

ROCKBRIDGE RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended September 30, 2014 and September 30, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholders of RockBridge Resources Inc.,

We have audited the accompanying consolidated financial statements of RockBridge Resources Inc. and its subsidiary ("the Company"), which comprise the consolidated statements of financial position as at September 30, 2014 and 2013, and the consolidated statements of comprehensive loss, cash flows, and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of RockBridge Resources Inc. and its subsidiary as at September 30, 2014 and 2013 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has limited working capital, limited sources of revenue, and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED ACCOUNTANTS

Vancouver, BC

January 27, 2015

ROCKBRIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

September 30
2014 September 30
2013

ASSETS

Current

Cash and cash equivalents	\$ 81,069	\$ 42,797
Amounts receivable	37,336	98,246
	118,405	141,043

Non Current

Exploration and evaluation assets - note 5	38,422	259,649
Property, plant and equipment - note 6	685,315	436,206
Security deposit	26,489	516
	750,226	696,371
	\$ 868,631	\$ 837,414

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 174,680	\$ 98,448
Current portion of debentures - note 13	8,125	-
	182,805	98,448

Non Current

Convertible debentures - note 13	56,875	65,000
Provisions - note 7	116,458	71,479
	173,333	136,479
	356,138	234,927

SHAREHOLDERS' EQUITY

Deficit	(6,515,415)	(6,235,066)
Share capital – note 8	5,603,539	5,448,539
Reserves	1,424,369	1,389,014
	512,493	602,487
	\$ 868,631	\$ 837,414

Commitments – notes 8(c) and 11
Subsequent events – note 16

APPROVED ON BEHALF OF THE BOARD

<i>"Dario Sodero"</i>	Director	<i>"Steve Mathiesen"</i>	Director
Dario Sodero		Steve Mathiesen	

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

ROCKBRIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the year ended September 30,

	2014	2013
Oil and gas revenues	\$ 753,668	\$ 380,473
Royalties	(152,190)	(41,369)
Operating expense	(333,701)	(179,432)
Depletion expense	(27,283)	(12,000)
	<u>240,494</u>	<u>147,672</u>
General and administrative expense		
Accounting and audit fees - note 10	34,021	41,626
Accretion	10,087	6,286
Consulting fees	50,684	37,115
Director's fee - note 10	8,000	4,000
Filing & listing fees	34,225	42,259
Interest expense	7,800	10,671
Investor relations	12,161	32,983
Legal fees	28,882	18,373
Marketing	1,561	-
Management fees - note 10	66,511	68,316
Office and administrative expenses - note 10	6,369	7,704
Share-based compensation - note 10	35,355	-
Travel expenses	4,027	2,206
	<u>299,683</u>	<u>271,539</u>
Net loss before other items	<u>(59,189)</u>	<u>(123,867)</u>
Other income (expense):		
Interest	67	635
Write-off of exploration and evaluation assets - note 5	(221,227)	-
Reversal of impairment on oil and gas properties	-	196,221
Loss on sale of available for sale investment	-	(219,150)
	<u>(221,160)</u>	<u>(22,294)</u>
Net loss for the year	(280,349)	(146,161)
Other comprehensive income:		
Realized loss on sale of available for sale investment	-	186,200
Comprehensive income (loss) for the year	<u>(280,349)</u>	<u>40,039</u>
Basic and diluted earnings (loss) per share	<u>\$ (0.02)</u>	<u>\$ 0.00</u>
Weighted average number of shares outstanding	<u>15,781,085</u>	<u>12,893,414</u>

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

ROCKBRIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the year ended September 30,

	2014	2013
Cash Flows from Operating Activities		
Net loss for the year	\$ (280,349)	\$ (146,161)
Items not affected by cash:		
Accretion	10,087	6,286
Depletion	27,283	12,000
Reversal of impairment of oil and gas properties	-	(196,221)
Share-based compensation	35,355	-
Loss on sale of available for sale investments	-	219,150
Write-off of exploration and evaluation assets	221,227	-
Non-cash operating income from Clarke Lake project	(158,390)	-
Changes in non-cash working capital items:		
Amounts receivable	60,910	(88,280)
Accounts payable and accrued liabilities	(5,378)	(282,279)
	(89,255)	(475,505)
Cash Flows from Investing Activities		
Property, plant and equipment expenditures	(1,500)	(81,969)
Security deposit	(25,973)	-
Proceeds from sale of investments	-	25,850
Proceeds from sale of property, plant and equipment	-	643,696
	(27,473)	587,577
Cash Flows from Financing Activities		
Net cash received from issuance of shares	155,000	-
Redemption of debentures	-	(32,500)
Repayment of loan	-	(143,200)
	155,000	(175,700)
Change in cash and equivalents	38,272	(63,628)
Cash and cash equivalents, beginning of the period	42,797	106,425
Cash and cash equivalents, end of the period	\$ 81,069	\$ 42,797
Cash and cash equivalents represented by:		
Cash	81,069	42,797
	\$ 81,069	\$ 42,797
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$ 7,800	\$ 10,671

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

ROCKBRIDGE RESOURCES INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share capital		Reserves			Total Shareholders' Equity
	Number of Shares	Share Capital	Contributed Surplus	Available for Sale Marketable Securities	Deficit	
Balance, September 30, 2012	51,573,656	\$ 5,448,539	\$ 1,389,014	\$ (186,200)	\$ (6,088,905)	\$ 562,448
Net loss for the year	-	-	-	-	(146,161)	(146,161)
Realized loss on sale of available for sale investment	-	-	-	186,200	-	186,200
Balance, September 30, 2013	51,573,656	\$ 5,448,539	\$ 1,389,014	\$ -	\$ (6,235,066)	\$ 602,487
Balance, September 30, 2013	51,573,656	\$ 5,448,539	\$ 1,389,014	\$ -	\$ (6,235,066)	\$ 602,487
Share consolidation - 4 old shares for 1 new share	(38,680,242)	-	-	-	-	-
Non flow through shares issued for cash	3,100,000	155,000	-	-	-	155,000
Share-based compensation	-	-	35,355	-	-	35,355
Net loss for the year	-	-	-	-	(280,349)	(280,349)
Balance, September 30, 2014	15,993,414	\$ 5,603,539	\$ 1,424,369	\$ -	\$ (6,515,415)	\$ 512,493

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

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 1 **Nature of Continuance of Operations**

The Company was incorporated as RockBridge Energy Inc. on November 20, 2007 under the Business Corporations Act of British Columbia. The Company is a development stage company and has acquired working interest in a number of oil and gas properties. The Company listed its shares on the TSX Venture Exchange (the “Exchange”) on September 10, 2008. On April 6, 2010 the company changed its name to RockBridge Resources Inc. (the “Company”).

The head office and principal address of the Company is located at 200 – 24 E. 4th Avenue, Vancouver, British Columbia, V5T 1E8.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At September 30, 2014, the Company had a working capital deficiency of \$64,400, has not achieved profitable operations and has an accumulated deficit of \$6,515,415 since its inception.

The Company may require additional financing in order to conduct its planned work programs on petroleum and natural gas properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

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. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements.

Note 2 **Basis of Preparation**

Statement of Compliance

These financial statements are 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”) effective for the year ended September 30, 2014.

The consolidated financial statements were authorized for issue by the Board of Directors on January 27, 2015.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 2 **Basis of Preparation** – (cont'd)

Basis of Measurement

These consolidated financial statements have been prepared on the historical costs basis, except for certain financial instruments that have been initially measured at fair value. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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.

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

The recoverability of receivables, the estimated useful lives of equipment and the related depreciation, the carrying value and recoverability of exploration and evaluation assets and property, plant and equipment, estimated accrued liabilities, and inputs used in accounting for share-based compensation.

Note 3 **Significant Accounting Policies**

The accounting policies set out below are adopted for the year ended September 30, 2014 and have been applied consistently to all periods presented in these consolidated financial statements. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) **Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, RockBridge Energy Alberta Inc. ("RBE Alberta"). All intercompany transactions and balances have been eliminated on consolidation.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

b) Cash and Cash Equivalents

Cash and cash equivalents are highly liquid Canadian dollar investments in term deposits with major financial institutions that have maturities or redemption provisions of three months or less from the date of acquisition.

c) Financial Instruments

The Company classifies its financial instruments into one of the following categories: held-to-maturity investments, loans and receivables, available-for-sale, fair value through profit and loss or other financial liabilities. The Company has designated its cash and cash equivalents and short-term investments as fair value through profit and loss, marketable securities as available-for-sale, amounts receivable as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend upon initial classification as follows: fair value through profit and loss (“FVTPL”) financial instruments are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Transactions costs that are directly attributable to the acquisition or issue of financial instruments and that are classified as other than FVTPL, are expensed as incurred and included in the initial carrying value of such instruments.

d) Property, Plant and Equipment and Exploration and Evaluation Expenditures

Property, plant and equipment

Property, plant and equipment (“PP&E”) includes costs directly attributable to oil and gas exploration and development that are not exploration and evaluation expenditures (“E&E”) and costs for other tangible goods including office equipment and other. PP&E is recorded at cost less accumulated depletion, depreciation, and impairment losses net of recoveries. Gains and losses on disposal of an item of property, plant and equipment, including oil and gas properties are recognized in net income (loss). The carrying amount of a replaced asset is derecognized when replaced.

Exploration and evaluation expenditures

Pre-licence costs are recognized in the statement of operations as incurred. Exploration and evaluation costs, including the costs of acquiring licences and directly attributable general and administrative costs, initially are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

The costs are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units (“CGUs”).

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist. A review of each exploration licence or field is carried out, at least quarterly, to ascertain whether proven reserves have been discovered. Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets referred to as oil and natural gas interests.

Development and production costs

Items of property, plant and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing.

Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depletion and depreciation

The net carrying value of development or production assets is depleted using the unit of production method by reference to the ratio of production in the year to the related proven and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually.

Proven and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. There should be a 50 percent statistical probability that the actual quantity of recoverable reserves will be more than the amount estimated as probable and a 50 percent statistical probability that it will be less. The equivalent statistical probabilities for the proven component of proven and probable reserves are 90 percent and 10 percent, respectively.

Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- a reasonable assessment of the future economics of such production;
- a reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proven and probable if producibility is supported by either actual production or conclusive formation test. The area of reservoir considered proven includes (a) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any, or both, and (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are only included in the proven and probable classification when successful testing by a pilot project, the operation of an installed program in the reservoir, or other reasonable evidence (such as, experience of the same techniques on similar reservoirs or reservoir simulation studies) provides support for the engineering analysis on which the project or program was based.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

e) Impairment of Long-lived Assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to property, plant and equipment, as oil and natural gas interests, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

E&E assets are allocated to related CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets (oil and natural gas interests in property, plant and equipment).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

f) Decommissioning Liabilities

The Company's activities give rise to dismantling, decommissioning and site disturbance re-remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category. Decommissioning liabilities are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the balance sheet date.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the asset retirement obligations are charged against the provision to the extent the provision was established.

g) Revenue Recognition

Revenue from the sale of petroleum and natural gas is recorded on a gross basis when title passes to an external party and is recognized based on volumes delivered to customers at contractual delivery points and rates. The costs associated with the delivery, including production, transportation and production-based royalty expenses are recognized in the same period in which the related revenue is earned and recorded.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

h) Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of the losses available to be carried forward to future years for tax purposes only if it is probable that they can be realized. Due to the Company's accumulated net income losses, the Company has provided a tax valuation for its current income tax benefit of its net income losses that may be utilized in the future years.

i) Basic and Diluted Loss per Share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

For the year ended September 30, 2014, potentially dilutive common shares (relating to share purchase options, warrants outstanding, convertible debentures and conditional share issuances pursuant to the acquisition and mineral property agreements and warrants) were not included in the computation of loss per share because their effect was anti-dilutive.

j) Share Capital

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the TSX Venture Exchange. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

k) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

If the Company has sufficient unused tax loss carry-forwards to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these carry-forwards, a portion of such unrecognized losses is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued.

l) Share-based Compensation

The Company accounts for stock options granted to directors, officers, employees and non-employees using the fair value method of accounting. The fair value of options granted is estimated at the date of grant using the Black-Scholes valuation model and adjusted to reflect the number of awards that are expected to fully vest. The compensation cost of the options is recognized, together with the corresponding increase in contributed surplus, over the vesting period. Upon exercise of the options, consideration paid by the option holders and the value in contributed surplus pertaining to the exercised options are recorded as share capital.

Compensation costs accrued for long-term share-based compensation plans are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield, expected term and anticipated forfeiture rate. As such these assumptions are subject to measurement uncertainty and may differ significantly from the estimated and recorded amounts.

The proceeds received by the Company on the exercise of options and warrants are credited to share capital.

m) Comprehensive Income (Loss)

Comprehensive income is the overall change in the net assets of the Company for the period, other than changes attributed to transactions with shareholders. It is made up of net income and other comprehensive income. Other comprehensive income includes gains or losses which, in accordance to IFRS, are recognized in comprehensive income, but excluded from net income.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 3 Significant Accounting Policies – (cont'd)

n) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

o) Accounting Standards Issued but not yet Applied

Effective October 1, 2013, the Company applied the following new and revised IFRS that were issued by the IASB:

- Amendments to IAS 1, Presentation of Items of Other Comprehensive Income
- IFRS 7, Financial Instruments: Disclosures
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 19, Employee Benefits
- IAS 27, Separate Financial Statements
- IAS 28, Investments in Associates and Joint Ventures

The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

p) New Standards Amendments and Interpretations to Existing Standards but not yet Effective

Effective for annual reporting periods beginning on or after January 1, 2014

- IFRS 9, Financial Instruments
- IAS 32, Offsetting Financial Assets and Financial Liabilities
- IAS 36, Recoverable Amount Disclosure for Non-Financial Assets

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the Company's financial statements.

Note 4 Critical Accounting Estimates and Judgements

RockBridge Resources Inc. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 4 Critical Accounting Estimates and Judgements – (cont'd)

future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

i) Decommissioning Liabilities

Decommissioning liabilities have been created based on Rockbridge Resources Inc.'s internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements.

Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual decommissioning costs will ultimately depend on future market prices for the decommissioning costs which will reflect the market condition at the time of the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning liabilities may be higher or lower than currently provided for.

ii) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

iii) Development Costs

The determination of the fair value of the Company's producing oil and gas interests requires significant estimates and assumptions as to several factors, notably commodity prices, future production and development costs, and discount rates applied.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 4 Critical Accounting Estimates and Judgements – (cont'd)

iv) Cash Generating Units (“CGUs”)

The determination of CGUs requires significant judgement on the part of management.

Note 5 Exploration and Evaluation Assets

	Exploration & Evaluation Assets
Balance at September 30, 2013	\$ 259,649
Additions	-
Write-off of exploration and evaluation assets	(221,227)
Balance at September 30, 2014	<u>\$ 38,422</u>

Exploration and evaluation assets are comprised of the Company's exploration projects, located in the Violet Grove and Knopcik area of Alberta, Canada. The carrying value of these projects is comprised of the acquisition costs of undeveloped land and subsequent drilling costs incurred to determine if a particular project is viable. The Violet Grove project was terminated and all related deferred costs were written off. The Knopcik project continues to remain on hold pending future determination of its economic viability. There were no material impairment indicators present at September 30, 2014 in respect to the Knopcik project.

Refer to note 6.

Note 6 Property, Plant and Equipment

	Petroleum and Natural Gas Properties
COST	
Balance at September 30, 2013	\$ 514,532
Additions	276,392
Balance at September 30, 2014	<u>\$ 790,924</u>
DEPLETION AND IMPAIRMENT LOSSES	
Balance at September 30, 2013	\$ 78,326
Depletion for the year	27,283
Balance at September 30, 2014	<u>\$ 105,609</u>
Net book value, September 30, 2013	<u>\$ 436,206</u>
Net book value, September 30, 2014	<u>\$ 685,315</u>

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 6 **Property, Plant and Equipment-** (cont'd)

On November 13, 2014 the Company announced it closed the formal purchase agreement for certain producing gas properties in the Clarke Lake area of north-eastern British Columbia. The effective date of the acquisition was May 9, 2014 and, accordingly, the Company offset the gross consideration due of \$240,000 with the net revenues earned from the project and received by the vendor, to September 30, 2014, of \$158,390. The acquisition includes non-operating working interests from 9.40 % to 25% in several unit wells.

At September 30, 2014 the Company has working interests from 25% to 100% in five producing wells located in Alberta, of which it is the operator of three, together with a 1% interest in the Woodrush project in northern British Columbia consisting of eight oil and gas wells, and two gas wells located in the Clarke Lake region of Northeast British Columbia.

The Company holds a 50% interest in a gas project and well located in the Knopcik area of Alberta, with future plans dependent on improved gas prices. The Company also has interests in several other non-producing properties in Alberta.

Each year an impairment test is performed based on the difference between the net book value of the assets and the recoverable amount. The recoverable amount is determined using fair value less costs to sell based on discounted cash flows of proved plus probable reserves using forecast prices and costs and a discount rate of 10 percent.

The following table outlines the benchmark prices used in the impairment test at September 30, 2014:

Year	Crude Oil \$/BBL	Natural Gas \$/ MCF
2014	101.63	4.55
2015	99.00	4.40
2016	101.00	4.60
2017	103.00	4.90
2018	105.00	5.20

Benchmark prices escalated at 2.0% per year thereafter.

Note 7 **Provisions**

	Decommissioning Liabilities
Balance at September 30, 2013	\$ 71,479
Accretion	10,087
Change in liabilities estimate	34,892
Balance at September 30, 2014	<u>\$ 116,458</u>

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 7 **Provisions – (cont'd)**

The Company has estimated the decommissioning liabilities based on its net ownership interest in the applicable oil and gas properties. This includes all estimated costs to dismantle, remove, reclaim and abandon the wells and facilities and the estimated time period during which these costs will be incurred in the future. A credit-adjusted risk-free rate of 10% was used to calculate the fair value of the asset retirement obligation. At September 30, 2014, the Company's decommissioning liabilities totalled \$116,458 (2013: \$71,479).

Note 8 **Share Capital**

a) Authorized:

Unlimited common shares without par value

b) Issued:

Refer to "Consolidated Statement of Changes in Equity."

On October 23, 2013, the Company consolidated its share capital on a 4 old for 1 new basis.

On October 25, 2013, the Company issued 3,100,000 units at \$0.05 per unit to Westlake Capital Ltd. Each unit consisted of one common share and one share purchase warrant exercisable for one year at \$0.10 per share, all on a post-consolidation basis. This transaction formed part of Westlake's Qualifying Transaction pursuant to the Capital Pool Company policy of the Exchange, and the units were distributed to the Westlake shareholders on a pro-rata basis. Westlake was subsequently delisted from the Exchange and dissolved. Any units distributed to the shareholders of Westlake who were holding their shares of Westlake in escrow, will also be held in escrow.

The Westlake Private Placement and Westlake's Qualifying Transaction were non-arm's length transactions for the purposes of the Exchange as the parties have two common directors and officers, being Steve Mathiesen, a director and the CEO of both Westlake and RockBridge, and Gary Mathiesen, a director of Westlake and the CFO of both Westlake and RockBridge.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 8 **Share Capital** – (cont'd)

c) Commitments:

Share Purchase Warrants

The following is a summary of changes in share purchase warrants for the year ended September 30, 2014.

	Number	W/A Exercise Price
Balance, September 30, 2013	9,545,600	\$0.15
Issued	3,100,000	\$0.10
Expired	(8,295,600)	\$0.15
Balance, September 30, 2014	4,350,000	\$0.12

Each pre – consolidation warrant entitles the holder the right to purchase one quarter of a common share and each post – consolidation warrant entitles the holder the right to purchase one share as follows:

Number of Warrants	Number of Post – Consolidated Shares to be Issued on Exercise	Exercise Price (\$) Per Post- Consolidated Shares	Expiry Date
5,000,000	1,250,000	0.16	February 1, 2015
3,100,000	3,100,000	0.10	October 25, 2014*
8,100,000	4,350,000		

*Subsequently expired unexercised.

Share Purchase Options

The Company has a Stock Option Plan (the “Plan”) under which it is authorized to grant stock options to directors, officers, consultants and employees of the Company. The maximum aggregate number of share purchase options granted under the Plan at any point in time will not exceed 10% of the outstanding issue at the time of the stock option grant or such lesser number of shares as determined by the directors as required to comply with the Exchange policies. The number of common shares which may be reserved in any twelve month period for issuance to any one individual upon exercise of stock options held by that individual may not exceed 5% (2% for employees and consultants) of the issued and outstanding common shares of the Company unless the Company has obtained disinterested shareholder approval.

The exercise price of a share purchase option may not be less than the discounted market price of the common shares on the date of grant. The share purchase options granted

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 8 Share Capital – (cont'd)

under the Plan may not exceed five years (ten years if the Company becomes a Tier 1 Issuer under the Exchange policies).

On December 18, 2013 the Company granted share purchase options to directors, officers, employees and consultants of the Company to purchase up to 1,125,000 post-consolidation common shares of the Company at \$0.07 per share exercisable up to September 30, 2018.

On July 24, 2014 the Company granted share purchase options to a consultant of the Company to purchase up to 135,000 common shares of the Company at \$0.08 per share exercisable up to July 24, 2019.

The 450,000 share purchase options granted prior to October 25, 2013 will be exchanged at a rate of 4 pre - consolidation share option to 1 post - consolidation share. These options were subsequently cancelled on June 30, 2014.

Information regarding the Company's outstanding share purchase options is summarized below:

	Outstanding #	Weighted Average Price (\$)
September 30, 2012	1,420,000	0.14
Expired/Forfeited	(970,000)	0.14
September 30, 2013	450,000	0.14
Issued	1,260,000	0.07
Expired/Forfeited	(450,000)	0.14
September 30, 2014	<u>1,260,000</u>	<u>0.07</u>

The weighted average contractual life remaining of all stock options is 4.09 years (2013: 2.11 years).

As at September 30, 2014, the following options were outstanding and exercisable:

Number of Options	Exercise Price Per Post-Consolidated Share	Number of Post- Consolidated Shares to be Issued on Exercise	Expiry Date
1,125,000	\$0.07	1,125,000	September 30, 2018
<u>135,000</u>	\$0.08	<u>135,000</u>	July 24, 2019
<u>1,260,000</u>		<u>1,260,000</u>	

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 8 **Share Capital** – (cont'd)

During the year ended September 30, 2014, share-based compensation expense of \$35,355 (2013: \$Nil) were recognized. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions:

	2014	2013
Fair value	\$0.03 - \$0.05	\$ -
Expected dividend yield	0.00 %	0.0 %
Expected volatility	212%-216%	Nil %
Risk-free interest rate	1.50% - 1.82%	Nil %
Expected term in years	5 years	Nil years

Note 9 **Income Tax**

A rate reconciliation of income taxes at the statutory rate is as follows:

	2014	2013
Net loss before income taxes - year	\$ (280,349)	\$ (146,161)
Deferred income tax ("DIT") rate	26.00%	25.42%
Expected income tax expense	(72,891)	(37,154)
Non-deductible (deductible) expenses for tax purposes	69,422	(39,977)
Unrecognized benefit of DIT assets	3,469	77,131
Total income tax recovery	\$ -	\$ -

The significant components of the Company's deferred income tax assets are as follows:

	2014	2013
Non-capital losses	\$ 660,000	\$ 690,000
Exploration and evaluation properties	157,000	99,000
Share issue costs	9,000	16,000
Oil and gas properties	306,000	488,000
	1,132,000	1,293,000
Less: valuation allowance	(1,132,000)	(1,293,000)
	\$ -	\$ -

The Company has recorded a valuation allowance against its deferred income tax assets based on the extent to which it is more-likely-than-not that sufficient taxable income will be realized during the carry-forward period to utilize all the future tax assets.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 9 **Income Tax – (cont’d)**

The Company has non-capital losses of approximately \$2,540,000 which can be carried forward to reduce taxable income in future years. The non-capital losses expire as follows:

<u>Expiry Date</u>	<u>Amount</u>
2028	\$ 258,000
2029	389,000
2030	559,000
2031	502,000
2032	511,000
2033	308,000
2034	13,000
	<u>\$ 2,540,000</u>

Note 10 **Related Party Transactions**

Key Management Personnel Compensation

During the year, the Company incurred the following charged by directors and/or officers of the Company and private companies controlled by directors and/or officers of the Company:

	<u>2014</u>	<u>2013</u>
Accounting fees	\$ 31,546	\$ 15,518
Consulting fees	20,687	-
Directors’ fees	8,000	4,000
Interest Expense	4,875	5,609
Management fees	66,511	68,316
Office expenses	6,569	7,403
Share based compensation	35,355	-
Travel	4,027	2,206
	<u>\$ 177,570</u>	<u>\$ 103,052</u>

These expenditures occurred in the normal course of business operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At September 30, 2014, accounts payable and accrued liabilities includes \$9,916 (2013: \$11,897) payable to a director and a company controlled by a director of the Company.

Refer to note 13.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 11 **Commitments**

Pursuant to a consulting agreement dated November 28, 2007, the Company has agreed to pay \$200 per month effective August 1, 2013. The term of the agreement is month to month.

Note 12 **Segmental Reporting**

The Company is organized into business units based on oil and gas properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

Note 13 **Convertible Debentures**

On September 4, 2009, the Company issued \$125,000 Unsecured Convertible Debentures paying 12% per annum, maturing on June 30, 2011. The debentures are convertible, at any time and at the option of the holder, to common shares of the Company at \$0.15 per share.

The debenture maturity date was subsequently extended to June 30, 2012, and the conversion rate amended to \$0.12 per share. On June 30, 2012, one of the outstanding debentures was repaid and the others were extended to January 1, 2015 with conversion rate amended to \$0.07 per post-consolidated share. During the year ended September 30, 2013, \$32,500 of the debentures was repaid. As at September 30, 2014, \$65,000 (2013: \$80,000) of the debentures are outstanding. On November 24, 2014 \$56,875 of the debentures maturity date were extended to January 1, 2016.

The Company used the residual method to estimate the equity component of these debentures, and concluded that the fair value of the equity portion was immaterial to record. The liability portion represents an estimate of the present value of term debt discounted using an estimated interest rate applicable to equivalent non-convertible debt. The equity component was determined as the residual of the face value of the instrument less its liability component.

Note 14 **Management of Capital**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents. There are no external restrictions on the use of the Company's capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 14 **Management of Capital** – (cont'd)

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

Note 15 **Financial Instruments**

Fair Value of Financial Instruments - The Company's financial instruments consist of cash and cash equivalents, amounts receivable, available for sale investment, convertible debentures and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability directly or indirectly and
- Level 3 – Inputs that are not based on observable market data.

At September 30, 2014, the Company's financial instrument measured at fair value on a recurring basis was cash. This financial instrument was classified as "Level 1" instruments.

Foreign Exchange Risk - As at September 30, 2014, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's functional currency. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its operations.

Credit Risk - Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a large Canadian bank.

Interest Rate Risk - As at September 30, 2014, the Company was not subject to or exposed to any interest rate risk.

Liquidity Risk - The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

Commodity Price Risk - The Company's ability to raise capital to fund operation of its oil and gas properties is subject to risks associated with fluctuations in the market prices of crude oil and natural gas.

ROCKBRIDGE RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
For the years ended September 30, 2014 and September 30, 2013

Note 16 **Subsequent Events**

On November 12, 2014 the company completed the purchase of certain gas properties in the Clarke Lake area of north-eastern British Columbia from the receiver of an Alberta oil and gas company. The acquisition includes non-operated working interests from 9.4% to 25% in several unit wells, two of which are currently producing.

Refer to note 6.

Subsequent to year end, the maturity date of certain debentures were extended. Refer to note 13.

On December 31, 2014 \$8,125 of the debentures were redeemed.