebrity completed a RTO and obtained final acceptance of the Exchange for the listing of its common shares. As at that date, 16,669,209 common shares were effectively issued to the shareholders of Vast with an estimated fair value of $4,167,283 based on the financing price as completed by Delebrity on April 25, 2014 of $0.25 per common share.

(Expressed in Canadian dollars)

4. SHARE CAPITAL (CONTINUED)

(v) On March 6, 2015, the Company completed a private placement for gross proceeds of $2,069,000 by issuing 5,172,500 units at a price of $0.40 per unit. A total of 875,000 shares were subscribed for by the Company's directors for total proceeds of $350,000. A total of $11,330 of share issuance cost was paid, consisting of cash commission of $10,200 to finders, and $1,130 of legal fees. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional share at an exercise price of $0.60 per share for a period of two years from the date of closing of the Offering. If at any time after four months and one day from the closing date the common shares of ARHT trade at $0.75 per common share or higher (on a volume weighted adjusted basis) for a period of 20 consecutive days, the Company will have the right to accelerate the expiry date of the warrants to a date that is 30 days after the Company issues a news release announcing that it has elected to exercise this acceleration right.

(c) Per Share Amounts

The weighted average number of common shares outstanding during the three months ended April 30, 2015 was 64,468,425 (three months ended March 31, 2014 – 29,855,556). There was no dilutive effect of the issued and outstanding options, warrants, or conversion feature on the shareholder loans, for the three months ended April 30, 2015 and March 31, 2014.

5. RESERVES

The Company has a share bonus plan for its directors, employees and consultants. The aggregate maximum number of bonus shares available for issuance from treasury under the plan shall not exceed 10% of the issued and outstanding number of shares. The maximum number of bonus shares to be granted to any one participant under the share bonus plan shall be 2% of the issued and outstanding number of shares. The Company did not issue any shares pursuant to this share bonus plan during the three months ended April 30, 2015 and March 31, 2014.

The Company also has a stock option plan for its directors, officers, consultants and employees. The maximum number of shares issuable from time to time under the stock option plan is that number of shares equal to 10% of the number of issued and outstanding shares at the date of grant of the stock option, with no on individual being granted more than 5% of the issued and outstanding common shares. The term of the stock options shall be no greater than five years following the date of grant if the shares are listed on the Exchange If the Company is designated as a "Tier 1" listed company by the Exchange, then the term shall be no greater than ten years following the date of grant.

STOCK OPTIONS

The Company's outstanding stock options as at and for the three months ended April 30, 2015 and March 31, 2014 are as follows:

	Number of options issued	Weighted average exercise price $
Balance as at December 31, 2013	3,750,000	0.10
Options acquired from Vast	49,050	39.23
Granted	2,210,000	0.28
Balance as at January 31, 2015	6,009,050	0.59
Expired	(45,050)	42.00
Balance as at April 30, 2015	5,964,000	0.17

(Expressed in Canadian dollars)

5. RESERVES (CONTINUED)

As at April 30, 2015, outstanding options to acquire common shares of the Company were as follows:

Number outstanding	Number exercisable		Grant date	Expiry date	Exercise price	Grant date fair value vested	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
4,000	4,000		August 4, 2011	August 4, 2016	8.00	$ -	100%	0.85	0%	1.50%
750,000	750,000		December 13, 2012	December 13, 2017	0.10	69,750	160%	5	0%	1.36%
2,000,000	1,333,333		November 4, 2013	November 4, 2018	0.10	167,550	160%	5	0%	1.77%
1,000,000	1,000,000		December 9, 2013	December 9, 2018	0.10	93,000	160%	5	0%	1.81%
1,960,000	1,960,000	(i)	October 15, 2014	October 15, 2019	0.25	448,840	154%	5	0%	1.56%
250,000	250,000	(ii)	November 21, 2014	November 21, 2019	0.50	112,750	146%	5	0%	1.46%
5,964,000	5,297,333					$ 891,890				

(i) The grant date fair value of the 1,960,000 stock options granted on October 15, 2014, exercisable at $0.25 and expiring on October 15, 2019, was estimated using the Black-Scholes option pricing model with the following assumptions: vested immediately, expected dividend yield of 0%; expected volatility of 154%; risk-free interest rate of 1.56% and an expected life of 5 years.

(ii) The grant date fair value of the 250,000 stock options granted on November 21, 2014, exercisable at $0.50 and expiring on November 21, 2019, was estimated using the Black-Scholes option pricing model with the following assumptions: vested immediately, expected dividend yield of 0%; expected volatility of 146%; risk-free interest rate of 1.46% and an expected life of 5 years.

The Company recorded stock based compensation of $5,167 during the three months ended April 30, 2015 (three months ended March 30, 2014: $23,250).

As at April 30, 2015, the options outstanding had a weighted average remaining contractual life of 3.43 years (March 31, 2014– 4.36 years).

Expected volatility is based on the historical share prices of comparable entities.

(Expressed in Canadian dollars)

5. RESERVES (CONTINUED)

WARRANTS

	Number of warrants issued	Weighted average exercise price $
Balance as at December 31, 2013	-	-
Finder's warrants issued (i)	370,000	0.60
Exercised	(122,000)	0.25
Balance as at January 31, 2015	248,000	0.25
Exercised	(248,000)	0.25
Warrants issued (ii), (iii)	2,586,250	0.60
Balance as at April 30, 2015	2,586,250	0.60

As at April 30, 2015, outstanding warrants to acquire common shares of the Company were as follows:

Number outstanding	Grant date	Expiry date	Exercise price	Grant date fair value vested	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
1,336,250	February 25, 2015	February 25, 2017	0.60	$ 262,497	161%	2	0%	0.47%
1,250,000	March 6, 2015	March 6, 2017	0.60	252,243	167%	2	0%	0.56%
2,586,250				$ 514,740				

(i) On April 25, 2014, 370,000 finders' warrants were issued to certain finders with respect to the private placement described in Note 4(b)(ii). The grant date fair value of the finders' warrants of $53,280 was estimated using the Black-Scholes option pricing model under the following assumptions: estimated volatility – 160% based on comparable entities, risk-free interest rate – 1.06%; estimated life of 1 year, expiring on April 25, 2015, exercise price of $0.25, and expected dividend yield of 0%.

(ii) On February 25, 2015, 1,336,250 warrants were issued with respect to the private placement described in Note 4(b)(v). The grant date fair value of the finders' warrants of $262,497 was estimated using the Black-Scholes option pricing model under the following assumptions: estimated volatility – 161% based on comparable entities, risk-free interest rate – 0.47%; estimated life of 2 year, expiring on February 25, 2017, exercise price of $0.60, and expected dividend yield of 0%.

(iii) On March 6, 2015, 1,250,000 warrants were issued with respect to the private placement described in Note 4(b)(v). The grant date fair value of the finders' warrants of $252,243 was estimated using the Black-Scholes option pricing model under the following assumptions: estimated volatility – 167% based on comparable entities, risk-free interest rate – 0.56%; estimated life of 2 year, expiring on March 6, 2017, exercise price of $0.60, and expected dividend yield of 0%.

As at April 30, 2015, the warrants outstanding had a weighted average remaining contractual life of 1.85 year.

(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

The remuneration of key management personnel during the three months ended April 30, 2015 and April 30, 2014 were as follows:

	For the three months ended			
	April 30, 2015		March 31, 2014	
Short-term benefits (i)	$	187,500	$	30,000
Share-based payments		5,167		23,250
Total compensation	$	192,667	$	53,250

(i) During the three months ended April 30, 2015, Change Path Consulting, a corporation controlled by an officer of the Company, charged consulting fees of $75,000 (three months ended March 31, 2014 - $30,000) and Soumi Holdings Inc., a corporation controlled by the Chairman of the Company, charged consulting fees of $60,000 (three months ended March 31, 2014 - $Nil).

The following balances were outstanding at the end of the reporting period:

	Amounts owed to related parties			
	As at April 30, 2015		As at March 31, 2014	
Soumi Holdings Inc	$	-	$	33,829

7. COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $1,890,000 due within one year. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contract commitments remaining under these contract approximate $315,000 due within one year.

Office Lease
In November 2011, the Company renewed the lease agreement for its office premises extending the lease until January 31, 2017. The annual estimated rent and operating costs for the office premise is approximately $300,000. Effective November 15, 2013, the Company subleased its Calgary office space to a third party on the same terms and conditions as its original lease with the landlord. In the event the subtenant does not meet its commitments, the landlord would pursue the Company for the office lease costs until lease expiry.

Colombia
In May 2011, Vast signed a Hydrocarbon Exploration and Production Contract ("E&P Contract") with the Agencia Nacional de Hydrocarburos of Colombia ("ANH") for the oil and gas block Putumayo-03 (the "Putumayo Block"). The Putumayo Block in the Putumayo Basin was successfully secured by Vast during a bid round held on June 22, 2010, in Cartagena, Colombia (the "Bid"). On June 21, 2011, Vast entered into a letter of intent and participation agreement with a private Ontario company ("Ontario Co.") pursuant to which Ontario Co. agreed to acquire a 90% private interest in the Putumayo Block in consideration for paying to Vast a fee of US$50,000, agreeing to reimburse Vast for all expenses of the Bid and to allow Vast to retain a 10% carried interest during the first exploration phase (the "Carried Interest"). Subsequent to the Bid, Ontario Co. was acquired by Sagres Energy Inc. ("Sagres").

The Putumayo Block carries an additional royalty of 7% payable to the Government of Colombia in addition to the basic royalty scheme established under Colombia law, being 8% for up to 5,000 bopd of production and increasing to 25% for a 600,000 bopd field. All other terms of the contract are standard to the model E&P Contract.

The transaction was considered a Non-Arm's Length Transaction for the purposes of the Exchange as Vast and Ontario Co. had common directors and officers at the time the terms of the letter of intent were negotiated.

The E&P Contract requires of a minimum expenditure of USD $12.9 million over a 36 month period and according to the terms of the E&P Contract, Vast was required to issue an additional letter of credit in favor of the ANH for approximately USD $4.0 million ("Additional Guarantee") and incur approximately USD $0.2 million for exploration fees. Vast is aware that Sagres did not meet its work commitments and that all of Sagres' directors and officers resigned on September 11, 2013. On October 3, 2013, Vast terminated its participation agreement with Sagres, and as a result, obtained a 100% interest in the Putumayo Block. Vast remains the contractual party to the E&P Contract and has the obligation to the ANH for all work commitments under the E&P Contract terms (approximately USD $12.9 million).

Vast signed a relinquishment agreement with the ANH to relinquish its interest in the Putumayo Block back to the ANH in exchange for the ANH agreeing to waive all work commitment obligations of Vast related to the E&P Contract. The relinquishment agreement was subject to Vast and the ANH signing a final liquidation agreement and Vast also provided the ANH with certain standard indemnities. As a result, Vast has not recorded any provision for this obligation or indemnity at April 30, 2015.

Scientific Research & Experimental Development ("SR&ED") Tax Credits
The Company entered into an agreement with a consultant to assist with a SR&ED tax credit claim for the December 31, 2013, October 15, 2014 and January 31, 2015 tax periods. The Company has retained the consultant on a contingency fee basis. The fees payable to the consultant will be deducted from any SR&ED refunds received. Fees are earned only upon acceptance of the claim by the Canada Revenue Agency.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair Values of Financial Instruments
The carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below:

Credit Risk
Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of counterparty on its obligation to the Company. Cash and cash equivalents are held with a reputable Canadian financial institution, from which management believes the risk of loss is remote. HST receivable is due from the Federal Government of Canada. Management believes the credit risk concentration with respect to its financial instruments is minimal.

Interest Rate Risk
Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The loans payable bore interest at a fixed rate, thus the cash flows are not subject to interest rate risk. The Company does not hedge its exposure to interest rate risk as it is minimal and does not believe there would be any material movements for the three months ended April 30, 2015 and March 31, 2014 as a result of changes in interest rates.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Given that the Company does not have internally generated cash in flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. The Company manages this financial risk by ensuring that funds are available to meet financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operational growth. Refer to Note 1 for details regarding the going concern assumption.

9. CAPITAL MANAGEMENT

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of growth to maximize the return to its shareholders. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, changes in economic conditions and the risk characteristics of underlying assets. There were no changes in the Company's approach to capital management during the three months ended April 30, 2015 and March 31, 2014.

10. SUBSEQUENT EVENTS

On June 3, 2015, the Company announced that that it was approved for a $350,000 term loan facility to finance the acquisition of fixed assets. The loan bears interest at Royal Bank of Canada's prime rate plus a 3% margin, is subject to a one-time 2% issuance fee, has a five year term with monthly payments and is secured by a general security agreement covering all the assets of the Company and an $87,500 guaranteed investment certificate. The loan can be repaid in full at any time without penalty.

The Company also announced that it has granted a total of 550,000 options to various consultants under the stock option plan of the Company. The options are exercisable at $0.43 per option and shall expire on June 3, 2020. The options vest in three tranches and subject to the four month regulatory hold period. The grant of options remains subject to regulatory approval.