STANS ENERGY CORP.

(Incorporated under the Laws of Ontario)

Interim Condensed Consolidated Financial Statements

For the Six and Three months period ended June 30, 2015 and 2014

(Unaudited)

(Expressed in Canadian Dollars)

The accompanying unaudited interim condensed consolidated financial statements of Stans Energy Corp. for the three months period ended June 30, 2015 and 2014 have been prepared by management and approved by the Board of Directors of the Company. These statements have been not reviewed by the Company's external auditors.

Stans Energy Corp.

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

			June 30, 2015		December 31, 2014
Assets					
Current Assets					
Cash and short-term investments		$	**98,517**	$	176,699
VAT receivable			**200,070**		138,840
Prepaids and other assets	Note 5		**89,062**		138,831
			387,649		454,370
Property, plant and equipment	Note 6		**90,692**		101,254
		$	**478,341**	$	555,624
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accrued liabilities	Note 12	$	**924,068**	$	203,442
Non-current Liabilities					
Loan	Note 7		**395,089**		-
Equity					
Common shareholders' equity					
Share capital	Note 8 a		**43,390,026**		43,110,033
Share purchase warrants	Note 8 b		**240,622**		-
Contributed surplus	Note 8 c		**16,788,769**		16,672,242
Accumulated other comprehensive income (loss)			**68,838**		112,617
Deficit			**(61,153,288)**		(59,367,964)
Total common shareholders' equity			**(665,033)**		526,928
Non-controlling interest	Note 9		**(175,783)**		(174,746)
Total Equity			**(840,816)**		352,182
		$	**478,341**	$	555,624

Going concern (Note 1)
Commitments (Note 15)

Approved by the Board of Directors on August 28, 2015:

"Gordon Baker", DIRECTOR

"Rodney Irwin", DIRECTOR

"Douglas Underhill", DIRECTOR

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

Stans Energy Corp.

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

		Three months ended		Six months ended	
		June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Expenses					
General and Administrative		**$**	$	**$**	$
Office and administration	Note 13	**380,509**	623,969	**708,801**	1,205,801
Depreciation		**5,641**	8,423	**12,289**	17,070
Consulting fees		**105,558**	86,471	**205,086**	154,259
Professional fees		**559,936**	350,070	**802,488**	541,728
Stock-based compensation	Note 8 c	**80,371**	79,932	**116,527**	150,600
Foreign exchange loss		**(12,126)**	29,411	**(4,507)**	115,105
Interest income		**(1,155)**	(15,731)	**(2,026)**	(25,488)
Gain on disposal of Property, Plant and Equipment		**12**	-	**(821)**	-
Gain on disposal of impaired assets		**(56,755)**	-	**(64,420)**	-
Other revenue		**(203)**	-	**(2,046)**	-
Maintenance and other costs		**1,310**	3,501	**1,489**	69,946
Other Operating costs					
Expenditures on impaired assets		**13,501**	15,076	**13,501**	159,114
Net loss for the period		**1,076,599**	1,181,122	**1,786,361**	2,388,135
Attributable to:					
Non-controlling interest		**220**	615	**1,037**	3,312
Common shareholders		**1,076,379**	1,180,507	**1,785,324**	2,384,823
Other comprehensive loss					
Foreign currency translation of foreign operations		**(66,991)**	(193,664)	**(43,779)**	(55,836)
Comprehensive loss for the period		**1,009,608**	987,458	**1,742,582**	2,332,299
Attributable to:					
Non-controlling interest	Note 9	**220**	615	**1,037**	2,697
Common shareholders		**1,009,388**	986,843	**1,741,545**	2,328,987
Basic and diluted loss per share	Note 14	**$** 0.01	$ 0.01	**$** 0.01	$ 0.02
Diluted loss (income) per share		0.01	0.01	0.01	0.02
Weighted average number of common shares					
Basic		**165,858,999**	157,263,986	**161,575,710**	157,263,986
Diluted		**165,858,999**	157,263,986	**161,575,710**	157,263,986

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

Stans Energy Corp.

Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

		Six months ended		
		June 30, 2015		June 30, 2014
Share Capital				
Balance beginning of period	$	**43,110,033**	$	43,110,033
Private placement		**546,100**		-
Fair value of attached warrants on private placements		**(229,833)**		-
Fair value of finders warrants on private placements		**(10,789)**		-
Cost of issue		**(25,485)**		-
Balance at the end of the period	$	**43,390,026**	$	43,110,033
Share purchase warrants				
Balance beginning of period	$	**-**	$	-
Fair value of attached warrants on private placements		**229,833**		-
Fair value of finders warrants on private placements		**10,789**		-
Balance at the end of the period	$	**240,622**	$	-
Contributed Surplus				
Balance beginning of period	$	**16,672,242**	$	16,378,138
Stock-based compensation		**116,527**		150,600
Balance at the end of the period	$	**16,788,769**	$	16,528,738
Cumulative translation adjustment				
Balance beginning of period	$	**112,617**	$	265,604
Foreign currency translation adjustment		**(43,779)**		(55,836)
Balance at the end of the period	$	**68,838**	$	209,768
Deficit				
Balance beginning of period	$	**(59,367,964)**	$	(54,011,765)
Net loss attributed to common shareholders		**(1,785,324)**		(2,384,823)
Balance at the end of the period	$	**(61,153,288)**	$	(56,396,588)
Total common shareholders' equity	$	**(665,033)**	$	3,451,951
Non-controlling interest				
Balance beginning of period	$	**(174,746)**	$	(165,066)
Net loss attributed to non-controlling interest		**(1,037)**		(3,312)
Balance at the end of the period	$	**(175,783)**	$	(168,378)
Total Equity	$	**(840,816)**	$	3,283,573

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

Stans Energy Corp.

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

	Six months ended	
	June 30, 2015	June 30, 2014
Cash Provided By (Used In)		
Operations		
Net loss	$ **(1,786,361)**	$ (2,388,135)
Adjustments to reconcile net loss to cash provided by operating activities		
Stock-based compensation	**116,527**	150,600
Depreciation	**12,289**	17,070
Unrealized foreign exchange loss	**(4,507)**	115,105
Gain on disposal of Property, Plant and Equipment	**(821)**	-
Gain on disposal of impaired assets	**(64,420)**	-
Additional expenditures on impaired assets	**-**	159,114
Changes in non-cash working capital:		
VAT receivable	**61,230**	58,264
Prepaids and other assets	**(49,769)**	(207)
Accounts payable and accrued liabilities	**720,626**	4,518
	(995,206)	(1,883,671)
Financing		
Shares issued on private placements	**546,100**	-
	546,100	-
Investing		
Interest received	**2,026**	25,488
Proceeds on disposal of Property , Plant and Equipment	**65,920**	-
Additions to property, plant and equipment	**-**	(134,366)
Expenditures on mineral properties	**(13,501)**	(24,748)
	(54,445)	(133,626)
Effect of exchange rate changes on cash	**316,479**	(279,671)
Net change in cash	**(78,182)**	(2,296,968)
Cash and Cash Equivalents, beginning of period	**176,699**	5,261,841
Cash and Cash Equivalents, end of period	**$ 98,517**	$ 2,964,873

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

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Stans Energy Corp. (the "Company" or “Stans”) was incorporated on September 26, 2005 under the laws of the Province of Ontario. The Company is engaged in the business of the acquisition and development of mineral deposits in the Kyrgyz Republic and Russia. Stans’ common shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol HRE. The head office, principal address and records office of the Company are located at 8 King St. East, Suite 205, Toronto, Ontario, M5C 1B5.

These interim condensed consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue its exploration and development activities for the foreseeable future and will be able to discharge its liabilities in the normal course of business as they become due. As at June 30, 2015, the Company had an accumulated deficit of $61,153,288 and cash and short term investments of $98,517. The Company incurred a loss for the interim period ended June 30, 2015 of $1,786,361 and cash used in operations of $995,206.

The Company is currently in legal disputes with the Kyrgyzstan Government in relation to its Kutessay and Kalesay mineral properties licenses. This has resulted in the Company has significantly reduced its exploration activities and future planned exploration activities. Further, due to depressed prices of rare earth elements and the uncertainty with its revoked Kutessay and Kalesay mineral properties licenses by the State Agency of Geology (“SGA”)and Mineral Resources of the Kyrgyz Republic, the Company deferred its plans to refurbish and update the Kashka Rare Earth Processing Facility. In relation to these events, the Company recorded additional expenditures on properties and plant expense of $Nil for the period ended June 30, 2015; $1,115,806 for the year ended December 31, 2014 and impairment of $18,857,551 during the year ended December 31, 2013. An addition, during the period ended June 30, 2015, SGA annulled licenses for Kyzyrulaan and Aktuz properties.

There is no assurance that the Company will be successful in collecting the USD $118,206,057 awarded to the Company by the Arbitration Court at the Moscow Chamber of Commerce and Industry (the “MCCI Tribunal”) on June 30, 2014 related to the legal disputes in connection with the Kutessay and Kalesay exploration licenses with the Kyrgyzstan Government. There is also no assurance that the Company will be able to find alternative sources of ore for its Kashka Rare Earth Processing Facility. Accordingly this results in material uncertainties which cast significant doubt as to the Company’s ability to continue to operate as a going concern. If the going concern assumption was not appropriate for the consolidated financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position, classifications used, and such adjustments could be material.

On August 28, 2015, the Board of Directors approved the consolidated financial statements for the period ended June 30, 2015.

2. BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements (“interim financial statements”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”). The accounting policies applied in these interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2014. There have been no changes from the accounting policies applied in the December 31, 2014 financial statements.

These interim financial statements do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual audited consolidated financial statements and accordingly should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2013 prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements include the accounts of Stans and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation. Stans and all of its subsidiaries have a reporting date of December 31.

The following companies have been consolidated within these consolidated financial statements:

Company	Registered	% of ownership and voting rights	Principal activity	Functional currency
Subsidiaries				
Stans Energy Corp.	Canada	n/a	Corporate and holding	CAD
Stans Energy KG LLC.	Kyrgyz Republic	100%	Exploration	USD
Kutisay Mining LLC.	Kyrgyz Republic	99.9%	Exploration	USD
Kashka REE Plant Ltd.	Kyrgyz Republic	100%	Extraction	USD
SevAmRus CJSC	Russian Federation	99%	Research	RUB
Didim Inc.	Russian Federation	99%	Research	RUB

3. SIGNIFICANT ESTIMATES AND ASSUMPTIONS AND ACCOUNTING CHANGES

Significant Accounting Estimates and Assumptions

The preparation of these interim financial statements requires the use of certain significant accounting estimates and judgment by management in applying the Company's accounting policies. The areas involving significant judgment and estimates have been set out in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2014.

Future Changes in Accounting Policies

Information on new standards, amendments and interpretations that has not been issued but is not yet effective and that are expected to be relevant to the Company's consolidated financial statements are provided below:

IFRS 9 "Financial Instruments" ("IFRS 9") introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management.

(Expressed in Canadian dollars)

This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”) contains a single model that applies to contracts with customers and two approaches to recognising 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. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The new standard is effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the standard has not yet been determined.

4. SEGMENTED INFORMATION

As at June 30, 2015 the Company’s assets were located in the following countries:

		June 30, 2015		December 31, 2014
Canada	$	**203,930**	$	**263,722**
Kyrgyz Republic		**157,534**		**161,993**
Russia		**116,878**		**129,609**
Total	$	**478,341**	$	**555,325**

5. PREPAID EXPENSES AND OTHER ASSETS

		June 30, 2015		December 31, 2014
Prepaid expenses	$	**77,992**	$	127,962
Consumables		**1,183**		1,188
Inventories		**9,887**		9,681
Total	$	**89,062**	$	138,831

(Expressed in Canadian dollars)

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6. PROPERTY, PLANT AND EQUIPMENT

		Land, Plant, Equipment and Vehicles		Office & Computer Equipment		Total
Cost						
Balance at Jan 1, 2015	$	8,775,020	$	139,414	$	8,914,434
Disposal		(88,943)		(8,030)		(96,973)
Foreign exchange impact		780,099		12,394		792,493
Balance before impairment and depreciation		9,466,176		143,777		9,609,953
Depreciation and Impairment						
Balance at Jan 1, 2015	$	(8,681,256)	$	(131,924)	$	(8,813,180)
Depreciation		(9,687)		(2,601)		(12,289)
Disposal		7,114		5,723		12,837
Foreign exchange impact		(696,148)		(10,482)		(706,630)
Accumulated depreciation and amortization		(9,379,978)		(139,284)		(9,519,262)
Net Book Value as of June 30, 2015	**$**	**86,198**	**$**	**4,493**	**$**	**90,692**

The summary of the property, plant and equipment for the year ended December 31, 2014 is as follows:

		Land, Plant, Equipment and Vehicles		Office & Computer Equipment		Total
Cost						
Balance at Jan 1, 2014	$	8,045,092	$	132,163	$	8,177,255
Disposals		-		(4,740)		(4,740)
Foreign exchange impact		729,928		11,991		741,919
Balance before impairment and depreciation		8,775,020		139,414		8,914,434
Depreciation and Impairment						
Balance at Jan 1, 2014	$	(7,896,209)	$	(107,658)	$	(8,003,867)
Depreciation		(19,042)		(14,415)		(33,457)
Disposals		-		4,740		4,740
Foreign exchange impact		(766,005)		(14,591)		(780,596)
Balance at December 31, 2014		(8,681,256)		(131,924)		(8,813,180)
Net Book Value as of Dec. 31, 2014	**$**	**93,764**	**$**	**7,490**	**$**	**101,254**

During the year ended December 31, 2014, the Company recorded an additional expenditures expense of $719,762 relating to the impaired Kashka Rare Earth Processing Facility, expenditures to maintain the plant and for completion of technical reports and researches.

(Expressed in Canadian dollars)

7. LOAN FACILITY

In June 2015, the Company entered into a litigation financing agreement with a subsidiary of the Calunius Litigation Risk Fund 2 LP., authorized and regulated by the Financial Services Authority as an investment adviser.

Under the terms of the litigation financing agreement, the financer has agreed to assist in the financing of Stans's legal costs and to provide financing toward continuing corporate overhead costs, in relation to the international arbitration proceedings against the Republic of Kyrgyzstan on a non-recourse basis.

In consideration for the provision of arbitration financing, Stans has agreed to pay to the financer a portion of any final settlement of the arbitration claim against the defendant. The financer's fee shall only become payable upon a final settlement of the arbitration claim and the value of the financer's fee is dependent upon a number of variables, including the value of any settlement and the length of time taken to reach a settlement. The agreement also provides that the amount of the financer's fee shall not exceed the amount of the aggregate proceeds of the arbitration claim under any circumstances.

8. SHARE CAPITAL

(a) Authorized and issued capital

The Company has unlimited authorized common shares with no par value. A summary of common share transactions for the period ended June 30, 2015 and year ended December 31, 2014 is as follows:

	Number of shares		Amount
Balance, December 31, 2013	157,263,986	$	43,110,033
Balance, December 31, 2014	157,263,986	$	43,110,033
Shares issued in private placement (i)	334,800	$	14,785
Shares issued in private placement (ii)	9,419,800		275,714
Shares issued in private placement (ii)	1,000,000		25,768
Costs of issuance of shares			(36,274)
Balance, June 30, 2015	**168,018,586**	**$**	**43,390,026**

(i) On March 23, 2015, the Company issued 334,800 units at a price of $0.075 per unit for gross proceeds of $25,110 and net proceeds of $14,785 calculated as gross proceeds less fair value of warrants of $10,325 estimated using Black-Sholes option pricing model. No finders' fees were paid. Pursuant to Canadian securities laws, the securities issuable under this private placement are subject to a hold period which expires on July 24, 2015. Each unit consisted of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company for a period of 24 months from date of issue at a price of $0.10 per common share.

(ii) On April 13, 2015, the Company issued 9,419,800 units for gross proceeds of $470,990, and net proceeds of $275,714, calculated as gross proceeds less fair value of warrants of $195,276 estimated using Black-Sholes model. Each unit consisted of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company for a period of 24 months from date of issue at a price of $0.065 per common share. Finders' fees were paid totaling $11,000 in cash and 215,500 finders' warrants with fair value of $10,309 estimated using Black-Sholes option pricing model, with each finder's warrant being exercisable to acquire one common share of the Company for a period of 24 months from date of issue at a price of $0.065 per common share. Pursuant to Canadian securities laws, the securities issuable under this private placement are subject to a hold period which expires on August 11, 2015.

(Expressed in Canadian dollars)

(iii) On June 6, 2015, the Company issued 1,000,000 units for gross proceeds of $50,000, and net proceeds of $25,768, calculated as gross proceeds less fair value of warrants of $24,232 estimated using Black-Sholes option pricing model. Each unit consisted of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company for a period of 24 months from date of issue at a price of $0.065 per common share. Finders' fees were paid totaling $500 in cash and 10,000 finders' warrants with fair value of $480 estimated using Black-Sholes model, with each finder's warrant being exercisable to acquire one common share of the Company for a period of 24 months from date of issue at a price of $0.065 per common share. Pursuant to Canadian securities laws, the securities issuable under this private placement are subject to a hold period which expires on October 6, 2015.

(b) Warrants

A summary of the status of the common share purchase warrants during the period ended June 30, 2014 is as follows:

		Number of warrants		Value $
Balance, December 31, 2014	$	**-**	$	-
Issued (i)		**334,800**		**$10,325**
Issued (ii)		**9,635,300**		**$205,585**
Issued (ii)		**1,010,000**		**$24,712**
Balance, June 30, 2015	$	**10,980,100**	$	**$240,622**

(i) On March 23, 2015, as a part of private placement, the Company issued 334,800 warrants to purchase one Company share at $0.10 per warrant before March 24, 2017. The fair value of warrants has been estimated to be $10,325 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 157.6%; risk-free interest rate of 1.00% and an expected life of 2 years.

(ii) On April 13, 2015, as a part of private placement, the Company issued 9,419,800 warrants and 215,500 finder's warrants to purchase one Company share at $0.10 per warrant before April 13, 2017. The fair value of warrants has been estimated to be $195,276 and $10,309 respectively, using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 157.6%; risk-free interest rate of 1.00% and an expected life of 2 years.

(iii) On June 11, 2015, as a part of private placement, the Company issued 1,000,000 warrants and 10,000 finder's warrants to purchase one Company share at $0.10 per warrant before June 11, 2017. The fair value of warrants has been estimated to be $24,232 and $480 respectively using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 157.6%; risk-free interest rate of 1.00% and an expected life of 2 years.

(Expressed in Canadian dollars)

(c) Stock options

Under the terms of the Company's Stock Option Plan (the "Plan"), the maximum number of shares reserved for issuance under the Plan is 10% of the issued shares on a rolling basis. Options may be exercisable over periods of up to 10 years as determined by the board of directors of the Company and the exercise price shall not be less than the closing price of the shares on the day preceding the award date, subject to regulatory approval.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2015:

	Number of options		Weighted average exercise price
Balance at December 31, 2014	**15,490,000**	**$**	**0.63**
Expired (i)	**(1,550,000)**		**0.37**
Forfeited (ii)	**(65,000)**		**0.60**
Expired (iii)	**(835,000)**		**0.32**
Issued (iv)	**3,650,000**		**0.07**
Cancelled (v)	**(6,290,000)**		**1.26**
Expired (vi)	**(1,600,000)**		**0.25**
Balance at June 30, 2015	**8,800,000**		**0.09**

(i) On January 12, 2015, 1,550,000 stock options to purchase one common share at $0.37 expired unexercised.
(ii) In January 2015, 15,000 stock options stock options to purchase one common share at $1.85 with the expiry date May 26, 2016 and 50,000 stock options stock options to purchase one common share at $0.23 with the expiry date May 2, 2018 were Forfeited due to termination of KG employees.
(iii) On April 29, 2015, 835,000 stock options to purchase one common share at $0.32 expired unexercised
(iv) On May 11, 2015 the Company granted an aggregate of 3,650,000 incentive stock options to employees and directors of the company. Each stock option entitles the holder to purchase one common share of the company for $0.07 per share until May 11, 2020. The share options shall vest, in six equal instalments, over a period of 18 months with the first instalment vesting on Aug. 11, 2015, and the remaining options vesting upon six months, nine months, one year, 15 months and 18 months after the date of grant.
(v) On May 11, 2015, the company cancelled 6,290,000 outstanding and fully vested options of the Company:

Expiry date	Price	Number of options
May 26, 2016	$1.85	2,600,000
July 14, 2016	1.46	200,000
Aug. 3, 2016	1.39	500,000
Feb. 27, 2017	1.12	40,000
Jan. 10, 2017	0.74	2,200,000
May 11, 2015	0.74	300,000
Aug. 2, 2015	0.61	350,000
March 21, 2018	0.41	100,000
Total:		6,290,000

(vi) On June 18, 2015, 1,600,000 stock options to purchase one common share at $0.25 expired unexercised

(Expressed in Canadian dollars)

The following table reflects the actual stock options issued and outstanding as of June 30, 2015 (all options are exercisable into one common share of Stans):

	Option price ($)	Number of options outstanding	Number of options vested and exercisable	Remaining contractual life of options outstanding, years	Vesting Exercise period (months)
02-May-18	0.23	50,000	50,000	2.84	18
02-May-18	0.23	200,000	200,000	2.84	18
23-Oct-18	0.15	1,100,000	1,100,000	3.32	18
03-Mar-19	0.07	2,700,000	2,250,000	3.68	18
03-Jun-19	0.13	800,000	533,333	3.93	18
08-Jul-19	0.18	300,000	150,000	4.02	18
11-May-20	0.07	3,650,000	608,333	4.87	18
		8,800,000	4,891,667	4.14	

9. NON-CONTROLLING INTEREST

	SevAmRus(*)	Stans Energy KG (**)	Total
Total as of December 31, 2013	$ (12,064)	$ (153,002)	$ (165,066)
Share of income (loss)	(4,611)	(5,069)	(9,680)
Total as of December 31, 2014	$ (16,675)	$ (158,071)	$ (174,746)
Share of income (loss)	(5369)	(498)	(1,037)
Total as of June 30, 2015	$ (17,214)	$ (158,569)	$ (175,783)

* Non-controlling interest includes Didim Inc.
** Non-controlling interest includes Kutisay Mining Corp. and Kashka REE Plant Ltd

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares, contributed surplus, share purchase warrants, accumulated other comprehensive loss and deficit in the definition of capital. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. 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 team to sustain the future development of the business. The Company includes equity, comprised of issued common shares, contributed surplus and deficit in the definition of capital.

As at June 30, 2015, managed capital was negative $(840,816) (December 31, 2014 - $352,082). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2015. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

11. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk relates to cash and cash equivalents and VAT receivable and arises from the possibility that any counterparty to an instrument fails to perform. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. As at June 30, 2015, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, and accounts receivable.

The Company has no significant concentration of credit risk arising from operations. The Company's cash and short-term investments are either on deposit with one of highly rated banking groups in Canada or invested in guaranteed investment certificates issued by one of highly rated Canadian banking groups. VAT receivables consist of sales tax receivable from government authorities in Canada, Kyrgyzstan and Russia. Management believes that the credit risk with respect to financial instruments included in cash, short-term investments and VAT receivable is remote.

Liquidity risk

The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2015, the Company had a cash balance of $88,517 (December 31, 2014 - $176,699) and short term investments of $10,000 (December 31, 2014 - $Nil) to settle current liabilities of $924,068 (December 31, 2014 - $203,442). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms. During the period ended June 30, 2015the period end, the Company raised additional capital for total gross cash proceeds of $546,100.

Market risk

a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the banks. The Company does not have any interest bearing debt.

b) Foreign Currency Risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. Transactions related to the Company's exploration and acquisition activities are mainly denominated in United States dollars ("USD") and some in SOM and Rubles. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rate. The Company has not entered into any derivative contracts to manage this risk. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period-end exchange rates. As at June 30, 2015, the Canadian dollar equivalent of the Company's financial instruments is as follows:

(Expressed in Canadian dollars)

		Canadian Dollar
Cash	$	3,434
Accounts receivables		110,926
		114,360
Accounts payable and accrued liabilities		(427,435)
Net assets (liabilities) exposure	$	(313,075)

Based on the above net exposures at June 30, 2015, a 10% depreciation or appreciation of the above currencies against the CDN dollar would result in an increase or decrease, respectively, in our net loss by $28,096 (December 31, 2014 - $89).

12. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2015, the Company expensed $94,500 (six month period ended June 30, 2014 - $50,688) in consulting fees to a director and officers of the Company (included in the table below). As of June 30, 2015, accounts payable of $31,852 (December 31, 2014 - $6,895) were due to directors and officers, and $46,500 (December 31, 2014 - $Nil) in payroll liability due an executive officer. These transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related party).

The remuneration awarded to Directors and to senior key management is as follows:

	Three month period ended		Six month period ended	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Salaries and fees	**$ 92,495**	**$ 98,908**	**$ 206,819**	**$ 202,475**
Stock-based compensation	**69,701**	**76,713**	**$ 105,857**	**$ 141,248**
	$ 162,196	**$ 175,621**	**$ 312,676**	**$ 343,723**

13. OFFICE AND ADMINISTRATION EXPENSES

The following expenses are included in office and administration expenses:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Salaries and other employee benefits	**$ 205,732**	$ 329,550	**$ 405,824**	$ 747,982
Travel	**29,380**	100,712	**54,307**	148,752
Rent	**27,069**	38,001	**59,417**	77,027
Investors' relations	**63,607**	7,557	**66,037**	28,179
Other office and administration expenses	**54,721**	148,149	**123,216**	203,861
	$ 380,509	$ 623,969	**$ 708,801**	$ 1,205,801

(Expressed in Canadian dollars)

14. EARNINGS PER SHARE

Earnings per share (''EPS'') has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the year. Stock options are reflected in diluted earnings per share by application of the treasury method.

As a result of the loss incurred in 2015 and 2014, all potentially dilutive securities are anti-dilutive. The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Net loss attributable to common shareholders	**$ 1,009,388**	$ 987,458	**$ 1,741,545**	$ 2,332,299
Basic weighted average shares outstanding	165,858,999	157,263,986	161,575,710	157,263,986
Diluted weighted average shares outstanding	165,858,999	157,263,986	161,575,710	157,263,986
Basic and diluted loss per share	**$ 0.01**	$ 0.01	**$ 0.01**	$ 0.02

15. COMMITMENTS

The Company is committed to pay approximately $6,900 per month for the lease of its office.

	2015	2016	2017	**Total**
Operating leases	$41,400	$82,800	$48,300	**$172,500**