Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Financial Statements

March 31, 2015 and 2014

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Independent Auditors' Report

To the Shareholders of Eco (Atlantic) Oil & Gas Ltd.:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Eco (Atlantic) Oil & Gas Ltd., which comprise the consolidated statements of financial position as at March 31, 2015 and 2014, and the consolidated statements of operations and comprehensive income (loss), equity, and cash flows 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 ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the consolidated financial statements are free from 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 Eco (Atlantic) Oil & Gas Ltd. as at March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants Licensed
Public Accountants

Mississauga, Ontario
July 29, 2015

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Financial Position

	March 31, 2015	March 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$10,490,818	$ 3,641,306
Short-term investments *(Note 6)*	100,000	100,000
Government receivable *(Note 14(a))*	1,191,844	-
Accounts receivable and prepaid expenses	113,004	68,496
	11,895,666	3,809,802
Petroleum and natural gas licenses *(Note 7)*	2,685,655	2,685,655
Equipment *(Note 8)*	7,572	4,379
	$14,588,893	$ 6,499,836
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(Note 9)*	$ 2,238,417	$ 189,950
Advance from license partners *(Note 7(xvii))*	1,954,871	-
	4,193,288	189,950
Equity		
Share capital *(Note 10)*	20,636,597	17,031,370
Shares to be issued (*Note 10(ii)*)	200,183	-
Warrants *(Note 17)*	965,000	965,000
Stock options *(Note 16)*	2,343,619	2,176,395
Non-controlling interest *(Note 5)*	(66,637)	-
Accumulated deficit	(13,683,157)	(13,862,879)
	10,395,605	6,309,886
	$14,588,893	$ 6,499,836

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

Basis of Preparation and Going Concern *(Note 2)*

Commitments *(Notes 7 and 15)*

Subsequent events *(Note 21)*

Approved by the Board of Directors of the Company

Signed: **"Gil Holzman"**
Director

Signed: **"Alan Friedman"**
Director

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Operations and Comprehensive Income (Loss)

	Year ended March 31, 2015	Year ended March 31, 2014
Revenue		
Income from Farm-out Agreements *(Note 7)*	5,595,007	-
Interest income	29,625	66,448
	5,624,632	66,448
Operating expenses		
Compensation costs *(Notes 7(viii) and 9)*	928,258	795,063
Professional fees *(Note 7)*	979,675	462,961
Operating costs *(Notes 7(viii), 9 and 18)*	2,136,064	910,558
General and administrative costs *(Note 19)*	548,903	674,094
Share-based compensation *(Notes 9, 10 and 16)*	1,127,862	370,795
Foreign exchange loss (gain)	(275,796)	4,677
	5,444,966	3,218,148
Net income (loss) before write-down of license	179,666	(3,151,700)
Write-down of license *(Note 7(vi))*	-	(585,343)
Net income (loss) and comprehensive income (loss) for the year	$ 179,666	$ (3,737,043)
Net income (loss) and comprehensive income (loss) attributed to:		
Equity holders of the parent	$ 179,722	$ (3,737,043)
Non-controlling interests	(56)	-
Income (loss) and comprehensive income (loss) for the year	$ 179,666	$ (3,373,043)
Earnings (loss) per share – basic and diluted *(Note 20)*	**$ 0.00**	**$ (0.05)**
Weighted average number of shares – basic and diluted *(Note 20)*	**74,154,652**	**68,959,661**

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

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Equity

	Number	Capital	Shares to be issued	Warrants	Stock Options	Deficit	Non-controlling Interest	Equity
Balance, March 31, 2013	**68,959,661**	**$ 16,961,370**	**$ -**	**$ 1,035,000**	**$ 1,805,600**	**$ (10,125,836)**	**$ -**	**$ 9,676,134**
Fair value of warrants expired	-	70,000	-	(70,000)	-	-	-	-
Stock options expensed	-	-	-	-	370,795	-	-	370,795
Loss for the year	-	-	-	-	-	(3,737,043)	-	(3,737,043)
Balance, March 31, 2014	**68,959,661**	**17,031,370**	**-**	**965,000**	**2,176,395**	**(13,862,879)**	**-**	**6,309,886**
Shares issued on vesting of Restricted Share Units *(Note 10)*	4,575,000	1,048,313	23,602	-	-	-	-	1,071,915
Consideration for asset acquisition *(Note 10(ii))*	17,627,364	2,586,614	176,581	-	111,277	-	(66,581)	2,807,891
Stock options expensed	-	-	-	-	55,947	-	-	55,947
Share repurchase	-	(29,700)	-	-	-	-	-	(29,700)
Net income (loss) for the year	-	-	-	-	-	179,722	(56)	179,666
Balance, March 31, 2015	**91,162,025**	**$ 20,636,597**	**$ 200,183**	**$ 965,000**	**$ 2,343,619**	**$ (13,683,157)**	**$ (66,637)**	**$ 10,395,605**

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

Eco (Atlantic) Oil & Gas Ltd.
(A Development Stage Company)

Consolidated Statements of Cash Flows

	Year ended March 31, 2015	Year ended March 31, 2014
Cash flow from operating activities		
Net income (loss) for the year	**$ 179,666**	$ (3,737,043)
Items not affecting cash:		
Write-down of license	-	585,343
Share-based compensation	**1,127,862**	370,795
Depreciation	**3,475**	2,704
Changes in non-cash working capital:		
Accounts receivable and prepaid expenses	**7,958**	(4,892)
Government receivable	**(1,191,844)**	-
Accounts payable and accrued liabilities	**1,853,792**	(42,279)
Advance from license partners	**1,954,871**	**-**
	3,935,780	(2,825,372)
Cash flow from investing activities		
Short-term investments	**-**	204,109
Equipment acquired	**-**	(1,833)
	-	202,276
Cash flow from financing activities		
Proceeds from issuance of share capital	**3,012,317**	-
Shares purchased held in treasury	**(29,700)**	-
Transaction costs incurred on acquisition	**(68,885)**	
	2,913,732	-
Increase (decrease) in cash and cash equivalents	**6,849,512**	(2,623,096)
Cash and cash equivalents, beginning of year	**3,641,306**	6,264,402
Cash and cash equivalents, end of year	**$ 10,490,818**	$ 3,641,306
Supplementary information		
Cash and cash equivalents, end of year		
Cash at banks	**$ 7,189,955**	$ 97,572
Cash on deposit	**$ 3,300,863**	$ 3,543,734

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

1. Nature of Operations

The activities of Eco (Atlantic) Oil & Gas Ltd. are directed towards the identification, acquisition, exploration and development of petroleum and natural gas licenses. The head office of the Company is located at 120 Adelaide Street West, Suite 800, Toronto, Ontario.

As used herein, the term "Company" means individually and collectively, as the context may require, Eco Atlantic and its subsidiaries.

These consolidated financial statements were approved by the Board of Directors of the Company on July 27, 2015.

2. Basis of Preparation and Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.

The ability of the Company to continue as a going concern depends upon the discovery of economically recoverable petroleum and natural gas licenses, the ability of the Company to obtain financing to complete development, and upon future profitable operations from the licenses or profitable proceeds from their disposition. The Company is a development stage company and has not earned any revenues to date. These consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

There can be no assurance that the Company will be able to raise funds in the future, in which case the Company may be unable to meet its future obligations. These matters raise substantial doubt about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts recorded on its consolidated statements of financial position.

The Company has accumulated deficit of $13,683,157 since its inception and expects to incur further losses in the development of its business.

3. Summary of Significant Accounting Policies

Statement of compliance

The Company applies International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 31, 2015.

3. Summary of Significant Accounting Policies (continued)

Statement of compliance (continued)

The significant accounting policies followed by the Company are summarized as follows:

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries, as follows:

Subsidiary	Ownership
Eco (BVI) Oil & Gas Ltd. ("EBVI")	100%
Eco Oil and Gas (Namibia) (Pty) Ltd. ("EOGN")	100%
Eco Oil and Gas Services (Pty) Ltd. ("EOGS")	100%
Eco Atlantic (Ghana) Ltd.	100%
Eco Atlantic Holdings Ltd.	100%
Pan African Oil (Mauritius) Ltd.	100%
Pan African Oil Holdings Ltd.	100%
Pan African Oil Namibia Holdings (Pty) Ltd. ("PAO Namibia")	90%

Foreign currencies

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that time. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses are recognized in profit or loss.

Financial instruments

Financial instruments are required to be classified as one of the following: held-to-maturity; loans and receivables; fair value through profit or loss; available-for-sale or other financial liabilities.

The Company's financial instruments include cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities. The Company designated its cash and cash equivalents as fair value through profit or loss. The Company designated its accounts receivable as loans and receivables, and its accounts payable and accrued liabilities as other financial liabilities, all of which are measured at amortized cost.

Fair value through profit or loss financial assets are measured at fair value, with gains and losses recognized in operations. Financial assets held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss).

3. Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of a financial instrument that is quoted in active markets is based on the bid price for a financial asset held and the offer price for a financial liability. When an independent price is not available, fair value is determined by using a valuation which refers to observable market data. Such a valuation technique includes comparisons with a similar financial instrument where an observable market price, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants exist.

Exploration and evaluation assets and expenditures

i) Expenditures

For oil and gas prospects not commercially viable and financially feasible, the Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities. Exploration and evaluation expenditures are capitalized only when associated with a business combination or asset acquisition or the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit.

ii) Depletion and depreciation

Capitalized costs related to each cost center from which there is production will be depleted using the unit-of-production method based on proven petroleum and natural gas reserves, as determined by independent consulting engineers.

iii) Farm-out arrangements

The Company, as farmor, accounts for the farm-out arrangements as follows; the farmor does not record any expenditure made by the farmee on its behalf, and recognizes its expenditures under farm-out arrangements in respect of its own interest when the costs are incurred. Any cash consideration received as reimbursements of expenditures incurred in prior years is recorded as income from farm-out agreements in profit or loss. Any cash consideration received as reimbursements of expenditures incurred in the current year is offset against related expenditures in operating costs and general and administrative costs in profit or loss. Any cash consideration received in advance of underlying expenditures is capitalized to advance from license partners until the applicable expenditures have been incurred, at which point the recovery is transferred to income from farm-out agreements in profit or loss.

3. Summary of Significant Accounting Policies (continued)

Exploration and evaluation assets and expenditures (continued)

iv) Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives, to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value, less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

iv) Asset retirement obligations

Asset retirement obligations are measured at the present value of the expenditure expected to be incurred using a risk-free discount rate. The associated asset retirement cost is capitalized as part of the cost of the related long-lived asset. Changes in the estimated obligation resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognized as a change in the asset retirement obligation and the related asset retirement cost. Increases in asset retirement obligations resulting from the passage of time are recorded as accretion of asset retirement obligation in the consolidated statement of operations as a financial cost. Actual expenditures incurred are charged against the accumulated asset retirement obligation as incurred.

The Company currently does not have any asset retirement obligations.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they related to items recognized in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Revenue recognition

Revenue from the sale of petroleum and natural gas is recognized when the risks and rewards of ownership pass to the purchaser, including delivery of the product, the selling price is fixed or determinable and collection is reasonably assured. Oil and natural gas royalty revenue is recognized when received.

3. Summary of Significant Accounting Policies (continued)

Loss per share

Basic loss per share is computed based on the weighted average number of common shares outstanding during the year. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

Segment reporting

The Company operates in one segment, the oil and gas business and conducts its operations in Namibia with its head office in Canada. Substantially all the Company's oil and gas assets are located in Namibia.

Significant accounting judgments and estimates

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, the reported amounts of revenues and expenses and to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties, considered by management.

i) Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. During the year ended March 31, 2015, an impairment write-down of a petroleum and natural gas license in the amount of $nil (2014 - $585,343) was reflected in the consolidated statements of operations and comprehensive income (loss).

4. Future Accounting and Reporting Changes

Standards issued but not yet effective up to the date of issuance of the Company’s consolidated financial statements, but which may affect the consolidated financial statements are listed below.

IFRS 9, “Financial Instruments: Classification and Measurement”, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning April 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 15, "Revenue from Contracts with Customers", effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, replaces existing revenue standards and interpretations with a single standard and provides additional guidance on revenue recognition for contracts with customers. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning April 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 15.

5. Amalgamation

On December 19, 2014, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with 1864361 Alberta Ltd. ("Subco"), a wholly-owned subsidiary of the Company incorporated solely for the purpose of completing the amalgamation, and Pan African Oil Ltd. ("PAO") pursuant to which Subco and PAO amalgamated and the resulting corporation, (Eco Atlantic Holdings Ltd.) became a wholly-owned subsidiary of the Company (the "Amalgamation").

On January 28, 2015, the Company completed the Amalgamation and, as a result, the former shareholders of PAO received 0.323 of a common share in the capital of the Company (a "Common Share") in exchange for each common share of PAO formerly held. Upon the closing of the amalgamation, the Company acquired cash and cash equivalents and the Namibian petroleum exploration licenses held by PAO.

In connection with the Amalgamation, the Company issued 18,830,738 Common Shares, 1,003,400 stock options and 2,587,967 Common Share purchase warrants to the former option, warrant and security holders of PAO. In addition, as part of the Amalgamation Agreement and included in the consideration for the transaction, the Company issued 1,200,000 options to certain individuals as compensation for facilitating the Amalgamation.

Details of the acquisition are as follows:

Purchase Price		
Fair value of 18,830,738 shares issued in exchange for 58,299,497 PAO common shares outstanding.	$	2,832,080
Fair value of 1,003,400 stock options issued in exchange for 4,325,000 PAO options		63,986
Fair value of 1,200,000 stock options issued in connection with the consulting agreement		47,291
Transaction costs		68,885
Fair value of 2,587,967 warrants issued in exchange for 8,012,281 PAO warrants		-
Total Purchase Price	$	3,012,242

Fair Value of Net Assets Acquired		
Cash and cash equivalents	$	3,012,317
Accounts receivable		17,364
Prepaid expenses		35,102
Equipment		6,670
Exploration and evaluation assets		-
Non-controlling interest		66,581
Less: Accounts payable and accrued liabilities		(125,792)
Total Purchase Price	$	3,012,242

For accounting purposes PAO was not considered to be carrying on a business at the time of acquisition. Accordingly, the purchase consideration has been allocated to the net assets acquired. The options and warrants have been valued using the Black-Scholes pricing model *(Note 16 and 17)*. The quoted price of the Company's common shares was not considered a level 1 measurement given the absence of an active market, the common share consideration was therefore measured using the fair value of the net assets acquired less transaction costs and the value of options and warrants issued as part of the consideration.

6. Short-term Investments

The Company's short-term investments comprise interest bearing deposits with its primary bank of $100,000 (2014 - $100,000), which are held as collateral for credit-card lines of credit.

7. Petroleum and Natural Gas Licenses

	Balance April 1, 2014	**Impairment and Abandonment**	**Balance March 31, 2015**
Licenses	**$ 2,685,655**	**$ -**	**$ 2,685,655**

	Balance April 1, 2013	Impairment and Abandonment	Balance March 31, 2014
Licenses	$ 3,270,998	$ (585,343)	$ 2,685,655

(i) The oil and gas interests of the Company are located both onshore and offshore Namibia which is on the west coast of southern Africa situated south of Angola, north of South Africa, and west of Botswana.

(ii) The Company holds five offshore petroleum licenses in the Republic of Namibia covering approximately 41,537 square kilometers (10,264,000 acres); being petroleum exploration license number 0030 (the "Cooper License"), petroleum exploration license number 0033 (the "Sharon License"), petroleum exploration license number 0034 (the "Guy License", and together with the Sharon License and the Cooper License, the "ECO Offshore Licenses"), petroleum exploration license number 0050 (the "PAO 50 License"), and petroleum exploration license number 0051 (the "PAO 51 License"). The Company also holds one license that consists of both onshore and offshore portions (the "Daniel License"), being coal bed methane and petroleum exploration license number 0031, covering approximately 23,000 square kilometers (5,683,000 acres).

(iii) The terms of the Cooper License, the Sharon License, the Guy License, and the Daniel License (the "Eco Licenses") are governed by a petroleum agreement for each of those licenses (each, an "Eco Petroleum Agreement"), dated March 7, 2011, as amended from time to time, between the Company and the Namibian Ministry of Mines and Energy (the "Ministry"). The terms of the PAO 50 License and the PAO 51 License (the "PAO Licenses") are governed by petroleum agreements for each of those licenses (each, a "PAO Petroleum Agreement"), dated October 28, 2011, between the Company and the Ministry. Pursuant to the Eco Petroleum Agreements and the PAO Petroleum Agreements, the Company is required to undertake specific exploration activities on each of the Licenses during each phase of development (each, an "Exploration Activity").

7. Petroleum and Natural Gas Licenses

(iv) In the Eco Petroleum Agreements and the PAO Petroleum Agreements, monetary values have been allocated to each Exploration Activity based on information available at the time of their execution. In the Eco Petroleum Agreements, the Company will be relieved of quoted expenditures for a given Exploration Activity if the Company completes the Exploration Activity at a lower cost. Based on recent exploration activity in Namibia and the current oil services market, management expects the actual expenditures on the Exploration Activities to be less than that provided in the Eco Petroleum Agreements.

All Licenses are initially issued for four years with two renewal options of two years each, after which time the licenses revert back to the government, unless a production license is granted at any time within the eight year period. Production licenses are generally granted for a 25 year term. The Licenses are subject to license agreements entered into between the Company and the Ministry.

(v) In August 2013 the Company received confirmation of Ministry acceptance for the relinquishment of its onshore license number 32, which incorporates license area 2148 (the "Relinquished License"). The capitalized costs associated with the Relinquished License of $585,343 were written-off during the year ended March 31, 2014.

(vi) On April 12, 2012, the Company entered into a farm-out agreement with Azimuth Ltd. ("Azimuth") an oil and gas exploration company, pursuant to which Azimuth acquired a 20% working interest in each of the Company's ECO Offshore Licenses in return for funding 40% of the cost of 3D seismic surveys covering 2,500 square kilometers across all ECO Offshore Licenses.

(vii) On December 31, 2014, the Company entered into an amended and restated farm-out agreement (the "Azimuth Farm-out Agreement") with Azimuth Namibia Ltd. pursuant to which the Company transferred a portion of its working interest in the ECO Offshore Licenses in exchange for, among other things, an aggregate of $4,200,000 (USD$3,500,000) (the "Farm-out Transaction") which has been recorded in income from farm-out agreements on the consolidated statement of operations and comprehensive income (loss). The Farm-out Transaction closed on February 4, 2015.

(viii) The exploration activity on the ECO Offshore Licenses is performed in the framework of joint operating agreements ("JOAs"), pursuant to which the Company is designated the operator. Under the JOAs covering the Guy License and the Sharon License (the "Guy and Sharon JOAs") entered into between Azimuth, the National Petroleum Corporation of Namibia ("NAMCOR") and the Company effective January 28, 2013 and the amended and restated joint operating agreement covering the Cooper License, (the "Cooper JOA") entered into between Tullow, Azimuth, NAMCOR and the Company effective September 24, 2014, certain operating, general and administrative expenses and compensation and professional fees incurred by the Company are recoverable from Tullow and Azimuth. During the year the Company recovered $10,085,916 from Tullow and Azimuth which has been applied against operating costs *(Note18)* and general and administrative costs *(Note 19)* in the consolidated statement of operations and comprehensive income (loss).

7. Petroleum and Natural Gas Licenses (continued)

(ix) ***The Cooper License***

1. The Cooper License covers approximately 5,800 square kilometers (gross area = 1,433,000 acres; net area = 1,003,100 acres) and is located in license area 2012A offshore in the economical waters of Namibia (the "Cooper Block"). The Company holds a 32.5% working interest in the Cooper License, NAMCOR holds a 10% working interest (carried by the Company and Tullow collectively), AziNam Ltd ("AziNam"), holds a 32.5% working interest, and Tullow Kudu Limited, a wholly owned subsidiary of Tullow Oil plc ("Tullow"), holds a 25% working interest.

2. On February 12, 2014, the Ministry granted the Company a one year extension of its Cooper license and a one year deferral of the Company's obligations to drill an exploratory well and to produce a resource assessment on the Cooper license until March 14, 2016.

3. Pursuant to the Azimuth Farm-out Agreement, Azimuth will fund 40% of the Company's share cost for the first 500 square kilometer of a 1,000 square kilometer 3D seismic survey on the Cooper Block (capped at US$2,080,000).

4. On July 17, 2014, the Company entered into a farm-out agreement with a wholly owned subsidiary of Tullow, pursuant to which Tullow acquired a 25% working interest in the Cooper License in return for a carry (capped at US$4,103,000), of the Company's share of costs to execute and process a 1,097 Sq Km 3D seismic survey, the reimbursement of 25% of the Company's past costs to March 31, 2014.

5. Tullow has an option to acquire an additional 15% working interest in the Cooper License in return for a carry of the Company's share of costs to drill an exploration well on the Cooper Block (capped at $18.17 million) and the reimbursement of 17.14% of the Company's past costs (the "Tullow Option"). There is no guarantee that Tullow will exercise the Tullow option.

7. Petroleum and Natural Gas Licenses (continued)

6. As of the date hereof, the outstanding Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the Cooper License for each year of exploration is as follows:

Exploration Activities	**Expenditure (as provided in the Petroleum Agreement)** **(US$)**	**Company's share of Expenditure** **(US$)**
Year 7 and 8 (ending March 31, 2018 and 2019) • Resource assessment and production assessment	250,000	62,500[(1)]
Year 9 (ending March 31, 2020) • After interpretation of 3D survey, drill exploratory well	40,000,000	0[(1)]
• Offtake/production engineering	500,000	125,000[(1)]
Total	40,750,500	187,500[(1)]

Notes:

(1) These numbers assume that the Tullow Option will be exercised. There is no guarantee that the Tullow Option will be exercised. If the Tullow Option is not completed, the 25% from Tullow will be transferred back to the Company at no cost and the Company will be responsible for 67.5% of the listed Expenditure.

7. Petroleum and Natural Gas Licenses (continued)

(x) ***The Sharon License***

1. The Sharon License covers 11,400 square kilometers (2,817,000 acres) and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the "Sharon Blocks"). The Company holds a 60% working interest in the Sharon License, NAMCOR holds a 10% carried interest (by the Company), and AziNam holds a 30% interest.

2. On July 8, 2013, the Ministry granted the Company one year extension of its Sharon License and a one year deferral of the Company's obligations to drill an exploratory well and to produce a resource assessment on the Sharon License until March 14, 2016.

3. Pursuant to the Azimuth Farm-out Agreement, Azimuth will fund 100% of the 3,000 kilometer 2D seismic survey recently acquired for the Sharon Block. Furthermore, Azimuth will fund 55% of a 1,000 kilometer square 3D seismic survey on the Sharon Block.

4. As of the date hereof, the outstanding Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the Sharon License for each year of exploration is as follows:

Exploration Activities	**Expenditure (as provided in the Petroleum Agreement)** (US$)	**Company's share of Expenditure** **(US$)**
Year 4 (ending March 31, 2015)		
• Interpret a 3,000 Km 2D seismic survey	90,000	0
Year 5 (ending March 31, 2016)		
• Complete and interpret a 1,000 Sq Km 3D seismic survey	10,000,000	4,500,000
Year 6 (ending March 31, 2017)		
• Resource assessment and production assessment	250,000	166,750
Year 7 and 8 (ending March 31, 2018 and 2019)		
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	122,750,000	81,874,250
• Offtake/production engineering	500,000	333,500
Year 9 (ending March 31, 2020)		
• Complete and interpret a 500 Sq Km 3D seismic survey	5,000,000	3,335,000
Total	138,590,000	90,209,500

7. Petroleum and Natural Gas Licenses (continued)

(xi) ***The Guy License***

1. The Guy License covers 11,400 square kilometers (2,817,000 acres) and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the "Guy Block"). The Company holds a 50% working interest in the Guy License, NAMCOR holds a 10% carried interest (by the Company) and AziNam holds a 40% interest.

2. On July 8, 2013, the Ministry granted the Company one year extension of its Guy license and a one year deferral of the Company's obligations to drill an exploratory well and to produce a resource assessment on each of the Guy license until March 14, 2016.

3. Pursuant to the Azimuth Farm-out Agreement, Azimuth will fund 100% of the cost for the shooting and processing of the recently completed 1,000 kilometer 2D seismic survey on the Guy Block. Additionally, Azimuth will fund 66.44% of the costs of a 8,000 square kilometer 3D seismic survey on the Guy Block.

4. As of the date hereof, the outstanding Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the Guy License for each year of exploration is as follows:

Exploration Activities	Expenditure (as provided in the Petroleum Agreement) (US$)	Company's share of Expenditure (US$)
Year 5 (ending March 31, 2016)		
• Complete and interpret a 800 Sq Km 3D seismic survey	8,000,000	2,640,000
Year 6 (ending March 31, 2017)		
• Resource assessment and production assessment	250,000	139,000
Year 7 and 8 (ending March 31, 2018 and 2019)		
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	122,750,000	68,249,000
• Offtake/production engineering	500,000	278,000
Year 9 (ending March 31, 2020)		
• Complete and interpret a 500 Sq Km 3D seismic survey	5,000,000	2,780,000
Total	136,500,000	74,086,000

7. Petroleum and Natural Gas Licenses (continued)

(xii) ***The Daniel License***

1. The Daniel License cover approximately 23,000 square kilometers (5,683,000 acres) and is located in license area 2013B, 2014B, and 2114 in Namibia. The Company holds a 90% working interest in the Daniel License and NAMCOR holds a 10% carried interest.

2. In August 2013, the Company received Ministry approval for the inclusion of oil and gas exploration rights on its Daniel License.

3. As of the date hereof, the outstanding Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the Daniel License for each year of exploration is as follows:

Exploration Activities	Expenditure (as provided in the Petroleum Agreement) (US$)	Company's share of Expenditure (US$)
Year 4 (ending March 31, 2015)		
• Core hole drilling	1,200,000	1,200,000
• Evaluation report	250,000	250,000
Year 5 (ending March 31, 2016) • Additional core hole drilling - Onshore	1,200,000	1,200,000
Year 6 (ending March 31, 2017)		
• Assessment of second core hole	250,000	250,000
Year 7 and 8 (ending March 31, 2018 and 2019)		
• Offtake/production engineering	1,500,000	1,500,000
Total	4,400,000	4,400,000

(xiii) ***The PAO 50 License***

1. The PAO 50 License covers approximately 8,070 square kilometers (1,944,140 acres) and is located in license areas 2211B and 2311A offshore in the economical waters of the Republic of Namibia. PAO Namibia holds an 80% working interest in the PAO 50 License (the Company's net interest is 72% due to its 90% ownership of PAO Namibia), Spectrum Geo Ltd. holds a 10% working interest, and NAMCOR holds a 10% working interest.

7. Petroleum and Natural Gas Licenses (continued)

2. As of the date hereof, the outstanding Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the PAO 50 License for each year of exploration is as follows:

Exploration Activities	Expenditure (as provided in the Petroleum Agreement) (US$)	Company's share of Expenditure (US$)
Year 4 (ending October 31, 2015) • Identification and characterization of leads and prospects • Evaluation of farm-out and relinquishment of part (original 50%) or all of the PAO 50 License	-	-
Year 6 (ending October 31, 2017) • Complete and interpret 500 km^2 3D seismic survey • Evaluation of farm-out and relinquishment of part (original 25%) or all of the PAO 50 License	8,000,000	5,760,000
Year 8 (ending October 31, 2019) • Drill exploratory well (subject to the availability of adequate drilling rigs)	50,000,000	36,000,000
Total	58,000,000	41,760,000

(xiv) ***The PAO 51 License***

1. The PAO 51 License covers approximately 4,867 square kilometers (1,202,661 acres) and is located in license area 2612A offshore in the economical waters of the Republic of Namibia. PAO Namibia holds a 90% working interest in the PAO 51 License (the Company's net interest is 81% due to its 90% ownership of PAO Namibia) and NAMCOR holds a 10% working interest.

7. Petroleum and Natural Gas Licenses (continued)

2. As of the date hereof, the outstanding Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the PAO 51 License for each year of exploration is as follows:

Exploration Activities	Expenditure (as provided in the Petroleum Agreement) (US$)	Company's share of Expenditure (US$)
Year 4 (ending October 31, 2015) • Identification and characterization of leads and prospects • Evaluation of farm-out and relinquishment of part (original 50%) or all of the PAO 51 License	-	-
Year 6 (ending October 31, 2017) • Complete and interpret 250 km^2 3D seismic survey • Evaluation of farm-out and relinquishment of part (original 25%) or all PAO 51 License	6,000,000	4,860,000
Year 8 (ending October 31, 2019) • Drill exploratory well (subject to the availability of adequate drilling rigs)	40,000,000	32,400,000
Total	46,000,000	37,260,000

(xv) The entire amount of petroleum and natural gas licenses relates to license acquisition costs. As the Company has not commenced principal operations as at March 31, 2015, no depletion has been recorded.

7. Petroleum and Natural Gas Licenses (continued)

(xvi) ***Ghana***

1. On July 29, 2014, the Company announced that the Parliament of the Ghana ratified a petroleum agreement (the "GPA"), pursuant to which the Company, through its wholly-owned subsidiary, Eco Atlantic (Ghana) Ltd., may acquire an interest in the Deepwater Cape Three Points West Block, located in the Tano Cape Three Points Basin, offshore Ghana (the "Ghana Block"). The parties to the GPA will be the Company, the Ghana National Petroleum Company ("GNPC"), GNPC Exploration and Production Company Limited ("GNPCEPCL"), A-Z Petroleum Products Ghana Limited ("A-Z"), and PetroGulf Limited ("PetroGulf").

2. Pursuant to the GPA, the Company will hold a 50.51% interest in the Ghana Block, A-Z will hold a 27.79% interest, GNPC will hold a 13% interest, and GNPCEPCL and PetroGulf will each hold a 4.35% interest. The GPA is conditional upon, among other things, the execution of a joint operating agreement among the Ghana Block interest holders and the posting of a performance guarantee and the payment of fees. The GPA provides for a term of a total of 25 years, subject to the discovery of oil within the first seven years.

3. The Ghana Petroleum Agreement was signed in September 2014 but remains conditional on the submission of a performance guarantee, and the payment of fees. A joint operating agreement among the parties was signed in March, 2015.

4. When the GPA becomes effective, the following are the Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement:

Exploration Activities	**Expenditure (as provided in the Petroleum Agreement) (US$)**	**Company's share of Expenditure (US$)**
Year 3		
• Purchase at least 850 km^2 3D seismic survey	1,275,000	740,000
• Reprocess at least 850 km^2 3D seismic survey	400,000	232,000
• Drill exploratory well	40,000,000	23,200,000
Total	41,675,000	24,172,000

5. There is no guarantee that the GPA will become effective, that the conditions to the GPA will be satisfied, or that the procurement of an interest in the Ghana Block will be completed.

7. Petroleum and Natural Gas Licenses (continued)

(xvi) As of March 31, 2015, the Company has recorded $1,954,871 as advance from license partners related to funds received in advance of the Company incurring applicable operating costs to which the advances can be applied.

8. Equipment

	Cost	Accumulated Depreciation	March 31, 2015 Net Book Value
Equipment	**$ 34,307**	**$ 26,735**	**$ 7,572**

	Cost	Accumulated Depreciation	March 31, 2014 Net Book Value
Equipment	$ 11,643	$ 7,264	$ 4,379

9. Related Party Transactions and Balances

	March 31, 2015 $	March 31, 2014 $
Amount paid for exploration services to a company controlled by the COO of the Company	**735.878**	516,923
Amount outstanding at the end of the year	**70,959**	43,826
Fees for management services paid to a company controlled by the President and CEO of the Company	**320,937**	270,520
Amount outstanding at the end of the year	**27,905**	-
Fees paid to a company controlled by the CFO of the Company	**180,750**	180,000
Amount outstanding at the end of the year	**5,085**	-
Fees for management services paid to a company controlled by the Executive Vice President of the Company	**143,160**	120,000
Amount outstanding at the end of the year	**13,900**	-
Fees paid to a company controlled by the Chairman of the Company	**63,326**	71,141
Amount outstanding at the end of the year	-	18,758

Remuneration of the Company's directors and its Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and its Executive Vice President was as follows:

	March 31, 2015 $	March 31, 2014 $
Salaries, fees and benefits	1,359,939	912,852
Share-based compensation	949,168	341,124
Total	2,309,107	1,253,976

10. Share Capital

Authorized: Unlimited Common Shares

Issued		Common Shares	Amount $	Shares to be issued $
Balance, March 31, 2013		**68,959,661**	**16,961,370**	**-**
Fair value of warrants expired		-	70,000	-
Balance, March 31, 2014		**68,959,661**	**17,031,370**	**-**
Shares issued on vesting of Restricted Share Units	*(i)*	4,100,000	1,004,500	-
Shares issued as consideration in asset acquisition	*(ii)*	17,627,364	2,586,614	176,581
Shares issued on vesting of Restricted Share Units	*(iii)*	250,000	23,602	23,602
Shares issued on vesting of Restricted Share Units	*(iv)*	225,000	20,211	-
Shares held in treasury	*(vii)*	-	(29,700)	-
Balance, March 31, 2015		**91,162,025**	**20,636,597**	**200,183**

(i) On August 29, 2014, 4,100,000 restricted share units ("RSUs") were granted to certain Company directors, officers and consultants. The RSUs vested immediately on the grant date. These RSUs had a fair value of $0.25 per unit based on the volume weighted average market price of the Common Shares for the five preceding days before the grant date. $1,004,500 was recognized as share-based compensation expense during year ended March 31, 2015.

(ii) In connection with the Amalgamation *(Note 5)*, the Company authorized for issuance 18,830,738 Common Shares. In order to obtain their Common Shares in the Company, former shareholders of PAO were required to surrender for cancellation the certificates representing their PAO shares (the "Certificates"). During the year ended March 31, 2015, 17,627,364 shares were issued to former PAO shareholders, with the remaining 1,203,374 shares recorded as to be issued. Former shareholders of PAO have six years to surrender their certificates, at which point the shares will be cancelled. The 17,627,364 shares issued and 1,203,374 shares to be issued were valued at $2,586,614 and $176,581 respectively, measured based on the consideration received in the transaction net of transaction costs, options and warrants granted as part of the acquisition *(Note 5)*.

(iii) On January 28, 2015, 500,000 RSU's were granted to an officer of the Company. The RSU's vested immediately on the grant date. These RSU's had a fair value of $0.09 per unit based on the volume weighted average market price of the Common Shares for the five preceding days before the grant date. As at March 31, 2015, 250,000 shares were issued with the remaining 250,000 recorded as shares to be issued. $47,205 was recognized as share-based compensation expense during the year ended March 31, 2015 which represents the entire 500,000 RSU grant.

(iv) On February 24, 2015, 225,000 restricted share units ("RSUs") were granted to certain an officer of the Company. The RSUs vested immediately on the grant date. These RSUs had a fair value of $0.09 per unit based on the volume weighted average market price of the Common Shares for the five preceding days before the grant date. $20,211 was recognized as share-based compensation expense during year ended March 31, 2015.

10. Share Capital (continued)

(v) On February 20, 2015, the company's Board of Directors authorized a share repurchase program (the "Issuer Bid") of up to 10 percent of the Company's outstanding common shares through a normal course issuer bid (up to 6,171,724 common shares) ("ECO Share Repurchase Program"). Shares can be repurchased from time to time on the open market commencing March 2, 2015 through March 1, 2016, or such earlier time as the Issuer Bid is completed or terminated at the option of the Company, at prevailing market prices. The timing and amount of purchases under the program are dependent upon the availability and alternative uses of capital, market conditions, and applicable Canadian regulations and other factors.

(vi) As at March 31, 2015, 2,783,078 (2014 – 8,788,926) of the Company's shares were held in escrow.

(vii) As at March 31, 2014, the Company held shares valued at $29,700 (2014 - $NIL) in treasury. The shares held in treasury were not repurchased as part of the share repurchase program *(Note 10 (v))*.

11. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% on the net loss for the years ended March 31 is as follows:

	March 31, 2015 $	March 31 2014 $
Net (income) loss before recovery of income taxes	(179,666)	3,737,043
Expected income tax recovery	48,650	(990,320)
Difference in foreign tax rates	1,072,370	392,790
Tax rate changes and other adjustments	21,370	20,350
Non-deductible expenses	300,050	99,690
Change in tax benefits not recognized	(1,442,440)	477,490
Income tax recovery reflected in the statements of operations and comprehensive loss	-	-

11. Income Taxes (continued)

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	March 31, 2015 **$**	March 31, 2014 $
Deferred Tax Assets		
Non-capital losses - Canada	6,673,700	4,602,660
Non-capital losses - Ghana	44,200	5,820
Non-capital losses - Namibia	411,821	-
Share issue and financing costs	117,310	222,000
Namibia exploration and operating losses	-	3,828,240
Other deductible temporary difference	418,530	202,640

The Canadian non-capital loss carry forwards expire as noted in the table below. Ghana non-capital tax losses expire between 2019 and 2020. Share issue and financing costs will be fully amortized in 2017. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital loss carry forwards expire as follows:

2029	$	170,460
2030		256,420
2031		570,590
2032		864,970
2033		1,619,550
2034		1,841,230
2035		1,265,510
2036		68,040
	$	6,656,770

12. Asset Retirement Obligations ("ARO")

The Company is legally required to restore its properties to their original condition. Estimated future site restoration costs will be based upon engineering estimates of the anticipated method and the extent of site restoration required in accordance with current legislation and industry practices in the various locations in which the Company has properties.

As of March 31, 2015 and 2014, the Company did not operate any properties, accordingly, no ARO was required.

13. Capital Management

The Company considers its capital structure to consist of share capital, deficit and reserves. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of its licenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is a development stage entity; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 year ended March 31, 2015. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company's ability to raise future capital is subject to uncertainty and the inability to raise such capital may have an adverse impact over the Company's ability to continue as a going concern *(Note 2)*.

14. Risk Management

a) Credit risk

The Company's credit risk is primarily attributable to short-term investments and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of deposits with Schedule 1 banks, from which management believes the risk of loss to be remote. Amounts receivable consist of advances to suppliers and harmonized sales tax due from the Federal Government of Canada. Government receivable consists of value added tax due from the Namibian government which has been collected subsequent to year end. Management believes that the credit risk concentration with respect to amounts receivable is remote. The Company does not hold any non-bank asset backed commercial paper.

b) Interest rate risk

The Company has cash balances, cash on deposit and no interest bearing debt. It does not have a material exposure to this risk.

c) Liquidity risk

The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation.

As at March 31, 2015, the Company had cash on hand and on deposit of $10,490,818 (2014 - $3,641,306) and short-term investments of $100,000 (2014 - $100,000) to settle current liabilities of $4,193,288 (2014 - $189,950).

The Company utilizes authorization for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources. Accounts payable and accrued liabilities at March 31, 2015 all have contractual maturities of less than 90 days and are subject to normal trade terms.

d) Foreign currency risk

The Company is exposed to foreign currency fluctuations on its operations in Namibia, which are denominated in Namibian dollars. Sensitivity to a plus or minus 10% changes in rates would not have a significant effect on the net income (loss) of the Company, given the Company's minimal assets and liabilities designated in Namibian dollars as at March 31, 2015.

15. Commitments

Licenses

The Company is committed to meeting all of the conditions of its licenses including annual lease renewal or extension fees as needed.

The Company submitted work plans for the development of the Namibian licenses, see *Note 7* for details.

Commitments

The Company has office lease commitments as follows:

2016	$ 96,901
2017	85,200
2018	28,400
Total	$ 210,501

16. Stock Options

The Company maintains a stock option plan (the "Plan") for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of options issuable under the Plan shall be equal to ten percent (10%) of the Outstanding Shares of the Company less the aggregate number of shares reserved for issuance or issuable under any other security based compensation arrangement of the Company.

A summary of the status of the Plan as at March 31, 2015 and changes during the year was as follows:

Number of stock options		**Number of stock options**	**Weighted average exercise price $**	**Remaining contractual life - years**
Balance, March 31, 2013		5,940,000	0.57	
Granted December 2013	(i)	170,000	0.40	4.70
Canceled and expired		(100,000)	(0.60)	
Balance, March 31, 2014		6,010,000	0.57	3.00
Granted January 2015	(ii)	350,000	0.30	4.79
Granted January 2015	(iii)	1,200,000	0.30	2.83
Granted January 2015	(iv)	538,240	0.46	3.32
Granted January 2015	(iv)	83,520	0.46	3.41
Granted January 2015	(iv)	222,720	0.97	6.98
Granted January 2015	(iv)	83,520	0.97	7.04
Granted January 2015	(iv)	75,400	2.17	1.39
Canceled and expired		(90,000)	0.60	
Balance, March 31, 2015		**8,473,400**	**0.54**	**2.51**

(i) On December 11, 2013, 170,000 stock options ("Options") were issued to certain officers and consultants of the Company. These Options are exercisable for a maximum period of five years from the date of the grant and vest as to one third on grant date and one third on each anniversary date of the grant, for the next two years. The fair value of the Options granted was estimated at $30,000 using the Black-Scholes option pricing model, using the following assumptions.

Expected option life 5 years
Volatility 100%
Risk-free interest rate 1.90%
Dividend yield 0%

During the year ended March 31, 2015, the Company recorded $10,319 (2014 - $14,521) in share-based compensation related to the vesting of these options.

16. Stock Options (continued)

(ii) On January 11, 2015, 350,000 Options were issued to a consultant. These Options are exercisable for a maximum period of five years from the date of the grant and vest as to one third on grant date and one third on each anniversary date of the grant, for the next two years. The fair value of the Options granted was estimated at $39,795 using the Black-Scholes option pricing model, using the following assumptions.

Expected option life 5 years
Volatility 100%
Risk-free interest rate 1.70%
Dividend yield 0%

During the year ended March 31, 2015, the Company recorded $17,572 in share-based compensation related to the vesting of these options.

(iii) On January 28, 2015, 1,200,000 Options were issued to certain consultants of the Company in connection with the Amalgamation and vest immediately. The fair value of the Options granted was estimated at $47,291 using the Black-Scholes option pricing model, using the following assumptions.

Expected option life 3 years
Volatility 100%
Risk-free interest rate 0.46%
Dividend yield 0%

These options contributed $47,291 towards the consideration granted in connection with the asset acquisition *(Note 5)*.

(iv) On January 28, 2015, 1,003,400 Options were issued in connection with the Amalgamation. These Options vest immediately. The fair value of the Options granted was estimated at $63,986 using the Black-Scholes option pricing model, using the following weighted average assumptions.

Expected option life 4.25 years
Volatility 100%
Risk-free interest rate 0.6%
Dividend yield 0%

These options contributed $63,986 towards the consideration granted in connection with the asset acquisition *(Note 5)*.

(v) During the year ended March 31, 2015, $28,056 (2014 - $356,274) was recorded in share-based payments related to options issued prior to March 31, 2013.

As at March 31, 2015, 7,710,067 (2014 – 5,671,111) options were exercisable.

17. Warrants

A summary of warrants outstanding at March 31, 2015 was as follows:

		Number of Warrants	Weighted Average Exercise Price ($)
Balance, March 31, 2013		5,290,756	1.00
Expired during the year		(353,415)	1.00
Balance, March 31, 2014	(i)	4,937,341	1.00
Granted during the year	(ii)	2,587,967	1.40
Expired during the year	(ii)	(2,587,967)	1.40
Balance, March 31, 2015		**4,937,341**	**1.00**

		Number of Warrants	Remaining Contractual Life in Years
Expiry July 6, 2015	(ii)	4,937,341	0.27

(i) The 4,937,341 warrants were originally due to expire on July 6, 2013. On July 5, 2013, their term was extended for 12 months and on June 24, 2014, the Company received consent from the TSX Venture Exchange to extend the expiry date of the 4,937,341 warrants for a further 12 months. The warrants expired on July 6, 2015.

(ii) On January 28, 2015, 2,587,967 Options were issued in connection with the Amalgamation *(Note 5)*. Due to their short term to expiry the warrants were valued at $nil.

18. Operating Costs

Operating costs consist of the following:

	March 31, 2015	March 31, 2014
Exploration data acquisition and interpretation and technical consulting	**$ 11,475,602**	730,834
Exploration license fees	**416,489**	291,079
Travel expenses	**196,241**	75,156
Recovered under JOAs *(Note 7(viii))*	**(9,952,268)**	(186,511)
	$ 2,136,064	$ 910,558

19. General and Administrative Costs

General and administrative costs consist of the following:

	March 31, 2015	March 31, 2014
Occupancy and office expenses	**$ 290,804**	$ 338,075
Travel expenses	**217,029**	240,309
Public company costs	**83,105**	86,389
Insurance	**69,381**	45,331
Financial services	**12,222**	8,215
Advertising and communication	**6,535**	2,857
Depreciation	**3,475**	2,704
Recovered under JOAs *(Note 7)*	**(133,648)**	(49,786)
	548,903	674,094

20. Earnings per Share

The Company's 8,473,400 (2014 – 6,010,000) options and 4,937,341 (2014 - 4,937,341) warrants have been excluded from the calculation of dilutive earnings per share as their inclusion would be antidilutive.

21. Subsequent Events

a) Subsequent to year end, and in connection with the ECO Share Repurchase Program *(Note 10(v))*, 1,312,000 common shares were purchased for cash consideration of $113,728. Subsequent to year end, the Company cancelled 1,514,000 common shares which include shares held in treasury at year end *(Note 10(vii))*.

b) On May 15, 2015, the Company issued 250,000 common shares in connection with the RSU's granted on January 28, 2015 *(Note 10(iii))* and recorded as shares to be issued at March 31, 2015.